



# 2022-2023

Annual Comprehensive Financial Report  
Year Ended June 30, 2023

[www.cityoforange.org/budgets](http://www.cityoforange.org/budgets)



# **City of Orange**

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

### **Annual Comprehensive Financial Report**

### **Fiscal Year Ended June 30, 2023**

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF ORANGE, CALIFORNIA  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2023

Table of Contents

Page  
Number

INTRODUCTORY SECTION:

Letter of Transmittal.....	i
Organization Chart.....	v
Elected Positions and Administrative Personnel.....	vi

FINANCIAL SECTION:

Independent Auditors' Report.....	1
Management's Discussion and Analysis (Required Supplementary Information).....	7

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position .....	21
Statement of Activities.....	22

Fund Financial Statements:

Governmental Funds:

Balance Sheet .....	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	31
Statement of Revenues, Expenditures and Changes in Fund Balances.....	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	35

Proprietary Funds:

Statement of Net Position.....	36
Statement of Revenues, Expenses and Changes in Fund Net Position .....	37
Statement of Cash Flows .....	38

Fiduciary Funds:

Statement of Fiduciary Net Position .....	40
Statement of Changes in Fiduciary Net Position .....	41

Notes to the Financial Statements .....	47
---	----

Required Supplementary Information:

Budgetary Comparison Schedule - General Fund .....	93
Budgetary Comparison Schedule - Proposition 172.....	94
Budgetary Comparison Schedule - Measure M.....	95
Budgetary Comparison Schedule - Federal, State, and Local Grants.....	96
Budgetary Comparison Schedule - Housing Successor.....	97

OPEB Plan

Schedule of Changes in Total OPEB Liability and Related Ratios.....	98
---	----



CITY OF ORANGE, CALIFORNIA  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2023

Table of Contents

Page  
Number

Pension Plan	
Miscellaneous Plan:	
Schedule of Changes in the Net Pension Liability and Related Ratios .....	100
Safety Plan:	
Schedule of Changes in the Net Pension Liability and Related Ratios .....	102
Schedule of Plan Contributions .....	104
Notes to Required Supplementary Information .....	105
Supplementary Schedules:	
Non-Major Governmental Funds:	
Combining Balance Sheet .....	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	116
Budgetary Comparison Schedules – Non-major Special Revenue Funds:	
EMT Transport .....	121
1% PEG Program .....	122
Certified Access Specialist Program (CASP) Certification & Training .....	123
Headstart Building Maintenance .....	124
Air Pollution Reduction .....	125
Gas Tax .....	126
Road Maintenance Rehabilitation Account (RMRA) .....	127
Transportation System Improvement Program (TSIP) .....	128
Landscape Maintenance Assessment Districts .....	129
Asset Seizure .....	130
SB2- Building Homes and Jobs Act. ....	131
Housing in Lieu .....	132
Budgetary Comparison Schedules – Capital Projects Funds:	
Capital Improvement .....	134
Park Acquisition, Development and Maintenance .....	135
Drainage District .....	136
Fire Facilities Fees .....	137
Police Facilities Fees .....	138
Library Facilities Fees .....	139
Budgetary Comparison Schedules – Debt Service Funds:	
Debt Service .....	142
Internal Service Funds:	
Combining Statement of Net Position .....	144
Combining Statement of Revenues, Expenses and Changes in Net Position .....	146
Combining Statement of Cash Flows .....	148

CITY OF ORANGE, CALIFORNIA  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2023

Table of Contents

Page  
Number

**STATISTICAL SECTION:**

Net Position by Component - Last Ten Fiscal Years .....	154
Changes in Net Position - Governmental Activities - Last Ten Fiscal Years .....	156
Changes in Net Position - Business-type Activities - Last Ten Fiscal Years .....	158
Fund Balances of Governmental Funds - Last Ten Fiscal Years .....	160
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years .....	162
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	164
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years .....	166
Principal Property Taxpayers - Current Year and Nine Years Ago .....	168
Property Tax Levies and Collections - Last Ten Fiscal Years .....	169
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years .....	170
Direct and Overlapping Debt .....	173
Legal Debt Margin Information - Last Ten Fiscal Years .....	174
Pledged-Revenue Coverage - Last Ten Fiscal Years .....	176
Demographic and Economic Statistics - Last Ten Fiscal Years .....	177
Principal Employers - Current Year and Nine Years Ago .....	178
Full-time Equivalents by Function - Last Ten Fiscal Years.....	179
Operating Indicators by Department - Last Seven Fiscal Years.....	180
Capital Asset Statistics by Department - Last Seven Fiscal Years .....	182

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

# ***Introductory Section***



**THIS PAGE INTENTIONALLY LEFT BLANK**





March 27, 2024

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. Due to extenuating circumstances, the City requested and was approved for an extension to complete the financial statements; this report fulfills the requirement for the fiscal year ended June 30, 2023.

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, 2023. 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 a modest improvement since the COVID 19 pandemic and a forecasted recession. The City's General Fund revenues, which includes sales tax, property tax, transient occupancy tax, licenses and permits, and fees for services, ended the 2023 Fiscal Year (FY) with an overall decrease of -1.53% or (\$2.2) million compared to FY 2022.



The top two revenue sources are sales tax and property tax. Property tax revenue ended the year of 5.54% or \$2.8 million higher than FY 2022 due to residential assessed value increases driven by changes in ownership. Based on information from the City’s consultant, the sales tax decline of 6.06% or (\$3.3) million was driven by a significant drop in revenues from fuel and service station providers which comprise approximately 26% of the total sale tax revenues. They report that the price of petroleum products fell sharply in the last 6 months of 2023 compared to the spike that occurred in 2022. While the total revenue reduction is not significant year over year the lack of tax revenue growth does present fiscal challenges highlighting the economic uncertainty that remains with high inflation and record high interest rates which will continue to impact the City’s revenue sources.

### 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, 2023, there are 369 of the City’s 666 active employees (55.4%) 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 several 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 2016. In addition, changes in actuarial assumptions based on life expectancy have increased retirement costs for all agencies. In FY 2013, City Council established a contingency reserve in the Employee Accrued Liability Fund which set-aside monies to be used to offset future retirement costs. \$6.8 million has been set aside as of June 30, 2023.

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 balance of the outstanding bonds at the end of FY 2023 is \$268,670,000.

#### ACKNOWLEDGEMENTS

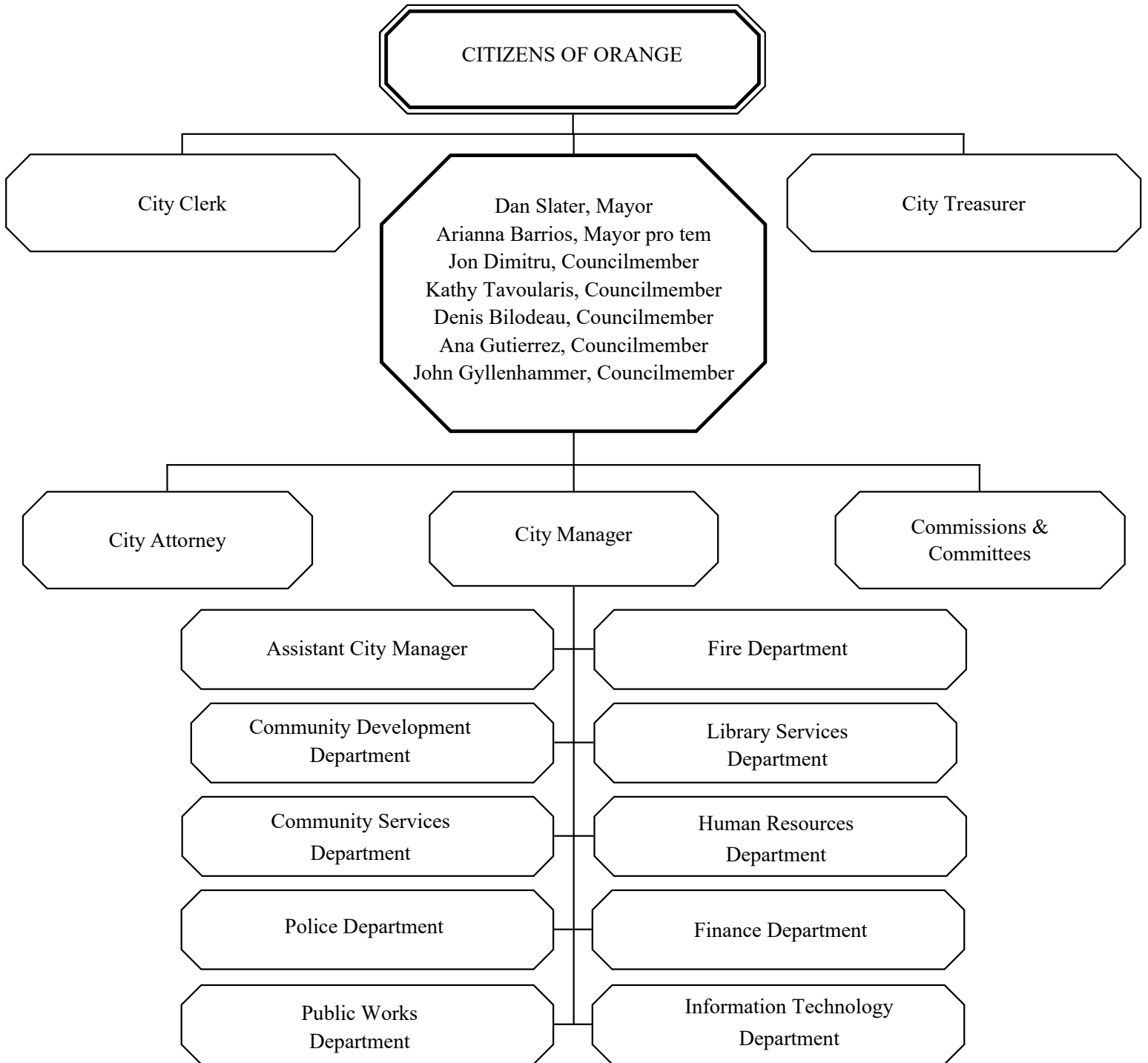
The preparation of the ACFR could not have been accomplished without the efficient and dedicated service of the Finance Department staff. We would like to express our appreciation to all members of the Department who assisted and contributed to the preparation of this report, particularly the Accounting division's financial reporting team. We also appreciate the assistance and support from the 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,

Trang Nguyen  
Finance Director

# CITY OF ORANGE

Organization Chart at June 30, 2023





**AT JUNE 30, 2023**

**ELECTED POSITIONS**

Dan Slater .....Mayor  
Arianna Barrios .....Mayor Pro Tem  
Jon Dumitru .....Council Member District 2  
Kathy Tavoularis .....Council Member District 3  
Denis Bilodeau .....Council Member District 4  
Ana Gutierrez .....Council Member District 5  
John Gyllenhammer .....Council Member District 6  
Richard A. Rohm..... City Treasurer  
Pamela Coleman..... City Clerk

**ADMINISTRATIVE PERSONNEL**

Tom Kisela.....City Manager  
Mike Viglitotta.....City Attorney  
Susan Galvan.....Assistant City Manager  
Trang Nguyen ..... Finance Director  
Leslie Hardy..... Community Services Director  
Dan Adams..... Police Chief  
Christopher Cash..... Public Works Director  
Sean Demetropolis ..... Fire Chief  
Russell Bunim..... Community Development Director  
Monica Espinoza.....Human Resources Director  
Dave F. Curtis.....Library Services Director

City of  
**Orange**  
City Council



**Dan Slater**  
Mayor



**Arianna Barrios**  
Mayor pro tem  
District 1



**Jon Dumitru**  
Councilmember  
District 2



**Kathy Tavoularis**  
Councilmember  
District 3



**Denis Bilodeau**  
Councilmember  
District 4



**Ana Gutierrez**  
Councilmember  
District 5



**John Gyllenhammer**  
Councilmember  
District 6

# City of Orange

Elected Officials



**Richard A. Rohm**  
City Treasurer



**Pamela Coleman**  
City Clerk

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## ***Financial Section***





**THIS PAGE INTENTIONALLY LEFT BLANK**



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of 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, 2023, 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, 2023, 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 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter

##### *Change in Accounting Principle*

As described in Note 1 to the financial statements, in 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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.

### ***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 postemployment 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 accompanying 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 basic 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 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024, 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 City's internal control over financial reporting and compliance.

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

Brea, California  
March 27, 2024

**THIS PAGE INTENTIONALLY LEFT BLANK**



---

# ***Management's Discussion and Analysis***



**THIS PAGE INTENTIONALLY LEFT BLANK**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Orange, we offer readers of the City of Orange's financial statements this narrative overview and analysis of the financial activities of the City of Orange for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

### **Financial Highlights**

- The assets of the City exceeded its liabilities, on June 30, 2023, by over \$697 million (net position). Of this amount, over \$557 million or 80% is in the governmental funds and almost \$140 million or 20% is in the enterprise funds.
- As of June 30, 2023, the City's governmental activities reported combined ending net position of over \$557 million, a decrease of \$2 million in comparison with the prior year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are 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 like 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 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 28 and 35.

**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 144-149.

**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 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  
 Summary of Net Position  
 For Fiscal Years Ended June 30, 2023 and 2022  
 (Amounts Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Current and Other Assets	\$ 170,784	\$ 286,562	\$ 43,975	\$ 47,538	\$ 214,759	\$ 334,100
Capital Assets	724,213	707,431	128,338	131,950	852,551	839,381
<b>Total Assets</b>	<b>894,997</b>	<b>993,993</b>	<b>172,313</b>	<b>179,488</b>	<b>1,067,310</b>	<b>1,173,481</b>
<b>Deferred Outflows of Resources</b>	<b>100,865</b>	<b>23,394</b>	<b>8,775</b>	<b>2,809</b>	<b>109,640</b>	<b>26,203</b>
<b>LIABILITIES</b>						
Current Liabilities	20,468	23,751	6,646	7,206	27,114	30,957
Non-current Liabilities	404,027	353,666	31,693	30,087	435,720	383,753
<b>Total Liabilities</b>	<b>424,495</b>	<b>377,417</b>	<b>38,339</b>	<b>37,293</b>	<b>462,834</b>	<b>414,710</b>
<b>Deferred Inflows of Resources</b>	<b>13,802</b>	<b>80,385</b>	<b>2,951</b>	<b>7,662</b>	<b>16,753</b>	<b>88,047</b>
<b>NET POSITION</b>						
Net Investment Capital Assets	684,072	683,891	127,758	131,950	811,830	815,841
Restricted	69,119	50,066	-	-	69,119	50,066
Unrestricted	(195,626)	(174,372)	12,040	5,392	(183,586)	(168,980)
<b>Total Net Position</b>	<b>\$ 557,565</b>	<b>\$ 559,585</b>	<b>\$ 139,798</b>	<b>\$ 137,342</b>	<b>\$ 697,363</b>	<b>\$ 696,927</b>

### Governmental Activities:

The total assets exceeded the total liabilities by \$557 million at the close of Fiscal Year 2023. The total assets decreased by almost \$100 million or 10% from \$994 million down to \$895 million. This is due mainly to the loss of the net pension assets of \$104 million in the prior year. And the total liabilities increased by \$47 million from the prior year primarily due to the increase in net pension liability.

The unrestricted net position is a negative (\$195) million, an increase of \$21 million or 12% over the prior year. The negative unrestricted net position is mainly from long-term liabilities such as the pension obligation bond. The restricted net position increased by \$19 million or 38%. The restricted net position is stipulated from agreements with external parties and City Council policies.

### Business Type Activities:

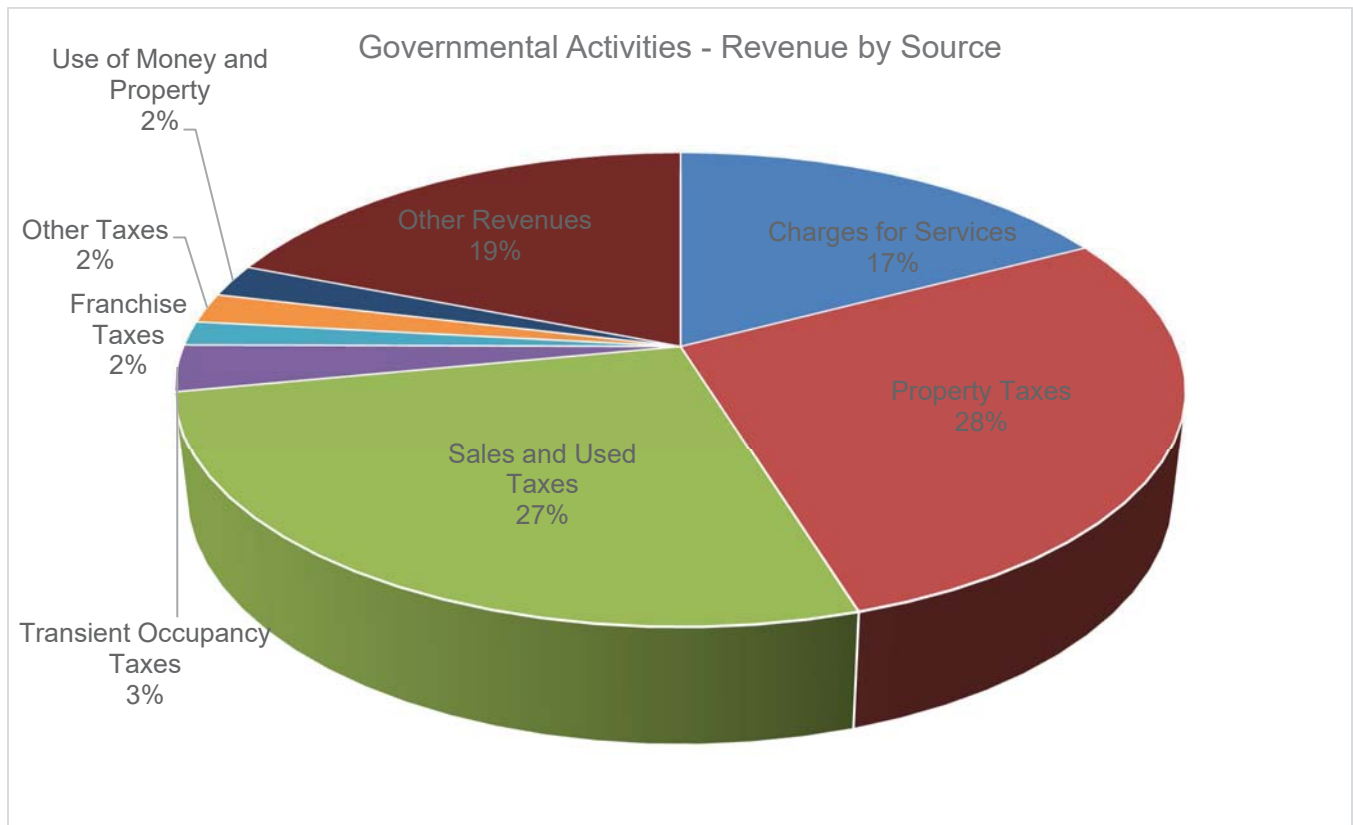
Similar to governmental activities, the total assets exceeded the total liabilities by \$139 million at the close of the fiscal year. More than 90% or over \$127 million of the net position is the net investment in capital assets. The remaining 9% or \$12 million is unrestricted and is available. The total assets decreased \$7 million from last year due to the loss of the net pension assets. Total liabilities increased by about \$1 million from the prior year due to the increase in net pension liability.

## GOVERNMENTAL ACTIVITIES HIGHLIGHTS AND ANALYSIS

### Governmental Fund Revenues:

The graph below shows a summary of governmental activities 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, 2023.

- The governmental activities revenues totaled \$192 million, a decrease of \$4.9 million or 2% from the prior year.
- Approximately 75% of the governmental activities revenues came from the following categories:
  - Property Tax at 28% or \$53.8 million,
  - Sales and Used Tax at 27% or \$51.4 million,
  - Charges for Services at 17% or \$33.3 million, and
  - Transient Occupancy Taxes at 3% or \$6.1 million.

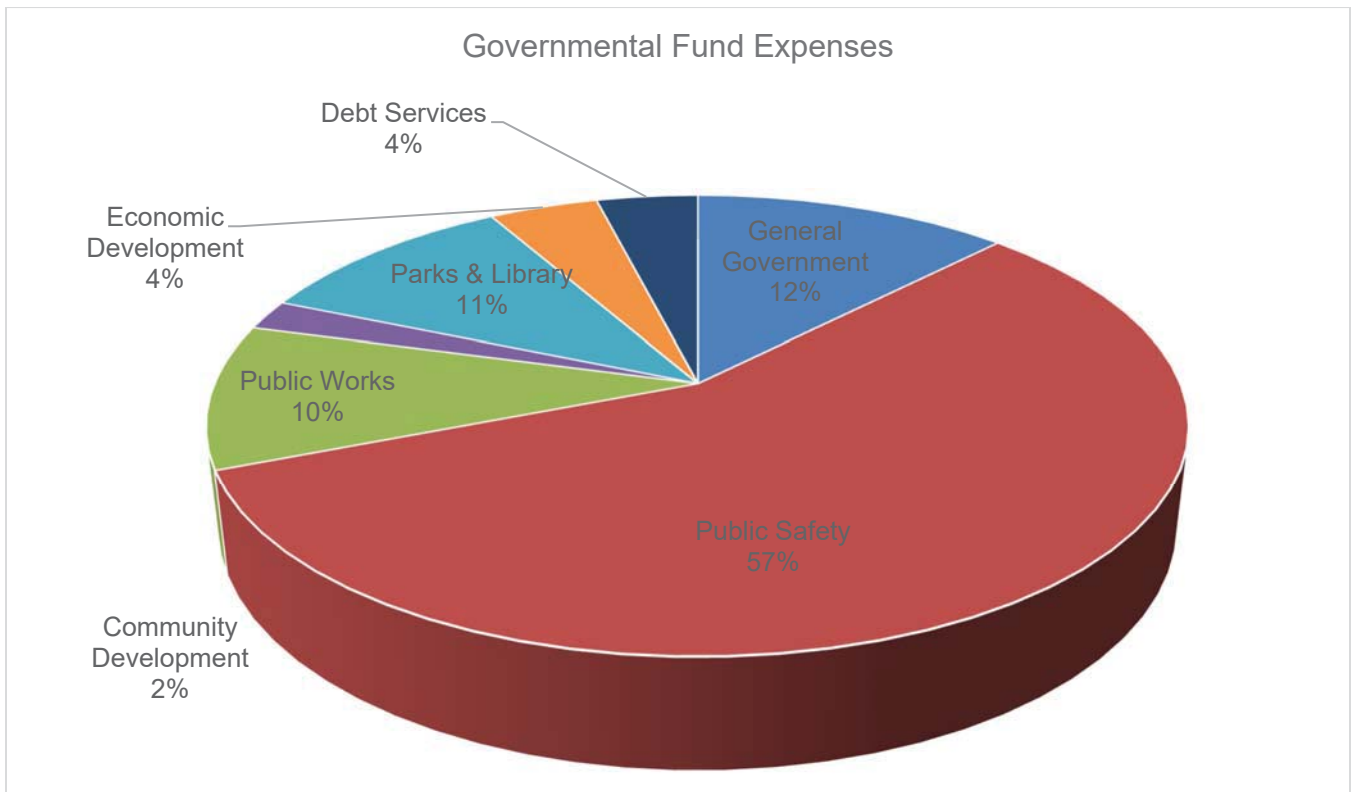


Governmental Activities Expenses:

The graph below shows a summary of Governmental activities' expenses which includes the various departments, such as, Public Safety, Public Works, Parks and Library and General Government (administration) that are used to provide services to the community.

The governmental activities' expenses ended the 2023 fiscal year at \$194 million, an increase of \$32.9 million or 17% compared to the prior year.

- \$110.2 million of 57% is used for Public Safety
- \$19.7 million or 10% is used for Public Works
- \$20.3 Million or 11% is used for Parks and Library
- \$24.1 million or 12% is used for General Government



**City of Orange**  
**Summary of Net Position**  
**For Fiscal Years Ended June 30, 2023 and 2022**  
*(Amounts Expressed in Thousands)*

<b>REVENUES:</b>	<b>Governmental Activities</b>		<b>Amount</b>
	<b>2023</b>	<b>2022</b>	<b>Increase (Decrease)</b>
Program Revenues:			
Charges for Services	\$ 33,276	\$ 22,119	\$ 11,157
Operating Grants and Contributions	6,117	19,559	(13,442)
Capital Grants and Contributions	8,934	7,934	1,000
General Revenues:			
Taxes			
Property Taxes	53,784	50,960	2,824
Sales and Use Taxes	51,389	54,703	(3,314)
Transient Occupancy Taxes	6,080	5,253	827
Franchise Taxes	3,149	2,872	277
Other Taxes	3,897	26	3,871
Use of Money and Property	4,287	(2,756)	7,043
Other Revenues	21,366	36,667	(15,301)
Transfers	153	-	153
<b>Total Revenues</b>	<b>192,432</b>	<b>197,337</b>	<b>(4,905)</b>
<b>EXPENSES:</b>			
Program Activities			
General Government	24,084	13,172	10,912
Public Safety	110,206	91,321	18,885
Public Works	19,716	22,820	(3,104)
Community Development	4,113	3,304	809
Parks & Library	20,277	17,811	2,466
Economic Development	8,311	4,562	3,749
Debt Services	-	677	(677)
Interest on Long-term Debts	7,745	7,850	(105)
<b>Total Expenses</b>	<b>194,452</b>	<b>161,517</b>	<b>32,935</b>
<b>Changes in Net Position</b>	<b>\$ (2,020)</b>	<b>\$ 35,820</b>	<b>\$ (37,840)</b>

The chart above is a summary of net position for the governmental activities for revenues and expenses compared to the prior year.

The significant variances in revenues for Charges for Services and Other Revenues are primarily due to recategorization of revenues to achieve standardization of reporting. The variance in Operating Grant and Contributions is primarily due to the reduction in American Rescue Plan (ARPA) COVID related funding from the various federal agencies. In FY 2022, the City received over \$14 million compared to under \$50k in the current year.

Overall, the net decrease in governmental revenues totaled \$4.9 million compared to the prior year.

Overall expenses increased by almost \$33 million or 20% compared to the prior fiscal year. This increase is due to higher costs for Public Safety of almost \$19 million and general government of \$11 million.

The increase in Public Safety costs is due to the combination of the increase in the pension liability and adding an additional 22 Full Time Equivalents (FTE). The 22 positions were added to the Fire and Police Department during the year.



Similar to public safety, the increase of \$11 million in general government is due to the increase in pension liability and the implementation of GASB No. 96, Subscription-Based Information Technology Arrangements in the fiscal year ended June 30, 2023.

The FY2023 ending change in net position of negative \$2.2 million compared to the prior year's change in net position of \$35.8 million represents a \$37.8 million decrease. This change was driven by an increase in expenses of \$33.3 million coupled with a net decrease in revenues of \$4.9 million.

### **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. 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 \$109 million, a decrease of \$25 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 and the total fund balance at year end was \$25.7 million, a decrease of \$19.4 million from the prior year.

Other General Fund highlights include:

- Restricted fund balance of \$22.5 million was 16.6% of total General Fund expenditures.
- General Fund revenues decreased \$2.2 million. This decrease is mainly due to one-time grant revenues and sluggish sales tax revenue compared to the prior year.
- General Fund operating expenditures totaled \$138 million, an increase of \$10 million compared to the prior fiscal year.
- General Fund transfers out totaling \$23 million, an increase of \$6.9 million over the prior year went to restoring fund balances in the Internal Services Funds.

**City of Orange**  
**General Fund Revenues and Other Financing Sources**  
**For Fiscal Years Ended June 30, 2023 and 2022**  
*(Amounts Expressed in Thousands)*

	<b>2023</b>	<b>Percent of</b>	<b>2022</b>	<b>Percent of</b>	<b>Increase</b>
	<b>Actuals</b>	<b>Total</b>	<b>Actuals</b>	<b>Total</b>	<b>(Decrease)</b>
Taxes	\$ 108,953	77%	\$ 105,027	74%	\$ 3,926
Franchise Fees	2,622	2%	2,677	2%	(55)
Licenses and Permits	6,584	5%	5,963	4%	621
Fines and Forfeitures	2,007	1%	1,943	1%	64
Use of Money and Property	2,409	2%	(1,737)	-1%	4,146
Intergovernmental Revenues	1,247	1%	15,781	11%	(14,534)
Charges for Services and Fees	10,900	8%	8,475	6%	2,425
Other Revenues	5,500	4%	4,319	3%	1,181
Total Revenues	140,222	99%	142,448	100%	(2,226)
Other Financing Sources	2,000	1%	119	0%	1,881
Total Revenues & Other Financing Sources	\$ 142,222	100%	142,567	100%	\$ (345)

**City of Orange**  
**General Fund Expenditures and Other Financing Uses**  
**For Fiscal Years Ended June 30, 2023 and 2022**  
*(Amounts Expressed in Thousands)*

	<b>2023</b>	<b>Percent of</b>	<b>2022</b>	<b>Percent of</b>	<b>Increase</b>
	<b>Actuals</b>	<b>Total</b>	<b>Actuals</b>	<b>Total</b>	<b>(Decrease)</b>
General Government	\$ 14,806	9%	\$ 9,881	7%	\$ 4,925
Public Safety	91,458	57%	87,494	61%	3,964
Public Works	9,800	6%	9,659	7%	141
Parks and Library	16,543	10%	15,238	11%	1,305
Community Development	3,649	2%	3,190	2%	459
Economic Development	138	0%	205	0%	(67)
Debt Services	1,872	1%	1,945	1%	(73)
Other Expenses	72	0%	382	0%	(310)
Total Expenditures	138,338	86%	127,994	89%	10,344
Other Financing Uses	23,277	14%	16,350	11%	6,927
Total Expenditures & Other Financing Sources	\$ 161,615	100%	\$ 144,344	100%	\$ 17,271

## 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 remained flat, while expenses had a slight increase of \$1.5 million or 3%. The Water Fund saw a decrease in expenses due to vacancies in the division, the Sanitation Fund had an increase of \$3.4 million from the prior year due to pension and depreciation expenses.

**Enterprise Fund - Net Position.** Although there was a slight increase in expenses, the stable growth in revenues provided a positive net position to the Enterprise Funds of almost \$2.5 million for the fiscal year ended June 30, 2023.

**City of Orange**  
**Summary of Net Position**  
**Business- Type Activities**  
**For Fiscal Years Ended June 30, 2023 and 2022**  
*(Amounts Expressed in Thousands)*

	<b>Business-Type Activities</b>		<b>Amount</b>
<b>REVENUES:</b>	<b>2023</b>	<b>2022</b>	<b>Increase</b>
			<b>(Decrease)</b>
Program Revenues:			
Charges for Services	\$ 46,762	\$ 48,688	\$ (1,926)
General Revenues:			
Use of Money and Property	324	-	324
Other Revenues	478	(940)	1,418
Transfers	(153)	-	(153)
<b>Total Revenues</b>	<b>47,411</b>	<b>47,748</b>	<b>(337)</b>
<b>EXPENSES:</b>			
Program Activities			
Water	34,894	36,818	(1,924)
Sanitation	10,061	6,670	3,391
<b>Total Expenses</b>	<b>44,955</b>	<b>43,488</b>	<b>1,467</b>
<b>Changes in Net Position</b>	<b>\$ 2,456</b>	<b>\$ 4,260</b>	<b>\$ (1,804)</b>

**Internal Service Funds** - During Fiscal Year 2022-23, the Internal Service Funds had total revenues of \$35.8 million. This represents an increase of \$13.6 million over the prior year, mainly due to increases in transfers from the General Fund. On the expense side, these funds had a combined increase of almost \$12 million.

**Internal Service Funds - Net Position.** The combined \$16 million one-time transfer from the General Fund and operating revenues of \$19 million contributed to the increase in net position over the prior year by slightly more than \$1.6 million.

**City of Orange**  
**Summary of Net Position**  
**Internal Service Funds**  
**For Fiscal Years Ended June 30, 2023 and 2022**  
*(Amounts Expressed in Thousands)*

	Internal Service Activities		Amount
	2023	2022	Increase (Decrease)
<b>REVENUES:</b>			
Operating Revenues	\$ 19,670	\$ 17,146	\$ 2,524
Nonoperating Revenues	-	90	(90)
Transfers In	16,280	9,288	6,992
<b>Total Revenues</b>	<b>35,950</b>	<b>26,524</b>	<b>9,426</b>
<b>EXPENSES:</b>			
Operating Expenses	23,098	12,413	10,685
Nonoperating Expenses	134	4,292	
Transfers Out	1,250	-	1,250
<b>Total Expenses</b>	<b>24,482</b>	<b>16,705</b>	<b>11,935</b>
<b>Changes in Net Position</b>	<b>\$ 11,468</b>	<b>\$ 9,819</b>	<b>\$ 1,649</b>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City's Five-Year Capital Improvement Plan estimates spending \$122 million in Fiscal Years 2022-23 through 2026-27. Funding will come from current fund balances, projected revenues over the next five years, grants, and private donations. The following chart shows capital assets at June 30, 2023.

**City of Orange**  
**Summary of Capital Assets (Net of Depreciation/Amortization)**  
**For Fiscal Years Ended June 30, 2023 and 2022**  
*(Amounts Expressed in Thousands)*

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and Improvements	\$ 80,626	\$ 80,318	\$ 2,647	\$ 2,647	\$ 83,273	\$ 82,965
Projects in Progress	366,786	379,753	5,116	3,940	371,902	383,693
Buildings	110,578	90,573	791	1,754	111,369	92,327
Furniture, Fixture & Equipment	15,617	16,877	8,100	8,597	23,717	25,474
Infrastructures	142,513	139,910	110,969	115,012	253,482	254,922
Lease Assets	129	-	-	-	129	-
Subscription Assets	7,964	-	715	-	8,679	-
<b>Total Capital Assets</b>	<b>\$ 724,213</b>	<b>\$ 707,431</b>	<b>\$ 128,338</b>	<b>\$ 131,950</b>	<b>\$ 852,551</b>	<b>\$ 839,381</b>

More detailed information on the City's capital asset activity can be found in note 5 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, liabilities for compensated absences, insurance claims and the newly implemented GASB No. 96 subscriptions. The following is a reconciliation of these liabilities for the year ended June 30, 2023:

**City of Orange**  
**Summary of Changes in Long-Term Liabilities**  
*(Amounts Expressed in Thousands)*

	<b>Balance</b>			<b>Balance</b>	
	<b>June 30,</b>			<b>June 30,</b>	
<b>Government Activities</b>	<b>2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>2023</b>	<b>Due Within</b>
					<b>One-Year</b>
Loans Payable	\$ 304	\$ -	\$ 156	\$ 148	\$ 70
Lease Payable	151	52	81	122	75
Subscription Payable	-	9,358	2,283	7,075	1,176
Lease Revenue Bond	29,410	-	550	28,860	570
Premium on Lease Revenue Bond	4,084	-	146	3,938	-
Pension Obligation Bond	258,348	-	9,378	248,970	10,337
Compensated Absences	9,704	4,273	4,381	9,596	4,333
Claims Payable	16,231	2,397	2,847	15,781	5,331
<b>Total Government Activities</b>	<b>318,232</b>	<b>16,080</b>	<b>19,822</b>	<b>314,490</b>	<b>21,892</b>
<b>Business-type Activities</b>					
Compensated Absences	774	159	164	769	163
Pension Obligation Bond	20,442	-	742	19,700	818
Subscription Payable	-	756	177	579	163
<b>Total Business-type Activities</b>	<b>21,216</b>	<b>915</b>	<b>1,083</b>	<b>21,048</b>	<b>1,144</b>
<b>Total Government-wide</b>	<b>\$ 339,448</b>	<b>\$ 16,995</b>	<b>\$ 20,905</b>	<b>\$ 335,538</b>	<b>\$ 23,036</b>

More detailed information on the City's long-term liabilities activity can be found in note 11 of the Notes to the Financial Statements.

**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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

***Government-wide  
Financial Statements***



**THIS PAGE INTENTIONALLY LEFT BLANK**



**CITY OF ORANGE**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 114,203,673	\$ 34,960,334	\$ 149,164,007
Receivables (net of uncollectibles):			
Accounts	6,845,010	8,037,677	14,882,687
Taxes	10,136,974	1,101	10,138,075
Accrued interest	639,959	173,090	813,049
Due from other governments	2,278,514	-	2,278,514
Notes and loans	25,007,424	-	25,007,424
Leases	271,704	-	271,704
Restricted assets:			
Cash with fiscal agent	10,781,277	834	10,782,111
Inventories	577,843	802,051	1,379,894
Prepaid costs	41,500	-	41,500
Capital assets (not being depreciated/amortized)	447,411,545	7,763,064	455,174,609
Capital assets (net of accumulated depreciation/amortization)	276,801,360	120,575,006	397,376,366
<b>Total assets</b>	<b>894,996,783</b>	<b>172,313,157</b>	<b>1,067,309,940</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-related	93,743,727	6,994,883	100,738,610
OPEB-related	7,120,978	1,780,244	8,901,222
<b>Total deferred outflows of resources</b>	<b>100,864,705</b>	<b>8,775,127</b>	<b>109,639,832</b>
<b>LIABILITIES</b>			
Accounts payable	10,018,209	6,464,929	16,483,138
Contracts payable	285,670	-	285,670
Due to other governments	14,774	-	14,774
Accrued liabilities	5,680,239	-	5,680,239
Accrued interest	742,050	-	742,050
Deposits payable	2,415,362	129,326	2,544,688
Unearned revenue	1,311,087	51,601	1,362,688
Noncurrent liabilities:			
Due within one year: bonds, loans, leases, subscriptions, claims, and compensated absences	21,892,394	1,143,766	23,036,160
Due in more than one year:			
Net pension liability	59,611,458	3,161,400	62,772,858
Net OPEB liability	29,929,092	7,482,273	37,411,365
Bonds, loans, leases, subscriptions, claims, and compensated absences	292,594,405	19,905,672	312,500,077
<b>Total liabilities</b>	<b>424,494,740</b>	<b>38,338,967</b>	<b>462,833,707</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension-related	4,436,616	665,243	5,101,859
OPEB-related	9,142,697	2,285,674	11,428,371
Lease-related	222,884	-	222,884
<b>Total deferred inflows of resources</b>	<b>13,802,197</b>	<b>2,950,917</b>	<b>16,753,114</b>
<b>NET POSITION</b>			
Net investment in capital assets	684,071,711	127,758,485	811,830,196
Restricted:			
Special projects and programs	69,118,798	-	69,118,798
Unrestricted	(195,625,958)	12,039,915	(183,586,043)
<b>Total net position</b>	<b>\$ 557,564,551</b>	<b>\$ 139,798,400</b>	<b>\$ 697,362,951</b>

CITY OF ORANGE  
Statement of Activities  
For the Year Ended June 30, 2023

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
<b>Functions/Programs:</b>				
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ 24,083,824	\$ 7,306,367	\$ 4,456,079	\$ 14,396
Public safety	110,206,495	9,973,692	1,058,249	501,030
Community development	4,112,664	4,141,083	-	944,217
Parks and library	20,276,823	1,425,928	602,184	-
Public works	19,715,973	10,428,888	-	7,474,423
Economic development	8,310,619	-	-	-
Interest on long-term debt	7,745,269	-	-	-
<b>Total governmental activities</b>	<b>194,451,667</b>	<b>33,275,958</b>	<b>6,116,512</b>	<b>8,934,066</b>
<b>Business-type activities:</b>				
Sanitation	10,061,616	8,300,397	-	-
Water	34,893,589	38,461,941	-	-
<b>Total business-type activities</b>	<b>44,955,205</b>	<b>46,762,338</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 239,406,872</b>	<b>\$ 80,038,296</b>	<b>\$ 6,116,512</b>	<b>\$ 8,934,066</b>
<b>General revenues and transfers:</b>				
General revenues:				
Property taxes				
Sales and use taxes				
Transient occupancy taxes				
Franchise taxes				
Other taxes				
Use of money and property				
Other				
Transfers				
<b>Total general revenues and transfers</b>				
<b>Change in net position</b>				
Net position-beginning				
<b>Net position-ending</b>				

**Net (Expenses) Revenues and  
Changes in Net Position**

**Primary Government**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (12,306,982)	\$ -	\$ (12,306,982)
(98,673,524)	-	(98,673,524)
972,636	-	972,636
(18,248,711)	-	(18,248,711)
(1,812,662)	-	(1,812,662)
(8,310,619)	-	(8,310,619)
(7,745,269)	-	(7,745,269)
<b>(146,125,131)</b>	<b>-</b>	<b>(146,125,131)</b>
-	(1,761,219)	(1,761,219)
-	3,568,352	3,568,352
-	<b>1,807,133</b>	<b>1,807,133</b>
<b>(146,125,131)</b>	<b>1,807,133</b>	<b>(144,317,998)</b>
53,784,303	-	53,784,303
51,389,099	-	51,389,099
6,080,399	-	6,080,399
3,148,573	-	3,148,573
3,897,046	-	3,897,046
4,287,125	324,028	4,611,153
21,365,548	477,874	21,843,422
153,054	(153,054)	-
<b>144,105,147</b>	<b>648,848</b>	<b>144,753,995</b>
<b>(2,019,984)</b>	<b>2,455,981</b>	<b>435,997</b>
559,584,535	137,342,419	696,926,954
<b>\$ 557,564,551</b>	<b>\$ 139,798,400</b>	<b>\$ 697,362,951</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

# ***Fund Financial Statements***



**THIS PAGE INTENTIONALLY LEFT BLANK**

## 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
- Measure M
- Federal, State and Local Grants
- Housing Successor

**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, 2023**

	<u>Special Revenue Funds</u>				
	<u>General</u>	<u>Proposition 172</u>	<u>Measure M</u>	<u>Federal, State &amp; Local Grants</u>	<u>Housing Successor</u>
<b>ASSETS</b>					
Cash and investments	\$ 26,170,333	\$ 150,291	\$ 6,282,803	\$ 1,425,695	\$ 3,057,633
Receivables (net of allowance for uncollectible):					
Accounts	1,607,219	-	-	1,735,180	1,001
Taxes	9,174,053	98,560	-	-	-
Accrued interest	411,467	3,102	34,888	12,448	11,454
Due from other governments	1,613,550	-	664,964	-	-
Notes and loans	-	-	-	3,837,291	14,240,247
Leases	265,852	-	-	-	-
Due from other funds	667,656	-	-	-	-
Inventories	130,663	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	28,913	-	-	-	-
<b>Total assets</b>	<b>\$ 40,069,706</b>	<b>\$ 251,953</b>	<b>\$ 6,982,655</b>	<b>\$ 7,010,614</b>	<b>\$ 17,310,335</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 4,248,048	\$ 1,177	\$ 714,160	\$ 606,553	\$ 10,575
Contracts payable	-	-	69,692	32,364	-
Due to other governments	-	-	-	14,774	-
Accrued liabilities	5,581,229	-	-	-	-
Deposits payable	2,412,222	-	1,450	-	-
Due to other funds	-	-	-	-	-
Unearned revenues	1,131,761	-	-	-	-
<b>Total liabilities</b>	<b>13,373,260</b>	<b>1,177</b>	<b>785,302</b>	<b>653,691</b>	<b>10,575</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	752,128	-	-	1,737,100	1,250,000
Lease-related	216,114	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>968,242</b>	<b>-</b>	<b>-</b>	<b>1,737,100</b>	<b>1,250,000</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	130,663	-	-	-	-
Restricted	22,506,997	250,776	6,197,353	4,619,823	16,049,760
Committed	630,545	-	-	-	-
Assigned	1,546,660	-	-	-	-
Unassigned	913,339	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>25,728,204</b>	<b>250,776</b>	<b>6,197,353</b>	<b>4,619,823</b>	<b>16,049,760</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 40,069,706</b>	<b>\$ 251,953</b>	<b>\$ 6,982,655</b>	<b>\$ 7,010,614</b>	<b>\$ 17,310,335</b>



**CITY OF ORANGE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	<u>Capital Projects Funds</u>			
		<u>Park</u>		
	<u>Capital</u>	<u>Acquisition,</u>	<u>Total</u>	<u>Total</u>
	<u>Improvement</u>	<u>Development</u>	<u>Non-major</u>	<u>Governmental</u>
		<u>and</u>	<u>Funds</u>	<u>Funds</u>
		<u>Maintenance</u>		
<b>ASSETS</b>				
Cash and investments	\$ 20,233,386	\$ 7,526,624	\$ 17,289,203	\$ 82,135,968
Receivables (net of allowance for uncollectible):				
Accounts	2,967,075	40,789	406,414	6,757,678
Taxes	-	-	864,361	10,136,974
Accrued interest	35,355	43,066	88,179	639,959
Due from other governments	-	-	-	2,278,514
Notes and loans	3,000,000	646,045	3,283,841	25,007,424
Leases	-	-	5,852	271,704
Due from other funds	-	-	-	667,656
Inventories	-	-	-	130,663
Restricted assets:				
Cash and investments with fiscal agents	10,752,197	-	-	10,781,110
<b>Total assets</b>	<b>\$ 36,988,013</b>	<b>\$ 8,256,524</b>	<b>\$ 21,937,850</b>	<b>\$ 138,807,650</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,598,315	\$ 384,509	\$ 1,474,447	\$ 9,037,784
Contracts payable	159,173	4,026	20,415	285,670
Due to other governments	-	-	-	14,774
Accrued liabilities	-	-	99,010	5,680,239
Deposits payable	-	-	1,690	2,415,362
Due to other funds	-	-	656,907	656,907
Unearned revenues	179,326	-	-	1,311,087
<b>Total liabilities</b>	<b>1,936,814</b>	<b>388,535</b>	<b>2,252,469</b>	<b>19,401,823</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	5,414,364	684,776	116,454	9,954,822
Lease-related	-	-	6,770	222,884
<b>Total deferred inflows of resources</b>	<b>5,414,364</b>	<b>684,776</b>	<b>123,224</b>	<b>10,177,706</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	130,663
Restricted	-	-	19,494,089	69,118,798
Committed	-	-	-	630,545
Assigned	29,636,835	7,183,213	1,538,984	39,905,692
Unassigned	-	-	(1,470,916)	(557,577)
<b>Total fund balances (deficits)</b>	<b>29,636,835</b>	<b>7,183,213</b>	<b>19,562,157</b>	<b>109,228,121</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 36,988,013</b>	<b>\$ 8,256,524</b>	<b>\$ 21,937,850</b>	<b>\$ 138,807,650</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF ORANGE**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2023**

---

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 109,228,121
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		699,528,219
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 92,344,752	
Deferred outflows-OPEB related	6,764,929	
Deferred inflows-pension related	(4,303,567)	
Deferred inflows-OPEB related	<u>(8,685,562)</u>	
Total deferred outflows and inflows related to postemployment benefits		86,120,552
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Long-term receivables	<u>9,954,822</u>	
Total other long-term assets		9,954,822
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		29,053,842
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds and loans payable	(277,975,198)	
Leases payable	(121,038)	
Subscription payable	(475,348)	
Compensated absences	(9,595,557)	
Accrued interest payable on long-term debt	(742,050)	
Net pension liability	(58,979,177)	
Net OPEB liability	<u>(28,432,637)</u>	
Total long-term liabilities		<u>(376,321,005)</u>
<b>Net position of governmental activities</b>		<b><u>\$ 557,564,551</u></b>

**CITY OF ORANGE**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	<b>Special Revenue Funds</b>				
	<b>General</b>	<b>Proposition 172</b>	<b>Measure M</b>	<b>Federal, State &amp; Local Grants</b>	<b>Housing Successor</b>
<b>REVENUES</b>					
Taxes	\$ 108,952,940	\$ 1,278,164	\$ 3,875,255	\$ -	\$ -
Franchise fees	2,622,044	-	-	-	-
Licenses and permits	6,583,598	-	-	-	-
Intergovernmental	1,246,649	-	182,629	1,457,719	-
Charges for services and fees	10,899,719	-	32,760	165,375	-
Use of money and property	2,409,120	(12,692)	54,501	44,334	650,408
Fines and forfeitures	2,006,648	-	-	-	-
Miscellaneous	5,501,110	-	-	117,425	-
<b>Total revenues</b>	<b>140,221,828</b>	<b>1,265,472</b>	<b>4,145,145</b>	<b>1,784,853</b>	<b>650,408</b>
<b>EXPENDITURES</b>					
Current:					
General government	14,805,544	26,512	-	-	21,600
Public safety	91,457,920	608,128	-	300,391	-
Community development	3,648,820	-	-	-	115,491
Parks and library	16,543,427	-	276,651	-	-
Public works	9,799,538	-	523,940	-	-
Economic development	137,853	-	-	2,147,610	5,980,421
Capital outlay	72,677	98,199	2,196,157	1,194,873	-
Debt service:					
Principal	706,439	-	-	-	-
Interest and fiscal charges	1,165,400	-	-	-	-
<b>Total expenditures</b>	<b>138,337,618</b>	<b>732,839</b>	<b>2,996,748</b>	<b>3,642,874</b>	<b>6,117,512</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,884,210</b>	<b>532,633</b>	<b>1,148,397</b>	<b>(1,858,021)</b>	<b>(5,467,104)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	2,000,000	-	-	-	-
Transfers out	(23,276,946)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(21,276,946)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(19,392,736)</b>	<b>532,633</b>	<b>1,148,397</b>	<b>(1,858,021)</b>	<b>(5,467,104)</b>
Fund balances (deficit)-beginning	45,120,940	(281,857)	5,048,956	6,477,844	21,516,864
<b>Fund balances (deficit)-ending</b>	<b>\$ 25,728,204</b>	<b>\$ 250,776</b>	<b>\$ 6,197,353</b>	<b>\$ 4,619,823</b>	<b>\$ 16,049,760</b>

**CITY OF ORANGE**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	<u>Capital Projects Funds</u>			
	<u>Park</u>			
	<u>Capital</u>	<u>Acquisition,</u>	<u>Total</u>	<u>Total</u>
	<u>Improvement</u>	<u>Development</u>	<u>Non-major</u>	<u>Governmental</u>
		<u>and</u>	<u>Funds</u>	<u>Funds</u>
		<u>Maintenance</u>		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 1,044,488	\$ 115,150,847
Franchise fees	-	-	526,529	3,148,573
Licenses and permits	-	-	7,698	6,591,296
Intergovernmental	844,701	-	8,624,997	12,356,695
Charges for services and fees	1,755,040	70,645	3,634,116	16,557,655
Use of money and property	454,069	250,945	436,440	4,287,125
Fines and forfeitures	-	-	-	2,006,648
Miscellaneous	-	-	18,320,852	23,939,387
<b>Total revenues</b>	<b>3,053,810</b>	<b>321,590</b>	<b>32,595,120</b>	<b>184,038,226</b>
<b>EXPENDITURES</b>				
Current:				
General government	303,875	-	1,351,718	16,509,249
Public safety	-	-	3,491,404	95,857,843
Community development	94,154	-	52,339	3,910,804
Parks and library	13,572	-	1,308,123	18,141,773
Public works	733,983	646,046	4,120,843	15,824,350
Economic development	-	-	-	8,265,884
Capital outlay	7,235,780	1,365,662	4,582,616	16,745,964
Debt service:				
Principal	-	-	10,120,000	10,826,439
Interest and fiscal charges	-	-	6,635,374	7,800,774
<b>Total expenditures</b>	<b>8,381,364</b>	<b>2,011,708</b>	<b>31,662,417</b>	<b>193,883,080</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,327,554)</b>	<b>(1,690,118)</b>	<b>932,703</b>	<b>(9,844,854)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,000,000	-	400,000	9,400,000
Transfers out	(1,000,000)	-	-	(24,276,946)
<b>Total other financing sources (uses)</b>	<b>6,000,000</b>	<b>-</b>	<b>400,000</b>	<b>(14,876,946)</b>
<b>Net change in fund balances</b>	<b>672,446</b>	<b>(1,690,118)</b>	<b>1,332,703</b>	<b>(24,721,800)</b>
Fund balances (deficit)-beginning	28,964,389	8,873,331	18,229,454	133,949,921
<b>Fund balances (deficit)-ending</b>	<b>\$ 29,636,835</b>	<b>\$ 7,183,213</b>	<b>\$ 19,562,157</b>	<b>\$ 109,228,121</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF ORANGE**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2023**

---

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

Net change in fund balances - total governmental funds: \$ (24,721,800)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital outlay	\$ 18,159,490	
Depreciation/amortization expense	<u>(9,148,246)</u>	
Total adjustment		9,011,244

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Earned but unavailable grant revenues	1,372,294	
Earned but unavailable revenues related to loans	<u>6,868,109</u>	
Total adjustment		8,240,403

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.

Loss/(gain) on disposal of capital assets	<u>(424,896)</u>	
Total adjustment		(424,896)

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Leases issued	(77,116)	
SBITAs issued	(233,987)	
Amortization of bond premiums and discounts	145,848	
Principal payments	<u>10,362,232</u>	
Total adjustment		10,196,977

Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.

11,468,728

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

Accrued interest on long-term debt	6,965	
Compensated absences	108,028	
Changes in pension liabilities and related deferrals	(14,771,489)	
Changes in OPEB liabilities and related deferrals	<u>(1,134,144)</u>	
Total adjustment		<u>(15,790,640)</u>

**Change in net position of governmental activities** **\$ (2,019,984)**

**CITY OF ORANGE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	Business-Type Activities			Governmental Activities
	Sanitation	Water	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 12,312,490	\$ 22,647,844	\$ 34,960,334	\$ 32,067,705
Receivables (net of uncollectibles):				
Accounts	777,277	7,260,400	8,037,677	87,332
Taxes	1,101	-	1,101	-
Accrued interest	63,259	109,831	173,090	-
Prepaid costs	-	-	-	41,500
Inventories	-	802,051	802,051	447,180
Restricted:				
Cash with fiscal agent	250	584	834	167
<b>Total current assets</b>	<b>13,154,377</b>	<b>30,820,710</b>	<b>43,975,087</b>	<b>32,643,884</b>
Noncurrent:				
Capital assets, net	58,681,871	69,656,199	128,338,070	24,684,686
<b>Total noncurrent assets</b>	<b>58,681,871</b>	<b>69,656,199</b>	<b>128,338,070</b>	<b>24,684,686</b>
<b>Total assets</b>	<b>71,836,248</b>	<b>100,476,909</b>	<b>172,313,157</b>	<b>57,328,570</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension-related	2,098,465	4,896,418	6,994,883	1,398,975
OPEB-related	534,073	1,246,171	1,780,244	356,049
<b>Total deferred outflows of resources</b>	<b>2,632,538</b>	<b>6,142,589</b>	<b>8,775,127</b>	<b>1,755,024</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	180,069	6,284,860	6,464,929	980,425
Unearned revenues	51,601	-	51,601	-
Deposits payable	-	129,326	129,326	-
Due to other funds	-	-	-	10,749
Compensated absences	48,052	114,654	162,706	-
Claims and judgments	-	-	-	5,330,925
Bonds, notes, loans, leases, and subscriptions	284,118	696,942	981,060	1,177,320
<b>Total current liabilities</b>	<b>563,840</b>	<b>7,225,782</b>	<b>7,789,622</b>	<b>7,499,419</b>
Noncurrent liabilities:				
Compensated absences	179,320	427,870	607,190	-
Claims and judgments	-	-	-	10,449,080
Bonds, notes, loans, leases, and subscriptions	5,765,092	13,533,390	19,298,482	9,362,333
Net pension liability	948,420	2,212,980	3,161,400	632,281
Net OPEB liability	2,244,682	5,237,591	7,482,273	1,496,455
<b>Total noncurrent liabilities</b>	<b>9,137,514</b>	<b>21,411,831</b>	<b>30,549,345</b>	<b>21,940,149</b>
<b>Total liabilities</b>	<b>9,701,354</b>	<b>28,637,613</b>	<b>38,338,967</b>	<b>29,439,568</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension-related	199,573	465,670	665,243	133,049
OPEB-related	685,702	1,599,972	2,285,674	457,135
<b>Total deferred inflows of resources</b>	<b>885,275</b>	<b>2,065,642</b>	<b>2,950,917</b>	<b>590,184</b>
<b>NET POSITION</b>				
Net investment in capital assets	58,542,648	69,215,837	127,758,485	18,085,025
Unrestricted	5,339,509	6,700,406	12,039,915	10,968,817
<b>Total net position</b>	<b>\$ 63,882,157</b>	<b>\$ 75,916,243</b>	<b>\$ 139,798,400</b>	<b>\$ 29,053,842</b>

See accompanying notes to financial statements.



**CITY OF ORANGE**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	Business-Type Activities			Governmental Activities
	Sanitation	Water	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>				
Water sales and services	\$ -	\$ 38,347,210	\$ 38,347,210	\$ -
Charges for services and fees	8,300,397	114,731	8,415,128	16,859,984
Other revenues	441,248	36,626	477,874	2,810,464
<b>Total operating revenues</b>	<b>8,741,645</b>	<b>38,498,567</b>	<b>47,240,212</b>	<b>19,670,448</b>
<b>OPERATING EXPENSES</b>				
Salaries and wages	2,298,322	4,887,982	7,186,304	5,441,815
Maintenance and operations	55,843	17,076,655	17,132,498	4,293,920
Contractual services	1,177,540	4,104,289	5,281,829	2,520,737
Interfund charge for administrative services	790,015	2,937,410	3,727,425	-
Insurance claims and charges	-	-	-	6,655,308
Depreciation/amortization	4,931,222	3,068,420	7,999,642	3,289,901
Other expenses	203,451	1,455,563	1,659,014	-
<b>Total operating expenses</b>	<b>9,915,658</b>	<b>34,553,016</b>	<b>44,468,674</b>	<b>23,097,589</b>
<b>Operating income (loss)</b>	<b>(1,174,013)</b>	<b>3,945,551</b>	<b>2,771,538</b>	<b>(3,427,141)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Use of money and property	124,832	199,196	324,028	-
Interest expense	(145,958)	(340,573)	(486,531)	(97,308)
Gain (loss) on disposal of capital assets	-	-	-	(36,823)
<b>Total nonoperating revenues (expenses)</b>	<b>(21,126)</b>	<b>(141,377)</b>	<b>(162,503)</b>	<b>(134,131)</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>(1,195,139)</b>	<b>3,804,174</b>	<b>2,609,035</b>	<b>(3,561,272)</b>
Transfers in	-	-	-	16,280,000
Transfers out	(32,335)	(120,719)	(153,054)	(1,250,000)
<b>Change in net position</b>	<b>(1,227,474)</b>	<b>3,683,455</b>	<b>2,455,981</b>	<b>11,468,728</b>
Net position-beginning	65,109,631	72,232,788	137,342,419	17,585,114
<b>Net position-ending</b>	<b>\$ 63,882,157</b>	<b>\$ 75,916,243</b>	<b>\$ 139,798,400</b>	<b>\$ 29,053,842</b>

**CITY OF ORANGE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Sanitation</b>	<b>Water</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 8,665,044	\$ 38,535,304	\$ 47,200,348	\$ -
Receipts from interfund charges	-	-	-	16,804,345
Payments to suppliers and service providers	(2,618,903)	(26,891,281)	(29,510,184)	(19,221,651)
Payments to employees for salaries and benefits	(1,879,396)	(4,294,750)	(6,174,146)	(868,766)
Other receipts (payments)	-	36,626	36,626	3,268,780
<b>Net cash provided by (used for) operating activities</b>	<b>4,166,745</b>	<b>7,385,899</b>	<b>11,552,644</b>	<b>(17,292)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	16,280,000
Transfers to other funds	(32,335)	(120,719)	(153,054)	(1,250,000)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(32,335)</b>	<b>(120,719)</b>	<b>(153,054)</b>	<b>15,030,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(2,689,717)	(1,698,372)	(4,388,089)	(4,116,637)
Principal paid on capital debt	(222,612)	(519,427)	(742,039)	(148,407)
Principal paid on subscriptions	-	(340,573)	(340,573)	(2,046,892)
Interest paid on capital debt	(145,958)	-	(145,958)	(97,308)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(3,058,287)</b>	<b>(2,558,372)</b>	<b>(5,616,659)</b>	<b>(6,409,244)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	71,007	107,435	178,442	-
<b>Net cash provided by (used for) investing activities</b>	<b>71,007</b>	<b>107,435</b>	<b>178,442</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,147,130</b>	<b>4,814,243</b>	<b>5,961,373</b>	<b>8,603,464</b>
Cash and cash equivalents-beginning	11,165,610	17,834,185	28,999,795	23,464,408
<b>Cash and cash equivalents-ending</b>	<b>\$ 12,312,740</b>	<b>\$ 22,648,428</b>	<b>\$ 34,961,168</b>	<b>\$ 32,067,872</b>

**CITY OF ORANGE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Sanitation</b>	<b>Water</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>				
Cash and investments	\$ 12,312,490	\$ 22,647,844	\$ 34,960,334	\$ 32,067,705
Cash with fiscal agent	250	584	834	167
Total cash and cash equivalents	<u>\$ 12,312,740</u>	<u>\$ 22,648,428</u>	<u>\$ 34,961,168</u>	<u>\$ 32,067,872</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating income (loss)	<u>\$ (1,174,013)</u>	<u>\$ 3,945,551</u>	<u>\$ 2,771,538</u>	<u>\$ (3,427,141)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	4,931,222	3,068,420	7,999,642	3,289,901
(Increase) decrease in accounts receivable	(24,449)	73,363	48,914	16,550
(Increase) decrease in deposits payable	-	1,716	1,716	-
(Increase) decrease in inventories	-	(159,967)	(159,967)	7,211
(Increase) decrease in pension-related deferred outflows	(1,883,292)	(4,175,831)	(6,059,123)	(1,193,094)
(Increase) decrease in OPEB-related deferred outflows	93,650	-	93,650	-
Increase (decrease) in accounts payable	67,211	(576,778)	(509,567)	447,253
Increase (decrease) in accrued liabilities	-	-	-	(3,887)
Increase (decrease) in compensated absences	16,448	(21,037)	(4,589)	-
Increase (decrease) in claims and judgments	-	-	-	(450,496)
Increase (decrease) in net pension liability	3,882,712	9,059,666	12,942,378	2,588,476
Increase (decrease) in net OPEB liability	(416,555)	(971,963)	(1,388,518)	(277,703)
Increase (decrease) in pension-related deferred inflows	(1,825,703)	(4,259,973)	(6,085,676)	(1,217,135)
Increase (decrease) in OPEB-related deferred inflows	412,443	962,370	1,374,813	274,962
Increase (decrease) in unearned revenue	(52,152)	-	(52,152)	-
Increase (decrease) in due to other funds	-	-	-	(72,189)
Increase (decrease) in subscription liability	139,223	440,362	579,585	-
Total adjustments	<u>5,340,758</u>	<u>3,440,348</u>	<u>8,781,106</u>	<u>3,409,849</u>
<b>Net cash provided by (used for) operating activities</b>	<u>\$ 4,166,745</u>	<u>\$ 7,385,899</u>	<u>\$ 11,552,644</u>	<u>\$ (17,292)</u>

**CITY OF ORANGE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

	<b>Private Purpose Trust Fund</b>	<b>Custodial Funds</b>
	<b>Successor Agency Trust Fund</b>	<b>Community Facilities Districts</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9,345,032	\$ 3,589,691
Investments:		
Cash and investments with fiscal agent	4,300	1,445,720
Receivables:		
Accounts	6,112	-
Accrued interest	21,948	16,962
Taxes	-	37,608
Notes and loans	45,019	-
Due from other governments	-	550,000
<b>Total assets</b>	<b>9,422,411</b>	<b>5,639,981</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding	55,891	-
<b>Total deferred outflows of resources</b>	<b>55,891</b>	<b>-</b>
<b>LIABILITIES</b>		
Accrued interest	424,137	-
Long-term liabilities:		
Due in one year	4,708,741	-
Due in more than one year	24,665,771	-
<b>Total liabilities</b>	<b>29,798,649</b>	<b>-</b>
<b>NET POSITION</b>		
Restricted for:		
Held in trust	(20,320,347)	5,639,981
<b>Total net position</b>	<b>\$ (20,320,347)</b>	<b>\$ 5,639,981</b>

**CITY OF ORANGE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2023**

---

	<b>Private Purpose Trust Fund</b>	<b>Custodial Funds</b>
	<b>Successor Agency Trust Fund</b>	<b>Community Facilities Districts</b>
<b>ADDITIONS</b>		
Interest	\$ 49,168	\$ 166,929
Taxes	5,664,058	3,500,243
Miscellaneous	70,167	-
<b>Total additions</b>	<b>5,783,393</b>	<b>3,667,172</b>
<b>DEDUCTIONS</b>		
Administrative expenses	24,259	28,533
Contractual services	16,380	-
Payments to external parties	751,630	3,554,098
<b>Total deductions</b>	<b>792,269</b>	<b>3,582,631</b>
<b>Net increase (decrease) in fiduciary net position</b>	<b>4,991,124</b>	<b>84,541</b>
Net position-beginning	(25,311,471)	5,555,440
<b>Net position-ending</b>	<b>\$ (20,320,347)</b>	<b>\$ 5,639,981</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

***Notes to the  
Financial Statements***



**THIS PAGE INTENTIONALLY LEFT BLANK**



CITY OF ORANGE  
 In Order of Presentation  
 For the Year Ended June 30, 2023

Note	Description	Page
1	Significant Accounting Policies	47
2	Cash and Investments	57
3	Leases	64
4	Subscription-Based Technology Arrangements	65
5	Capital Assets	67
6	Taxes	69
7	Other Revenues	70
8	Retirement Plan	70
9	Insurance Programs	78
10	Other Post Employment Benefits (OPEB)	79
11	Long-Term Liabilities	81
12	Community Facilities and Assessment Districts and Other Revenue Bond Issues	83
13	Joint Ventures	84
14	Loans Receivable	84
15	Advances To/From Other Funds	85
16	Due To/From Other Funds	85
17	Transfers	85
18	Deficit Equity Balances	86
19	Breakdown of "Restricted" Governmental Fund Balances	86
20	Contingencies	86
21	Successor Agency Trust for Assets of former Redevelopment Agency	86

**THIS PAGE INTENTIONALLY LEFT BLANK**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**A. 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.

**B. 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.

**1. *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 regard 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. The *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.

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.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. 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.

**3. 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.

*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*.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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 *another financing source* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

**4. 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, 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.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. 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.

**D. 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.

**E. 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).

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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.

*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.

**F. 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 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.

**G. Inventories and Prepays**

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 pipes, 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.

**H. 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 recorded to more accurately present the net present value of these receivables. The City's June 30 effective rate of return of 2.28% on investments is used to discount these receivables to their net present value.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. 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, 2023.

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

**J. 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.

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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

**K. 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



**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.
- 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.

**L. 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.

**M. 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.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**N. 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.

**O. 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.

**P. 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, 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.

**Q. 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.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Leases**

Lessee: The City is a lessee for a non-cancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for a noncancellable lease of a building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Subscription-Based Information Technology Arrangements**

The City is a subscriber for a noncancellable subscription of information technology services. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The City of Orange recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the non-cancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

**S. New Accounting Pronouncement**

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2023:

**1. *GASB Statement No. 91, Conduit Debt Obligations***

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements**

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

**3. GASB Statement No. 96, Subscription-Based Information Technology Arrangements**

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

**4. GASB Statement No. 100, Accounting Changes and Error Corrections**

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

**NOTE 2: CASH AND INVESTMENTS**

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

Statement of Net Position	
Cash and investments	\$ 149,164,007
Cash and investments with fiscal agent	10,782,111
Statement of Fiduciary Net Position	
Cash and investments	12,934,723
Cash and investments with fiscal agent	1,450,020
Total cash and investments	<u>\$ 174,330,861</u>

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

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

Petty Cash	\$ 13,000
Bank balances (net of outstanding checks and timing differences)	(819,181)
Investments	<u>175,137,042</u>
Total	<u><u>\$ 174,330,861</u></u>

**A. 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 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.)

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

- 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.

**B. Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustees 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.

**C. 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.

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.

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

At June 30, 2023, the City Treasury had the following investment maturities:

Investment Type	Total	Investment Maturity (in Years)			
		<1	1 to 2	2 to 3	3 to 5
Federal Farm Credit Bank	\$ 4,006,248	\$ -	\$ -	\$ 1,995,080	\$ 2,011,168
Federal Home Loan Bank	19,604,469	4,809,825	8,311,509	-	6,483,135
Federal National Mtg. Assn.	15,476,673	10,848,053	4,628,620	-	-
Federal Home Loan Mortgage Corp.	17,272,614	4,809,170	4,298,446	8,164,998	-
Medium-Term Notes:					
American Express Credit Trust	347,934	-	-	347,934	-
Apple Inc.	2,704,422	-	-	2,704,422	-
Bank of America Corp.	1,198,396	-	1,198,396	-	-
Bank of Montreal	977,477	-	-	-	977,477
Bank of NY Mellon Corp.	931,353	-	931,353	-	-
BMW Vehicle Lease Trust	99,328	-	99,328	-	-
Caterpillar Financial Services	1,197,798	-	1,197,798	-	-
Coca-Cola Company	2,899,458	-	2,899,458	-	-
Honda Auto Receivables Owner	208,640	-	-	208,640	-
HSBC USA Inc.	2,929,890	2,929,890	-	-	-
John Deere Capital Corp.	271,119	-	271,119	-	-
John Deere Owner Trust	391,479	-	-	391,479	-
JP Morgan Chase & Co.	1,170,628	-	1,170,628	-	-
Morgan Stanley	760,498	-	-	760,498	-
National Rural Utilities	495,175	-	-	495,175	-
Paccar Financial Corp.	875,983	875,983	-	-	-
PepsiCo Inc.	194,412	-	-	194,412	-
Royal Bank of Canada	986,925	-	-	-	986,925
Toyota Motor Credit Corp	4,529,045	-	-	4,529,045	-
Union Pacific Corp.	466,719	-	-	466,719	-
United Health Group Inc.	777,146	-	-	777,146	-
Verizon Master Trust	210,006	-	210,006	-	-
U.S. Treasury Bond	4,548,980	-	-	-	4,548,980
Local Agency Investment Fund	56,824,604	56,824,604	-	-	-
Money Market Mutual Funds	20,547,491	20,547,491	-	-	-
Held by Trustee:					
Money Market Mutual Funds	12,232,132	12,232,132	-	-	-
<b>Total</b>	<b>\$ 175,137,042</b>	<b>\$ 113,877,148</b>	<b>\$ 25,216,661</b>	<b>\$ 21,035,548</b>	<b>\$ 15,007,685</b>

*Credit Risk.* Credit risk is the risk that the 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.



**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

At June 30, 2023, the City's credit risks, expressed on a percentage basis, are as follows:

<u>Investment Type</u>	<u>Minimum Rating</u>	<u>S&amp;P Rating</u>	<u>% of Investments</u>
Federal Farm Credit Bank	Not applicable	AA+	2.4%
Federal Home Loan Bank	Not applicable	AA+	11.9%
Federal National Mtg. Assn.	Not applicable	AA+	9.4%
Federal Home Loan Mortgage Corp.	Not applicable	Not Rated	10.5%
Medium-Term Notes:			
American Express Credit Trust	A	AAA	0.2%
Apple Inc.	A	AA+	1.6%
Bank of America Corp.	A	A-	0.7%
Bank of Montreal	A	A-	0.6%
Bank of NY Mellon Corp.	A	A	0.6%
BMW Vehicle Lease Trust	A	AAA	0.1%
Caterpillar Financial Services	A	A	0.7%
Coca-Cola Company	A	A+	1.8%
Honda Auto Receivables Owner	A	Not Rated	0.1%
HSBC USA Inc.	A	A-	1.8%
John Deere Capital Corp.	A	A	0.2%
John Deere Owner Trust	A	Not Rated	0.2%
JP Morgan Chase & Co.	A	A-	0.7%
Morgan Stanley	A	A-	0.5%
National Rural Utilities	A	A-	0.3%
Paccar Financial Corp.	A	A+	0.5%
PepsiCo Inc.	A	A+	0.1%
Royal Bank of Canada	A	A	0.6%
Toyota Motor Credit Corp.	A	A+	2.7%
Union Pacific Corp.	A	A-	0.3%
United Health Group Inc.	A	A+	0.5%
Verizon Master Trust	A	AAA	0.1%
U.S. Treasury Bond	Exempt	AA+	2.8%
Local Agency Investment Fund	Not Rated	Not Rated	34.5%
Money Market Mutual Funds	Not applicable	AAA	6.2%
Held by Trustee:			
Money Market Mutual Funds	Not Applicable	AAA	7.4%
			100.0%

*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.

**NOTE 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.

**D. 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.

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

The City has the following recurring fair value measurements as of June 30, 2023:

Investment Type	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Federal Farm Credit Bank	\$ -	\$ 4,006,248	\$ -	\$ 4,006,248
Federal Home Loan Bank	-	19,604,469	-	19,604,469
Federal National Mtg. Assn.	-	15,476,673	-	15,476,673
Federal Home Loan Mortgage Corp.	-	17,272,614	-	17,272,614
Medium-Term Notes:				
American Express Credit Trust	-	347,934	-	347,934
Apple Inc.	-	2,704,422	-	2,704,422
Bank of America Corp.	-	1,198,396	-	1,198,396
Bank of Montreal	-	977,477	-	977,477
Bank of NY Mellon Corp.	-	931,353	-	931,353
BMW Vehicle Lease Trust	-	99,328	-	99,328
Caterpillar Financial Services	-	1,197,798	-	1,197,798
Coca-Cola Company	-	2,899,458	-	2,899,458
Honda Auto Receivables Owner	-	208,640	-	208,640
HSBC USA Inc.	-	2,929,890	-	2,929,890
John Deere Capital Corp.	-	271,119	-	271,119
John Deere Owner Trust	-	391,479	-	391,479
JP Morgan Chase & Co.	-	1,170,628	-	1,170,628
Morgan Stanley	-	760,498	-	760,498
National Rural Utilities	-	495,175	-	495,175
Paccar Financial Corp.	-	875,983	-	875,983
PepsiCo Inc.	-	194,412	-	194,412
Royal Bank of Canada	-	986,925	-	986,925
Toyota Motor Credit Corp	-	4,529,045	-	4,529,045
Union Pacific Corp.	-	466,719	-	466,719
United Health Group Inc.	-	777,146	-	777,146
Verizon Master Trust	-	210,006	-	210,006
Total Leveled Investments	\$ -	\$ 80,983,835	\$ -	80,983,835

Not Subject to Categorization:

U.S. Treasury Bond	4,548,980
Local Agency Investment Fund	56,824,604
Money Market Mutual Funds	20,547,491
Held by Trustee:	
Money Market Mutual Funds	12,232,132
Total Investment Portfolio	\$ 175,137,042

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE 3: LEASES**

**A. Leases Receivable and Deferred Inflows of Resources**

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On June 15, 2016, the City entered into a 231-month lease as Lessor for the use of #21 Selman Chevrolet. An initial lease receivable was recorded in the amount of \$341,243. As of June 30, 2023, the value of the lease receivable is \$265,853. The lessee is required to make monthly fixed payments of \$1,790. The lease has an interest rate of 4.00%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2023 was \$216,114, and the City recognized lease revenue of \$17,763 during the fiscal year.

On July 1, 2021, the City entered into a 31-month lease as Lessor for the use of #20 Headstart. An initial lease receivable was recorded in the amount of \$34,450. As of June 30, 2023, the value of the lease receivable is \$5,851. The lessee is required to make monthly fixed payments of \$1,500. The lease has an interest rate of 6.75%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2023 was \$6,770, and the City recognized lease revenue of \$13,539 during the fiscal year.

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 21,078	\$ 10,506	\$ 31,584
2025	15,847	9,737	25,584
2026	16,493	9,091	25,584
2027	18,730	8,391	27,121
2028	19,493	7,627	27,120
2029 - 2033	118,869	24,987	143,856
2034 - 2038	61,194	2,704	63,898
	<u>\$ 271,704</u>	<u>\$ 73,043</u>	<u>\$ 344,747</u>

**Leases Payable and Right to Use Lease Assets**

The City entered into a lease agreement with Toyota and Honda for the lease of vehicles. The terms range from 14 to 36 months from the date the lease is entered into. The City is required to make monthly payments ranging from \$266 to \$1,461. The leases have an interest rate ranging from 0.02% to 6.36%. The City also leases a mail machine with a 36-month term. The City is required to make monthly payments quarterly fixed payments of \$2,565, and the lease has an interest rate of 0.4260%.

An initial lease liability was recorded in the amount of \$243,034. As of June 30, 2023, the value of the lease liability is \$121,036.

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE 3: LEASES (CONTINUED)**

Right-to-use leased assets include the following at June 30, 2023:

Lease Type	Major Class of Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Vehicle Lease	Right-to-Use Lease - Vehicles	\$ 189,766	\$ 77,158
Equipment Lease	Right-to-Use Lease - Equipment	28,014	12,113
	Total	<u>\$ 217,780</u>	<u>\$ 89,271</u>

Future principal and interest requirements to maturity for each lease liability are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 75,453	\$ 2,418	\$ 77,871
2025	36,749	706	37,455
2026	8,834	78	8,912
Total	<u>\$ 121,036</u>	<u>\$ 3,202</u>	<u>\$ 124,238</u>

**NOTE 4: SUBSCRIPTION-BASED TECHNOLOGY ARRANGEMENTS**

The City implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements in the fiscal year ended June 30, 2023. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

On July 1, 2022, the City entered into multiple subscriptions involving cloud services, surveillance, and other supporting software with terms ranging from 14 months to 120 months. An initial subscription liability was recorded in the amount of \$8,381,664. As of June 30, 2023, the value of the subscription liability is \$7,654,596. The City is required to make annual fixed payments ranging from \$7,748 to \$629,328.10. The interest rates for the subscriptions range from 1.71% to 3.305%. The value of the right to use asset as of June 30, 2023 is \$10,374,989 with accumulated amortization of \$1,695,977 is included with Software on the Subscription Class Activities table below.

Asset Class	Subscription Asset Value	Accumulated Amortization
Software	\$ 10,374,989	\$ 1,695,977
Total Subscriptions	<u>\$ 10,374,989</u>	<u>\$ 1,695,977</u>

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE 4: SUBSCRIPTION-BASED TECHNOLOGY ARRANGEMENTS (CONTINUED)**

The future principal and interest subscription payments as of June 30, 2023, were as follows:

Business-Type Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	\$ 163,131	\$ 16,218	\$ 179,349
2025	158,489	9,700	168,189
2026	165,566	5,765	171,331
2027	92,399	1,657	94,056
Total	<u>\$ 579,585</u>	<u>\$ 33,340</u>	<u>\$ 612,925</u>

Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	\$ 1,176,229	\$ 198,265	\$ 1,374,494
2025	825,684	182,781	1,008,465
2026	1,188,058	159,542	1,347,600
2027	795,082	125,646	920,728
2028	783,044	103,272	886,316
2029 - 2032	2,306,914	205,939	2,512,853
Total	<u>\$ 7,075,011</u>	<u>\$ 975,445</u>	<u>\$ 8,050,456</u>

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Transfers of CIP	Increases	Decreases	Balance June 30, 2023
Governmental activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 80,318,000	\$ -	\$ 716,000	\$ (408,274)	\$ 80,625,726
Rights of way	347,258,096	-	-	-	347,258,096
Construction-in-progress	32,494,961	(24,320,099)	11,352,861	-	19,527,723
Total capital assets, not being depreciated/amortized	<u>460,071,057</u>	<u>(24,320,099)</u>	<u>12,068,861</u>	<u>(408,274)</u>	<u>447,411,545</u>
Capital assets, being depreciated/amortized					
Infrastructure	236,023,574	1,394,477	5,471,917	(94,601)	242,795,367
Structures and improvements	136,728,777	22,925,622	294,359	-	159,948,758
Furniture, fixtures and equipment	49,823,267	-	2,054,451	(458,069)	51,419,649
Lease asset	191,119	-	51,645	(24,984)	217,780
Subscription asset	-	-	9,533,710	-	9,533,710
Total capital assets, being depreciated/amortized	<u>422,766,737</u>	<u>24,320,099</u>	<u>17,406,082</u>	<u>(577,654)</u>	<u>463,915,264</u>
Less accumulated depreciation/amortization					
Infrastructure	96,113,330	-	4,263,356	(94,601)	100,282,085
Structures and improvements	46,155,416	-	3,214,984	-	49,370,400
Furniture, fixtures and equipment	32,946,571	-	3,260,807	(404,624)	35,802,754
Lease asset	41,387	-	72,868	(24,984)	89,271
Subscription asset	-	-	1,569,394	-	1,569,394
Total accumulated depreciation/amortization	<u>175,256,704</u>	<u>-</u>	<u>12,381,409</u>	<u>(524,209)</u>	<u>187,113,904</u>
Total capital assets, being depreciated/amortized, net	<u>247,510,033</u>	<u>24,320,099</u>	<u>5,024,673</u>	<u>(53,445)</u>	<u>276,801,360</u>
Total governmental activities capital assets	<u>\$ 707,581,090</u>	<u>\$ -</u>	<u>\$ 17,093,534</u>	<u>\$ (461,719)</u>	<u>\$ 724,212,905</u>

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 5: CAPITAL ASSETS (CONTINUED)**

	Balance July 1, 2022	Transfers	Increase	Decrease	Balance June 30, 2023
Business-type activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 2,646,932	\$ -	\$ -	\$ -	\$ 2,646,932
Construction-in-progress	3,940,156	-	1,175,976	-	5,116,132
Total capital assets, not being depreciated/amortized	<u>6,587,088</u>	<u>-</u>	<u>1,175,976</u>	<u>-</u>	<u>7,763,064</u>
Capital assets, being depreciated/amortized					
Buildings and structures	4,074,838	-	-	(1,146,316)	2,928,522
Improvements other than buildings					
Wells	10,600,614	-	-	-	10,600,614
Water tank	16,572,565	-	-	-	16,572,565
Water lines	107,130,750	-	1,072,212	(55,355)	108,147,607
Sewer	72,573,277	-	2,138,178	-	74,711,455
Storm drains	112,751,143	-	-	-	112,751,143
Machinery and equipment	12,245,973	-	-	-	12,245,973
Subscription asset	-	-	841,280	-	841,280
Total capital assets, being depreciated/amortized	<u>335,949,160</u>	<u>-</u>	<u>4,051,670</u>	<u>(1,201,671)</u>	<u>338,799,159</u>
Less accumulated depreciation/amortization					
Buildings and structures	2,320,663	-	123,481	(306,756)	2,137,388
Improvements other than buildings					
Wells	3,776,872	-	254,739	-	4,031,611
Water tank	8,604,418	-	409,356	-	9,013,774
Water lines	67,834,388	-	1,678,407	(55,355)	69,457,440
Sewer	44,667,728	-	1,992,101	-	46,659,829
Storm drains	79,733,315	-	2,918,042	-	82,651,357
Machinery and equipment	3,649,238	-	496,933	-	4,146,171
Subscription asset	-	-	126,583	-	126,583
Total accumulated depreciation/amortization	<u>210,586,622</u>	<u>-</u>	<u>7,999,642</u>	<u>(362,111)</u>	<u>218,224,153</u>
Total capital assets, being depreciated/amortized, net	<u>125,362,538</u>	<u>-</u>	<u>(3,947,972)</u>	<u>(839,560)</u>	<u>120,575,006</u>
Total business-type activities capital assets	<u>\$ 131,949,626</u>	<u>\$ -</u>	<u>\$ (2,771,996)</u>	<u>\$ (839,560)</u>	<u>\$ 128,338,070</u>



**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 5: CAPITAL ASSETS (CONTINUED)**

As of June 30, 2023, the City had the following outstanding purchase commitments:

Project:	Funding Source				Total
	Capital Projects	Special Revenue	Internal Service	Enterprise	
517 W. Struck Transit	\$ 286,840	\$ -	\$ -	\$ -	\$ 286,840
Medicare-Minor Traffic Control Devices	639,361	-	-	-	639,361
Hart Park Ball Field Renovation & Signage	256,341	-	-	-	256,341
Tot Lot Shade Sails	203,207	-	-	-	203,207
Santiago Bike Trail IV	122,417	-	-	-	122,417
Signal Mod-Chapman & Batavia Left	344,800	-	-	-	344,800
Cannon/Serrano Intersection	294,097	-	-	-	294,097
Street Light/Signal Install-Tustin	546,477	-	-	-	546,477
Cannon Street Widening	475,708	-	-	-	475,708
Police HQ Atrium Rehab	2,284,017	-	-	-	2,284,017
Fire HQ Construction	367,115	-	-	-	367,115
Pavement Management Program	-	7,163,840	-	-	7,163,840
Various Street Signal Synchronization	-	416,074	-	-	416,074
Facility Maintenance	-	-	306,017	-	306,017
Sewer Cleaning & Video	-	-	-	278,453	278,453
Annual Sewer Line Maintenance/Replacement	-	-	-	741,665	741,665
Wells	-	-	-	752,710	752,710
Annual Asphalt Replacement	-	-	-	607,649	607,649
<b>Total</b>	<b>\$ 5,820,380</b>	<b>\$ 7,579,914</b>	<b>\$ 306,017</b>	<b>\$ 2,380,477</b>	<b>\$ 16,086,788</b>

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

	Governmental Activities	Business-Type Activities
General government	\$ 536,875	\$ -
Public safety	1,661,595	-
Public works	5,059,181	-
Parks and library	1,763,550	-
Economic development	127,045	-
Internal service funds	3,233,163	-
Water	-	3,068,420
Sanitation	-	4,931,222
<b>Total</b>	<b>\$ 12,381,409</b>	<b>\$ 7,999,642</b>

**NOTE 6: 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 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.

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE 6: TAXES (CONTINUED)**

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, 2023, the City abated sales taxes totaling \$7,999,081.

**NOTE 7: 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.

**NOTE 8: RETIREMENT PLAN**

**A. 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 the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the CalPERS June 30, 2020 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, 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, 2023 is provided below and on the following page.

Hire Date	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
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
Reirement 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	11.53%	11.53%
Payment of Unfunded Liability	\$ 11,230,178	\$ 502,077

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE 8: RETIREMENT PLAN (CONTINUED)**

Hire Date	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
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
Reirement Age	50 - 55	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.00%	2.0% - 2.7%
Required Employee Contribution Rates	9%	12.25%
Required Employer Contribution Rates:		
Normal Cost Rate	19.490%	19.490%
Payment of Unfunded Liability	\$ 18,409,102	\$ 953,294

At the June 30, 2022 measurement date, the following employees were covered by the benefit terms of the Plan:

	Misc.	Safety
Inactive employees or beneficiaries currently receiving benefits	696	464
Inactive employees entitled to but not yet receiving benefits	507	118
Active employees	365	268
Total	1,568	850

**B. 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 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.

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE 8: RETIREMENT PLAN (CONTINUED)**

**C. 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial Cost Method	Method	Method
Actuarial Assumptions		
Discount Rate	6.90%	6.90%
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 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.

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

**D. Discount Rate**

The discount rate used to measure the total pension liability was 6.90 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.

**E. 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.

**NOTE 8: RETIREMENT PLAN (CONTINUED)**

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:

Asset Class <sup>1</sup>	New Strategic Allocation	Real Return <sup>1, 2</sup>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

<sup>1</sup> An expected price inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

**F. Subsequent Events**

There were no subsequent events.

**G. 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.

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 8: RETIREMENT PLAN (CONTINUED)**

**H. 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/(Asset) (c) = (a) - (b)
Balance at June 30, 2021	\$ 386,599,782	\$ 435,504,669	\$ (48,904,887)
Changes recognized for the measurement period:			
Service cost	5,836,901	-	5,836,901
Interest on total pension liability	26,520,235	-	26,520,235
Changes of assumptions	10,787,597	-	10,787,597
Differences between expected and actual experience	(5,094,851)	-	(5,094,851)
Contributions from the employer	-	3,462,240	(3,462,240)
Contributions from the employees	-	2,358,367	(2,358,367)
Net investment income	-	(32,211,334)	32,211,334
Benefit payments, including refunds of employee contributions	(21,719,479)	(21,719,479)	-
Administrative expense	-	(271,293)	271,293
Net changes during 2021-22	16,330,403	(48,381,499)	64,711,902
Balance at June 30, 2022	\$ 402,930,185	\$ 387,123,170	\$ 15,807,015

**I. 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 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate -1 Percent (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1 Percent (7.90%)
Plan's net pension liability/(asset)	\$ 67,961,186	\$ 15,807,015	\$ (27,221,857)

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 8: RETIREMENT PLAN (CONTINUED)**

**J. 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/(Asset) (c) = (a) - (b)
Balance at June 30, 2021	\$ 604,736,666	\$ 669,704,992	\$ (64,968,326)
Changes recognized for the measurement period:			
Service cost	10,563,736	-	10,563,736
Interest on total pension liability	42,323,381	-	42,323,381
Changes of assumptions	21,493,940	-	21,493,940
Differences between expected and actual experience	(2,164,924)		(2,164,924)
Contributions from the employer	-	6,930,384	(6,930,384)
Contributions from the employees	-	3,579,796	(3,579,796)
Net investment income	-	(49,811,030)	49,811,030
Benefit payments, including refunds of employee contributions	(31,930,430)	(31,930,430)	-
Administrative expense	-	(417,186)	417,186
Net changes during 2021-22	40,285,703	(71,648,466)	111,934,169
Balance at June 30, 2022	\$ 645,022,369	\$ 598,056,526	\$ 46,965,843

**K. 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 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate -1 Percent (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1 Percent (7.90%)
Plan's net pension liability/(asset)	\$ 135,227,571	\$ 46,965,843	\$ (25,233,732)

**L. 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 expenses.

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE 8: RETIREMENT PLAN (CONTINUED)**

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 2021-22 measurement period is 2.5 years, which was obtained by dividing the total service years of 3,962 (the sum of remaining service lifetimes of the active employees) by 1,597 (the total number of participants: active, inactive, and retired).

The EARSL for the Safety Plan for the 2021-22 measurement period is 3.9 years, which was obtained by dividing the total service years of 3,394 (the sum of remaining service lifetimes of the active employees) by 870 (the total number of participants: active, inactive, and retired).

**M. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

As of the start of the measurement period (July 1, 2021), the net pension liability is \$15,807,015 for the Miscellaneous Plan and \$46,965,843 for the Safety Plan.

For the measurement period ending June 30, 2022 (the measurement date), the City of Orange incurred a pension expense of \$89,016,340 for the Miscellaneous Plan and \$112,906,054 for the Safety Plan, allocated as follows:

	Governmental Activities	Business-Type Activities	Total
Miscellaneous Plan	\$ 71,213,072	\$ 17,803,268	\$ 89,016,340
Safety Plan	112,906,054	-	112,906,054
Total Pension Expense	<u>\$ 184,119,126</u>	<u>\$ 17,803,268</u>	<u>\$ 201,922,394</u>

As of the end of the measurement period (June 30, 2022) and as presented in the June 30, 2023 Statement of Net Position, the net pension liability is \$15,807,015 for the Miscellaneous Plan and \$46,965,843 for the Safety Plan, allocated as follows:

	Governmental Activities	Business-Type Activities	Total
Miscellaneous Plan	\$ 12,645,615	\$ 3,161,400	\$ 15,807,015
Safety Plan	46,965,843	-	46,965,843
Total Net Pension Asset	<u>\$ 59,611,458</u>	<u>\$ 3,161,400</u>	<u>\$ 62,772,858</u>



**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 8: RETIREMENT PLAN (CONTINUED)**

As of the fiscal year ended June 30, 2023, the City of Orange has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date		
Current year pension contributions	\$ 3,640,116	\$ -
Changes of assumptions	6,472,558	-
Differences between expected and actual experience	-	3,326,214
Net difference between projected and actual earnings on pension plan investments	24,861,737	-
<b>Total</b>	<b>\$ 34,974,411</b>	<b>\$ 3,326,214</b>

Safety Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date		
Current year pension contributions	\$ 6,993,732	\$ -
Changes of assumptions	15,982,673	-
Differences between expected and actual experience	3,273,271	1,775,645
Net difference between projected and actual earnings on pension plan investments	39,514,523	-
<b>Total</b>	<b>\$ 65,764,199</b>	<b>\$ 1,775,645</b>

The \$10,633,848 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, 2024.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expenses as shown below.

Fiscal year ended June 30,	Miscellaneous Plan	Safety Plan
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2024	\$ 6,726,144	\$ 14,226,069
2025	5,597,715	13,645,137
2026	3,348,840	10,071,303
2027	12,335,382	19,052,313
Thereafter	-	-
<b>Total</b>	<b>\$ 28,008,081</b>	<b>\$ 56,994,822</b>

At June 30, 2023, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE 9: 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.

**A. 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.

**B. 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.

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. The amount for current claims payable is calculated based on the current year's 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, 2022 and June 30, 2023 are outlined below.

	General Liability	Workers' Compensation	Total Claims
Liability - June 30, 2021	\$ 1,766,045	\$ 17,107,973	\$ 18,874,018
Claims incurred	319,285	835,092	1,154,377
Claims payments	(711,872)	(3,086,022)	(3,797,894)
Unpaid Claims - June 30, 2021	1,373,458	14,857,043	16,230,501
Less current portion of unpaid claims	867,388	4,400,853	5,268,241
Noncurrent unpaid claims - June 30, 2022	506,070	10,456,190	10,962,260
Liability - June 30, 2022	1,373,458	14,857,043	16,230,501
Claims incurred	889,691	1,507,120	2,396,811
Claims payments	(489,729)	(2,357,578)	(2,847,307)
Unpaid Claims - June 30, 2023	1,773,420	14,006,585	15,780,005
Less current portion of unpaid claims	(869,584)	(4,461,341)	(5,330,925)
Noncurrent unpaid claims - June 30, 2023	\$ 903,836	\$ 9,545,244	\$ 10,449,080

**NOTE 10: OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**A. 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.

**B. Employees Covered**

As of the June 30, 2022 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><u>1,082</u></u>

**C. Total OPEB Liability**

The City's OPEB liability of \$37,411,365 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

**D. Actuarial Assumptions and Other Inputs**

The total OPEB liability as of the June 30, 2022, 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, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal, Level % of Salary
Actuarial Assumptions:	
Discount Rate	3.69%
Inflation	2.30%
Projected Salary Increase	2.80%, Additional merit based increases based on CalPERS Merit Salary Increase Table
Health Care Cost Trend Rates	6.5% (Pre-Medicare)/5.5% (Medicare) in first year, trending down to 4.04% over 55 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

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE 10: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

The discount rate used to measure the total OPEB liability is 3.69%. 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.

**E. Changes in Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at June 30, 2021 (Measurement Date)	\$ 44,353,963
Changes in the Year:	
Service Cost	2,229,321
Interest on the Total OPEB Liability	880,729
Difference Between Expected and Actual Experience	(24,560)
Changes in Assumptions	(8,604,291)
Contribution - Employer	(537,370)
Implicit Subsidy Fulfilled	(886,427)
Net Changes	<u>(6,942,598)</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 37,411,365</u>

**F. 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 Percent (2.69%)	Current Discount Rate (3.69%)	Discount Rate +1 Percent (4.69%)
Total OPEB Liability	<u>\$ 42,355,851</u>	<u>\$ 37,411,365</u>	<u>\$ 33,302,329</u>

**G. 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 Decreasing to 3.04%	Current Healthcare Cost Trend Rates 7.00% Decreasing to 4.04%	1% Increase 8.00% Decreasing to 5.04%
Total OPEB Liability	<u>\$ 32,052,811</u>	<u>\$ 37,411,365</u>	<u>\$ 44,141,325</u>

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 10: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**H. OPEB Expense and Deferred Outflows of Resources Related to OPEB**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,191,821	\$ 3,767,270
Changes in assumptions	6,219,041	7,661,101
Contributions subsequent to measurement date	1,490,360	-
<b>Total Deferred Outflows</b>	<b>\$ 8,901,222</b>	<b>\$ 11,428,371</b>

The \$1,490,360 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, 2024. 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 June 30,	Amount
2024	\$ (127,395)
2025	(127,395)
2026	(122,691)
2027	(361,160)
2028	(972,047)
Thereafter	(2,306,821)
<b>Total</b>	<b>\$ (4,017,509)</b>

**NOTE 11: LONG-TERM LIABILITIES**

Following is a reconciliation of long-term liabilities for the year ended June 30, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year	Amount Due Beyond One Year
<b>Governmental activities</b>						
Direct borrowing:						
Loans payable	\$ 303,679	\$ -	\$ 156,439	\$ 147,240	\$ 70,095	\$ 77,145
Leases payable	150,573	51,645	81,182	121,036	75,453	45,583
Subscription payable	-	9,357,807	2,282,796	7,075,011	1,176,229	5,898,782
Lease revenue bonds	29,410,000	-	550,000	28,860,000	570,000	28,290,000
Premium on lease						
revenue bonds	4,083,755	-	145,848	3,937,907		3,937,907
Pension obligation bonds	258,348,004	-	9,377,961	248,970,043	10,337,071	238,632,972
Other liabilities:						
Compensated absences	9,703,585	4,273,370	4,381,398	9,595,557	4,332,621	5,262,936
Claims payable	16,230,501	2,396,811	2,847,307	15,780,005	5,330,925	10,449,080
<b>Total governmental activities</b>	<b>318,230,097</b>	<b>16,079,633</b>	<b>19,822,931</b>	<b>314,486,799</b>	<b>21,892,394</b>	<b>292,594,405</b>
<b>Business-type activities:</b>						
Compensated absences	774,485	159,087	163,676	769,896	162,706	607,190
Pension obligation bonds	20,441,996	-	742,039	19,699,957	817,929	18,882,028
Subscription liability	-	756,499	176,914	579,585	163,131	416,454
<b>Total business activities</b>	<b>21,216,481</b>	<b>915,586</b>	<b>1,082,629</b>	<b>21,049,438</b>	<b>1,143,766</b>	<b>19,905,672</b>
<b>Total</b>	<b>\$ 339,446,578</b>	<b>\$ 16,995,219</b>	<b>\$ 20,905,560</b>	<b>\$ 335,536,237</b>	<b>\$ 23,036,160</b>	<b>\$ 312,500,077</b>

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE 11: LONG-TERM LIABILITIES (CONTINUED)**

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, 2023 is \$147,240.

The annual payments are as follows:

Year Ending June 30,	Principal
2023-24	\$ 70,095
2024-25	49,772
2025-26	27,373
Total	<u>\$ 147,240</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. The 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,	Principal	Interest	Premium
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	670,000	1,043,800	145,848
2029-2033	3,780,000	4,786,400	729,242
2034-2038	4,615,000	3,949,500	729,242
2039-2043	5,635,000	2,927,500	729,242
2044-2048	6,885,000	1,679,500	729,242
2049-2051	4,845,000	295,900	291,699
Total	<u>\$ 28,860,000</u>	<u>\$ 19,110,800</u>	<u>\$ 3,937,907</u>

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 11: LONG-TERM LIABILITIES (CONTINUED)**

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

Governmental Activity		
Year Ending June 30,	Principal	Interest
2024	\$ 10,337,071	\$ 6,112,174
2025	10,401,938	6,051,496
2026	10,499,239	5,950,180
2027	10,628,974	5,821,670
2028	10,795,775	5,652,988
2029-2033	57,416,844	24,835,310
2034-2038	65,094,355	17,162,344
2039-2043	65,701,328	7,129,102
2044	8,094,519	252,144
Total	<u>\$ 248,970,043</u>	<u>\$ 78,967,408</u>

Business Type Activity		
Year Ending June 30,	Principal	Interest
2024	\$ 817,929	\$ 483,630
2025	823,062	478,830
2026	830,761	470,812
2027	841,026	460,644
2028	854,225	447,298
2029-2033	4,543,156	1,965,116
2034-2038	5,150,645	1,357,984
2039-2043	5,198,672	564,096
2044	640,481	19,952
Total	<u>\$ 19,699,957</u>	<u>\$ 6,248,362</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.

**NOTE 12: 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, 2023 are \$16,293,000 and are scheduled to mature in October 2030.

**NOTE 12: COMMUNITY FACILITIES AND ASSESSMENT DISTRICTS AND OTHER REVENUE BOND ISSUES (CONTINUED)**

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, 2023 are \$20,705,000 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.

**NOTE 13: 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.

**NOTE 14: 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 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, 2023, 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 funds in the amount of \$4,300,000. The balance of the loan at June 30, 2023 is \$4,425,605.



**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 14: LOANS RECEIVABLE (CONTINUED)**

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, 2023 are comprised of the following:

	Short-term	Long-term	Total
Housing successor loans	\$ 38,666	\$ 14,366,361	\$ 14,405,027
In-lieu loan	-	3,167,387	3,167,387
HOME loans	4,940	3,414,983	3,419,923
CDBG loans	-	417,368	417,368
Total Loans	<u>\$ 43,606</u>	<u>\$ 21,366,099</u>	<u>\$ 21,409,705</u>

**NOTE 15: 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 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 was fully paid as of June 30, 2023.

**NOTE 16: 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 \$656,907 and to the Equipment Maintenance fund in the amount of \$10,749 to cover deficit cash balances as of June 30, 2023.

**NOTE 17: TRANSFERS**

Transfers Out	Transfers In				Total
	General	Special Revenue	Capital Projects	Internal Service	
General <sup>1</sup>	\$ -	\$ 400,000	\$ 7,000,000	\$ 16,126,946	\$ 23,526,946
Enterprise <sup>2</sup>	-	-	-	153,054	153,054
Capital Improvement <sup>3</sup>	1,000,000	-	-	-	1,000,000
Internal Service	1,000,000	-	-	-	1,000,000
Total	<u>\$ 2,000,000</u>	<u>\$ 400,000</u>	<u>\$ 7,000,000</u>	<u>\$ 16,280,000</u>	<u>\$ 25,680,000</u>

<sup>1</sup>The above General fund transfers were made to the Internal Service fund, for vehicle and computer replacements as well as worker's compensation and to the Capital Projects fund, for infrastructure improvements. The transfer to the Special Revenue fund was for EMT transport.

<sup>2</sup>The Transfer from the Water and Sanitation funds were made to fund the Equipment Expense fund.

<sup>3</sup>The transfer from Capital Improvement fund to the General fund was for general services.

<sup>4</sup>The transfer from the Self Insurance Worker's Compensation fund and Computer Replacement funds were made to the General fund to fund general services.

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 18: DEFICIT EQUITY BALANCES**

In the non-major Special Revenue funds, the SB2 Building Home & Jobs Act fund ended the fiscal year in a deficit fund balance of \$1,470,916. 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.

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 \$632,281 and GASB 75, which requires the recording of the fund's total Other Post-Employment Benefits liability of \$1.5 million. The Workers' Compensation Fund and the Liability Fund had deficit net positions of \$9.6 million and \$832,553, 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.

**NOTE 19: BREAKDOWN OF "RESTRICTED" GOVERNMENTAL FUND BALANCES**

	General	Proposition 172	Measure M	Federal, State & Local Grants	Housing Successor	Other Governmental	Total
<b>Restricted for:</b>							
Public safety	\$ -	\$ 250,776	\$ -	\$ -	\$ -	\$ 1,040,738	\$ 1,291,514
Federal & state grants	-	-	-	4,619,823	-	-	4,619,823
Housing	-	-	-	-	16,049,760	-	16,049,760
Streets/roads/transportation improv.	-	-	6,197,353	-	-	-	6,197,353
Development related transportation improv.	-	-	-	-	-	3,037,432	3,037,432
Highway construction and maint.	-	-	-	-	-	597,666	597,666
Air quality	-	-	-	-	-	165,956	165,956
Asset forfeiture operations	-	-	-	-	-	4,037,297	4,037,297
Assessment district landscape maint.	-	-	-	-	-	1,882,522	1,882,522
Govt access/local access programming	-	-	-	-	-	460,051	460,051
Affordable housing units	-	-	-	-	-	3,676,247	3,676,247
Training/certifying building inspectors	-	-	-	-	-	290,912	290,912
Maint./construction of city streets	-	-	-	-	-	4,133,016	4,133,016
Other	22,506,997	-	-	-	-	172,252	22,679,249
<b>Total</b>	<b>\$ 22,506,997</b>	<b>\$ 250,776</b>	<b>\$ 6,197,353</b>	<b>\$ 4,619,823</b>	<b>\$ 16,049,760</b>	<b>\$ 19,494,089</b>	<b>\$ 69,118,798</b>

**NOTE 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.

**NOTE 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	\$ 9,345,032
Cash and investments with fiscal agent	<u>4,300</u>
Total Cash	<u>\$ 9,349,332</u>

**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.

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 21: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

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, 2023 is \$45,019.

**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. During Fiscal Year 2023, the City repaid the outstanding balance of \$3,008,599, plus accrued interest of \$480,782.

**D. Long-Term Debt**

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2023, follows:

	Beginning Balance	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Other debt:					
Tax allocation bonds	\$ 31,130,000	\$ (4,120,000)	\$ 27,010,000	\$ 4,355,000	\$ 22,655,000
Unamortized bond premium	2,978,902	(614,390)	2,364,512	353,741	2,010,771
Total	<u>\$ 34,108,902</u>	<u>\$ (4,734,390)</u>	<u>\$ 29,374,512</u>	<u>\$ 4,708,741</u>	<u>\$ 24,665,771</u>

**E. 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 mature 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, 2023 were \$2,790,000.

**CITY OF ORANGE, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 21: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

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, 2023 were \$3,845,000.

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

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, 2023 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, 2023 are shown on the following page.

Year Ending June 30,	Tax Allocation Bonds	
	Principal	Interest
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	1,475,000	815,085
2029-2033	8,660,000	2,831,750
2034-2037	8,535,000	700,100
Total	<u>\$ 27,010,000</u>	<u>\$ 8,379,666</u>

The Successor Agency of the former RDA is covered by insurance policies of the City of Orange as of June 30, 2023.

**F. Subsequent Events**

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through March 31, 2024, the date the financial statements were available to be issued.

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

---

***Required Supplementary  
Information***



**THIS PAGE INTENTIONALLY LEFT BLANK**

### **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.

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.

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.

**THIS PAGE INTENTIONALLY LEFT BLANK**



**CITY OF ORANGE**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 106,699,890	\$ 106,699,890	\$ 108,952,940	\$ 2,253,050
Franchise fees	2,641,702	2,641,702	2,622,044	(19,658)
Licenses and permits	5,974,360	6,015,355	6,583,598	568,243
Intergovernmental	1,700,000	3,141,971	1,246,649	(1,895,322)
Charges for services and fees	8,960,412	9,281,310	10,899,719	1,618,409
Use of money and property	1,619,618	1,623,343	2,409,120	785,777
Fines and forfeitures	2,130,000	2,130,000	2,006,648	(123,352)
Miscellaneous	1,166,799	2,835,195	5,501,110	2,665,915
<b>Total revenues</b>	<b>130,892,781</b>	<b>134,368,766</b>	<b>140,221,828</b>	<b>5,853,062</b>
<b>EXPENDITURES</b>				
Current:				
General government	7,462,062	9,250,046	14,805,544	(5,555,498)
Public safety	90,084,298	93,280,393	91,457,920	1,822,473
Community development	3,945,371	4,538,946	3,648,820	890,126
Parks and library	16,394,345	17,059,112	16,543,427	515,685
Public works	10,636,200	11,130,766	9,799,538	1,331,228
Economic development	185,760	185,760	137,853	47,907
Capital outlay	28,247	252,165	72,677	179,488
Debt service:				
Principal	550,000	550,000	706,439	(156,439)
Interest	1,165,400	1,165,400	1,165,400	-
<b>Total expenditures</b>	<b>130,451,683</b>	<b>137,412,588</b>	<b>138,337,618</b>	<b>(925,030)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>441,098</b>	<b>(3,043,822)</b>	<b>1,884,210</b>	<b>4,928,032</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,093,938	3,093,938	2,000,000	(1,093,938)
Transfers out	(22,653,938)	(24,370,884)	(23,276,946)	1,093,938
Total other financing sources (uses)	(21,560,000)	(21,276,946)	(21,276,946)	-
<b>Net change in fund balance</b>	<b>\$ (21,118,902)</b>	<b>\$ (24,320,768)</b>	<b>(19,392,736)</b>	<b>\$ 4,928,032</b>
Fund balance-beginning			45,120,940	
<b>Fund balance-ending</b>			<b>\$ 25,728,204</b>	

**CITY OF ORANGE**  
**Proposition 172**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 872,200	\$ 872,200	\$ 1,278,164	\$ 405,964
Use of money and property	651	651	(12,692)	(13,343)
<b>Total revenues</b>	<b>872,851</b>	<b>872,851</b>	<b>1,265,472</b>	<b>392,621</b>
<b>EXPENDITURES</b>				
Current:				
General government	24,508	24,508	26,512	(2,004)
Public safety	836,595	903,801	608,128	295,673
Capital outlay	96,600	96,600	98,199	(1,599)
<b>Total expenditures</b>	<b>957,703</b>	<b>1,024,909</b>	<b>732,839</b>	<b>292,070</b>
<b>Net change in fund balance</b>	<b>\$ (84,852)</b>	<b>\$ (152,058)</b>	<b>532,633</b>	<b>\$ 684,691</b>
Fund balance-beginning			(281,857)	
<b>Fund balance-ending</b>			<b>\$ 250,776</b>	

**CITY OF ORANGE**  
**Measure M**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 3,458,084	\$ 3,458,084	\$ 3,875,255	\$ 417,171
Intergovernmental	159,121	159,121	182,629	23,508
Charges for services and fees	-	-	32,760	32,760
Use of money and property	37,189	37,189	54,501	17,312
<b>Total revenues</b>	<b>3,654,394</b>	<b>3,654,394</b>	<b>4,145,145</b>	<b>490,751</b>
<b>EXPENDITURES</b>				
Current:				
Parks and library	321,599	695,620	276,651	418,969
Public works	384,350	510,893	523,940	(13,047)
Capital outlay	3,557,419	7,243,522	2,196,157	5,047,365
<b>Total expenditures</b>	<b>4,263,368</b>	<b>8,450,035</b>	<b>2,996,748</b>	<b>5,453,287</b>
<b>Net change in fund balance</b>	<b>\$ (608,974)</b>	<b>\$ (4,795,641)</b>	<b>1,148,397</b>	<b>\$ 5,944,038</b>
Fund balance-beginning			5,048,956	
<b>Fund balance-ending</b>			<b>\$ 6,197,353</b>	

**CITY OF ORANGE**  
**Federal, State & Local Grants**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,936,749	\$ 3,603,898	\$ 1,457,719	\$ (2,146,179)
Charges for services and fees	140,000	140,000	165,375	25,375
Use of money and property	225	497	44,334	43,837
Miscellaneous	12,094	101,626	117,425	15,799
<b>Total revenues</b>	<b>2,089,068</b>	<b>3,846,021</b>	<b>1,784,853</b>	<b>(2,061,168)</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	404,050	404,750	300,391	104,359
Economic development	1,508,318	4,405,987	2,147,610	2,258,377
Capital outlay	135,430	1,431,176	1,194,873	236,303
<b>Total expenditures</b>	<b>2,047,798</b>	<b>6,241,913</b>	<b>3,642,874</b>	<b>2,599,039</b>
<b>Net change in fund balance</b>	<b>\$ 41,270</b>	<b>\$ (2,395,892)</b>	<b>(1,858,021)</b>	<b>\$ 537,871</b>
Fund balance-beginning			6,477,844	
<b>Fund balance-ending</b>			<b>\$ 4,619,823</b>	

**CITY OF ORANGE**  
**Housing Successor**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

---

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Use of money and property	\$ 85,341	\$ 1,384,503	\$ 650,408	\$ (734,095)
<b>Total revenues</b>	<b>85,341</b>	<b>1,384,503</b>	<b>650,408</b>	<b>(734,095)</b>
<b>EXPENDITURES</b>				
Current:				
General government	26,981	16,981	21,600	(4,619)
Community development	55,017	134,941	115,491	19,450
Economic development	48,078	624,078	5,980,421	(5,356,343)
<b>Total expenditures</b>	<b>130,076</b>	<b>776,000</b>	<b>6,117,512</b>	<b>(5,341,512)</b>
<b>Net change in fund balance</b>	<b>\$ (44,735)</b>	<b>\$ 608,503</b>	<b>(5,467,104)</b>	<b>\$ (6,075,607)</b>
Fund balance-beginning			21,516,864	
<b>Fund balance-ending</b>			<b>\$ 16,049,760</b>	

**CITY OF ORANGE**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**As of June 30, for the Last Ten Fiscal Years <sup>1</sup>**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Measurement Date	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<b>TOTAL OPEB LIABILITY</b>			
Service cost	\$ 2,229,321	\$ 2,020,586	\$ 1,679,816
Interest on total pension liability	880,729	1,112,493	1,252,988
Changes of assumptions	(8,604,291)	3,582,060	3,630,272
Difference between expected and actual experience	(24,560)	(4,973,808)	(25,507)
Benefit payments, including refunds of employee contributions	(537,370)	(503,530)	(486,947)
Implicit subsidy fulfilled	(886,427)	(1,045,784)	(967,848)
<b>Net change in total OPEB liability</b>	<b>(6,942,598)</b>	<b>192,017</b>	<b>5,082,774</b>
Total OPEB liability-beginning	<u>44,353,963</u>	<u>44,161,946</u>	<u>39,079,172</u>
<b>Total OPEB liability-ending</b>	<b><u>\$ 37,411,365</u></b>	<b><u>\$ 44,353,963</u></b>	<b><u>\$ 44,161,946</u></b>
Covered-employee payroll	\$ 61,715,879	\$ 58,599,662	\$ 52,413,430
<b>Plan net OPEB liability/(asset) as a percentage of covered-employee payroll</b>	<b>60.6%</b>	<b>75.7%</b>	<b>84.3%</b>

**Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:**

*Benefit Changes:* None

*Changes of Assumptions:* None

<sup>1</sup> Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only six years are shown.

<b>2020</b>	<b>2019</b>	<b>2018</b>
<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
\$ 1,358,445	\$ 1,360,032	\$ 1,322,024
1,201,679	1,119,120	1,087,864
2,818,825	(371,560)	-
2,516,073	-	-
(1,305,875)	(1,207,876)	(1,148,907)
-		
<b>6,589,147</b>	<b>899,716</b>	<b>1,260,981</b>
<u>32,490,025</u>	<u>31,590,309</u>	<u>30,329,328</u>
<b><u>\$ 39,079,172</u></b>	<b><u>\$ 32,490,025</u></b>	<b><u>\$ 31,590,309</u></b>
\$ 49,778,287	\$ 59,649,993	\$ 58,053,521
<b>78.5%</b>	<b>54.5%</b>	<b>54.4%</b>

**CITY OF ORANGE**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Miscellaneous Plan**  
**As of June 30, for the Last Ten Fiscal Years <sup>1</sup>**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 5,836,901	\$ 5,435,892	\$ 5,189,996	\$ 5,067,666
Interest on total pension liability	26,520,235	26,300,226	25,659,248	24,866,459
Changes of assumptions	10,787,597	-	-	-
Difference between expected and actual experience	(5,094,851)	(1,615,823)	753,998	315,824
Benefit payments, including refunds of employee contributions	(21,719,479)	(20,507,418)	(20,275,870)	(19,046,828)
<b>Net change in total pension liability</b>	<b>16,330,403</b>	<b>9,612,877</b>	<b>11,327,372</b>	<b>11,203,121</b>
Total pension liability-beginning	386,599,782	376,986,905	365,659,533	354,456,412
<b>Total pension liability-ending (a)</b>	<b>402,930,185</b>	<b>386,599,782</b>	<b>376,986,905</b>	<b>365,659,533</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions-employer	3,462,240	115,571,257	10,335,791	8,895,425
Contributions-employee	2,358,367	2,208,136	2,175,496	2,344,603
Net investment income	(32,211,334)	67,731,016	13,126,364	16,762,810
Benefit payments, including refunds of employee contributions	(21,719,479)	(20,507,418)	(20,275,870)	(19,046,828)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(271,293)	(270,485)	(374,692)	(183,409)
Other miscellaneous income/(expense)	-	-	-	599
<b>Net change in fiduciary net position</b>	<b>(48,381,499)</b>	<b>164,732,506</b>	<b>4,987,089</b>	<b>8,773,200</b>
Plan fiduciary net position-beginning	435,504,669	270,772,163	265,785,074	257,011,874
<b>Plan fiduciary net position-ending (b)</b>	<b>387,123,170</b>	<b>435,504,669</b>	<b>270,772,163</b>	<b>265,785,074</b>
<b>Net pension liability/(asset) (a) - (b)</b>	<b>\$ 15,807,015</b>	<b>\$ (48,904,887)</b>	<b>\$ 106,214,742</b>	<b>\$ 99,874,459</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>96.1%</b>	<b>112.7%</b>	<b>71.8%</b>	<b>72.7%</b>
Covered payroll	\$ 29,053,762	\$ 29,598,876	\$ 26,090,476	\$ 29,090,476
<b>Plan net pension liability/(asset) as a percentage of covered payroll</b>	<b>54.4%</b>	<b>-165.2%</b>	<b>407.1%</b>	<b>343.3%</b>

**Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:**

*Benefit Changes:* The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

*Changes of Assumptions:* Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

<sup>1</sup> Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore only nine years are shown.



<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
\$ 5,267,383	\$ 5,177,802	\$ 4,672,901	\$ 4,546,279	\$ 4,911,456
24,067,324	23,418,521	23,117,282	22,231,986	21,813,800
(1,376,690)	18,989,623	-	(5,284,506)	-
(1,306,394)	(5,876,562)	(131,466)	(7,188,831)	-
(17,701,058)	(16,066,665)	(15,554,542)	(14,720,766)	(13,890,809)
<b>8,950,565</b>	<b>25,642,719</b>	<b>12,104,175</b>	<b>(415,838)</b>	<b>12,834,447</b>
345,505,847	319,863,128	307,758,953	308,174,791	295,340,344
<b>354,456,412</b>	<b>345,505,847</b>	<b>319,863,128</b>	<b>307,758,953</b>	<b>308,174,791</b>
7,864,464	7,498,423	6,420,197	5,766,795	4,836,725
2,088,111	2,142,096	2,036,528	2,104,640	2,042,395
20,755,507	25,473,940	1,162,922	4,982,663	35,349,001
(17,701,058)	(16,066,665)	(15,554,542)	(14,720,766)	(13,890,809)
(599)	32,777	-	-	-
(381,953)	(334,215)	(141,636)	(4,435)	-
(725,336)	-	-	-	-
<b>11,899,136</b>	<b>18,746,356</b>	<b>(6,076,531)</b>	<b>(1,871,103)</b>	<b>28,337,312</b>
245,112,738	226,366,382	232,442,913	234,314,016	205,976,704
<b>257,011,874</b>	<b>245,112,738</b>	<b>226,366,382</b>	<b>232,442,913</b>	<b>234,314,016</b>
<b>\$ 97,444,538</b>	<b>\$ 100,393,109</b>	<b>\$ 93,496,746</b>	<b>\$ 75,316,040</b>	<b>\$ 73,860,775</b>
<b>72.5%</b>	<b>70.9%</b>	<b>70.8%</b>	<b>75.5%</b>	<b>76.0%</b>
\$ 26,362,236	\$ 26,740,825	\$ 25,760,260	\$ 25,364,199	\$ 26,155,370
<b>369.6%</b>	<b>375.4%</b>	<b>362.9%</b>	<b>296.9%</b>	<b>282.4%</b>

**CITY OF ORANGE**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Safety Plan**  
**As of June 30, for the Last Ten Fiscal Years <sup>1</sup>**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 10,563,736	\$ 9,602,667	\$ 9,008,558	\$ 8,940,979
Interest on total pension liability	42,323,381	41,044,660	39,162,098	37,812,758
Changes of assumptions	21,493,940	-	-	-
Difference between expected and actual experience	(2,164,924)	6,910,237	(876,533)	628,915
Benefit payments, including refunds of employee contributions	(31,930,430)	(30,321,036)	(27,775,755)	(26,302,494)
<b>Net change in total pension liability</b>	<b>40,285,703</b>	<b>27,236,528</b>	<b>19,518,368</b>	<b>21,080,158</b>
Total pension liability-beginning	604,736,666	577,500,138	557,981,770	536,901,612
<b>Total pension liability-ending (a)</b>	<b>645,022,369</b>	<b>604,736,666</b>	<b>577,500,138</b>	<b>557,981,770</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions-employer	6,930,384	198,675,791	16,809,199	14,629,767
Contributions-employee	3,579,796	3,429,542	3,158,214	2,962,476
Net investment income	(49,811,030)	101,688,630	19,165,432	24,251,336
Benefit payments, including refunds of employee contributions	(31,930,430)	(30,321,036)	(27,775,755)	(26,302,494)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(417,186)	(396,207)	(543,905)	(264,424)
Other miscellaneous income/(expense)	-	-	-	864
<b>Net change in fiduciary net position</b>	<b>(71,648,466)</b>	<b>273,076,720</b>	<b>10,813,185</b>	<b>15,277,525</b>
Plan fiduciary net position-beginning	669,704,992	396,628,272	385,815,087	370,537,562
<b>Plan fiduciary net position-ending (b)</b>	<b>598,056,526</b>	<b>669,704,992</b>	<b>396,628,272</b>	<b>385,815,087</b>
<b>Net pension liability/(asset) (a) - (b)</b>	<b>\$ 46,965,843</b>	<b>\$ (64,968,326)</b>	<b>\$ 180,871,866</b>	<b>\$ 172,166,683</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>92.7%</b>	<b>110.7%</b>	<b>68.7%</b>	<b>69.1%</b>
Covered payroll	\$ 34,864,575	\$ 34,864,575	\$ 33,523,404	\$ 33,076,571
<b>Plan net pension liability/(asset) as a percentage of covered payroll</b>	<b>134.7%</b>	<b>-186.3%</b>	<b>539.5%</b>	<b>520.5%</b>

**Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:**

*Benefit Changes:* The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

*Changes of Assumptions:* Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

<sup>1</sup> Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore only nine years are shown.

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
\$ 8,684,357	\$ 8,663,044	\$ 7,677,162	\$ 7,510,097	\$ 8,277,333
36,374,391	34,973,049	34,040,818	32,660,257	31,691,919
(2,407,807)	29,689,823	-	(8,155,227)	-
2,812,674	(4,567,911)	(325,378)	(6,412,547)	-
<u>(25,095,404)</u>	<u>(23,809,456)</u>	<u>(22,545,119)</u>	<u>(21,218,801)</u>	<u>(20,071,826)</u>
<b>20,368,211</b>	<b>44,948,549</b>	<b>18,847,483</b>	<b>4,383,779</b>	<b>19,897,426</b>
516,533,401	471,584,852	452,737,369	448,353,590	428,456,164
<b>536,901,612</b>	<b>516,533,401</b>	<b>471,584,852</b>	<b>452,737,369</b>	<b>448,353,590</b>
12,902,982	12,304,411	10,451,474	9,399,041	8,394,155
2,863,563	2,785,504	2,715,401	2,736,436	2,571,235
29,531,053	36,448,582	1,469,981	6,943,219	50,548,509
<u>(25,095,404)</u>	<u>(23,809,456)</u>	<u>(22,545,119)</u>	<u>(21,218,801)</u>	<u>(20,071,826)</u>
(864)	1,111	-	-	-
(548,398)	(479,361)	-	-	-
<u>(1,041,417)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>18,611,515</b>	<b>27,250,791</b>	<b>(7,908,263)</b>	<b>(2,140,105)</b>	<b>41,442,073</b>
351,926,047	324,675,256	332,583,519	334,723,624	293,281,551
<b>370,537,562</b>	<b>351,926,047</b>	<b>324,675,256</b>	<b>332,583,519</b>	<b>334,723,624</b>
<b>\$ 166,364,050</b>	<b>\$ 164,607,354</b>	<b>\$ 146,909,596</b>	<b>\$ 120,153,850</b>	<b>\$ 113,629,966</b>
<b>69.0%</b>	<b>68.1%</b>	<b>68.8%</b>	<b>73.5%</b>	<b>74.7%</b>
\$ 31,190,385	\$ 30,328,006	\$ 29,703,783	\$ 28,780,810	\$ 28,144,568
<b>533.4%</b>	<b>542.8%</b>	<b>494.6%</b>	<b>417.5%</b>	<b>403.7%</b>

**CITY OF ORANGE**  
**Schedules of Plan Contributions**  
**As of June 30, for the Last Ten Fiscal Years <sup>1</sup>**

<b>Fiscal Year Ending June 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as a % of Covered Payroll</b>
<b><u>Miscellaneous Agent, Multiple-Employer Pension Plan</u></b>					
2023	\$ 3,640,116	\$ 3,640,116	\$ -	\$ 29,053,762	12.5%
2022	3,460,554	3,460,554	-	29,598,876	11.7%
2021	11,230,178	115,573,579	(104,343,401)	26,090,476	443.0%
2020	10,331,501	10,331,501	-	29,090,476	35.5%
2019	8,889,983	8,889,983	-	26,362,236	33.7%
2018	7,865,000	7,865,000	-	26,740,825	29.4%
2017	7,496,129	7,496,129	-	25,760,260	29.1%
2016	6,420,229	6,420,229	-	25,364,199	25.3%
2015	5,766,795	5,766,795	-	26,155,370	22.0%
<b><u>Safety Agent, Multiple-Employer Pension Plan</u></b>					
2023	\$ 6,993,732	\$ 6,993,732	\$ -	\$ 34,142,651	20.5%
2022	6,931,080	6,931,080	-	34,864,575	19.9%
2021	18,409,102	198,674,869	(180,265,767)	33,523,404	592.6%
2020	16,811,365	16,811,365	-	33,076,571	50.8%
2019	14,630,050	14,630,050	-	31,190,385	46.9%
2018	12,903,531	12,903,531	-	30,328,006	42.5%
2017	12,302,440	12,302,440	-	29,703,783	41.4%
2016	10,451,464	10,451,464	-	28,780,810	36.3%
2015	9,399,041	9,399,041	-	28,144,568	33.4%

**Note to Schedule of Contributions:**

*Methods and Assumptions Used to Determine Actuarially Determined Contributions*

Actuarial cost method:	Entry age normal
Amortization method/period:	For details, see June 30, 2020 Funding Valuation Report
Asset valuation method:	Market value of assets. For details, see June 30, 2020 Funding Valuation Report
Inflation:	2.50%
Salary increases:	Varies by entry age and service
Payroll growth:	2.75%
Investment rate of return:	7.00% net of investment and administrative expenses
Retirement age:	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997-2015.
Mortality:	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997-2015. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvements using Scale BB published by the Society of Actuaries

<sup>1</sup> Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore only nine years are shown.

**CITY OF ORANGE**  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**

---

**NOTE 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 the City management's approval.

The City Council approved increases in appropriations during the year in the amount of \$24,320,768 in the General Fund, \$16,765,600 in the Special Revenue Funds, \$16,755,374 in the Debt Service Fund, and \$22,390,834 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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## ***Supplementary Schedules***



**THIS PAGE INTENTIONALLY LEFT BLANK**



## Non-Major Special Revenue Funds

The following Special Revenue Funds have been classified as non-major funds 111 the accompanying financial statements and budgetary comparison schedules:

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

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.

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.

Headstart Building Maintenance - This fund is used to account for lease payments and maintenance on the Headstart/Preschool building.

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.

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.

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.

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.

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.

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

SB2 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.

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

CITY OF ORANGE  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2023

Special Revenue Funds

	EMT Transport	1% PEG Program	CASP Certification & Training	Headstart Building Maintenance
<b>ASSETS</b>				
Cash and investments	\$ 1,068,471	\$ 299,571	\$ 289,368	\$ 172,440
Receivables (net of allowance for uncollectible):				
Accounts	4,676	295,118	-	-
Taxes	-	-	-	-
Accrued interest	4,533	1,419	1,544	916
Notes and loans	-	-	-	-
Leases	-	-	-	5,852
<b>Total assets</b>	<b>\$ 1,077,680</b>	<b>\$ 596,108</b>	<b>\$ 290,912</b>	<b>\$ 179,208</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 36,942	\$ 136,057	\$ -	\$ 186
Contracts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>36,942</b>	<b>136,057</b>	<b>-</b>	<b>186</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	-	-
Lease-related	-	-	-	6,770
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,770</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	1,040,738	460,051	290,912	172,252
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>1,040,738</b>	<b>460,051</b>	<b>290,912</b>	<b>172,252</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,077,680</b>	<b>\$ 596,108</b>	<b>\$ 290,912</b>	<b>\$ 179,208</b>

CITY OF ORANGE  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2023

(Continued)

	<b>Special Revenue Funds</b>			
	<b>Air Pollution Reduction</b>	<b>Gas Tax</b>	<b>RMRA Road Maintenance</b>	<b>Transportation System Improvement Program</b>
<b>ASSETS</b>				
Cash and investments	\$ 165,358	\$ 293,865	\$ 3,570,915	\$ 3,210,493
Receivables (net of allowance for uncollectible):				
Accounts	-	1,826	-	1,033
Taxes	-	310,001	545,913	-
Accrued interest	598	1,510	16,726	17,413
Notes and loans	-	-	-	24,301
Leases	-	-	-	-
<b>Total assets</b>	<b>\$ 165,956</b>	<b>\$ 607,202</b>	<b>\$ 4,133,554</b>	<b>\$ 3,253,240</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 7,846	\$ 538	\$ 175,449
Contracts payable	-	-	-	16,058
Accrued liabilities	-	-	-	-
Deposits payable	-	1,690	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>9,536</b>	<b>538</b>	<b>191,507</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	-	24,301
Lease-related	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,301</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	165,956	597,666	4,133,016	3,037,432
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>165,956</b>	<b>597,666</b>	<b>4,133,016</b>	<b>3,037,432</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 165,956</b>	<b>\$ 607,202</b>	<b>\$ 4,133,554</b>	<b>\$ 3,253,240</b>

CITY OF ORANGE  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2023

	<b>Special Revenue Funds</b>			
	<b>Landscape Maintenance Assessment Districts</b>	<b>Asset Seizure</b>	<b>SB2 Building Home &amp; Jobs Act</b>	<b>Housing In-Lieu</b>
<b>ASSETS</b>				
Cash and investments	\$ 1,926,077	\$ 4,252,300	\$ -	\$ 506,519
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Taxes	8,447	-	-	-
Accrued interest	10,043	21,673	-	2,341
Notes and loans	-	-	-	3,167,387
Leases	-	-	-	-
<b>Total assets</b>	<b>\$ 1,944,567</b>	<b>\$ 4,273,973</b>	<b>\$ -</b>	<b>\$ 3,676,247</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 62,045	\$ 137,666	\$ 814,009	\$ -
Contracts payable	-	-	-	-
Accrued liabilities	-	99,010	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	656,907	-
<b>Total liabilities</b>	<b>62,045</b>	<b>236,676</b>	<b>1,470,916</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	-	-
Lease-related	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	1,882,522	4,037,297	-	3,676,247
Assigned	-	-	-	-
Unassigned	-	-	(1,470,916)	-
<b>Total fund balances (deficits)</b>	<b>1,882,522</b>	<b>4,037,297</b>	<b>(1,470,916)</b>	<b>3,676,247</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,944,567</b>	<b>\$ 4,273,973</b>	<b>\$ -</b>	<b>\$ 3,676,247</b>

CITY OF ORANGE  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2023

(Continued)

Capital Projects Funds

	Drainage District	Fire Facilities Fees	Police Facilities Fees	Library Facilities Fees
<b>ASSETS</b>				
Cash and investments	\$ 4,052	\$ 534,891	\$ 618,967	\$ 375,916
Receivables (net of allowance for uncollectible):				
Accounts	-	78,554	19,903	5,304
Taxes	-	-	-	-
Accrued interest	22	3,309	3,465	2,667
Notes and loans	-	38,935	18,791	34,427
Leases	-	-	-	-
<b>Total assets</b>	<b>\$ 4,074</b>	<b>\$ 655,689</b>	<b>\$ 661,126</b>	<b>\$ 418,314</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 99,932	\$ 2,677	\$ 1,100
Contracts payable	-	4,357	-	-
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>104,289</b>	<b>2,677</b>	<b>1,100</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	38,935	18,791	34,427
Lease-related	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>38,935</b>	<b>18,791</b>	<b>34,427</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	-	-	-
Assigned	4,074	512,465	639,658	382,787
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>4,074</b>	<b>512,465</b>	<b>639,658</b>	<b>382,787</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 4,074</b>	<b>\$ 655,689</b>	<b>\$ 661,126</b>	<b>\$ 418,314</b>

CITY OF ORANGE  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2023

	<u>Debt Service Funds</u>	
	<u>City Debt Service</u>	<u>Total Non-major Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 17,289,203
Receivables (net of allowance for uncollectible):		
Accounts	-	406,414
Taxes	-	864,361
Accrued interest	-	88,179
Notes and loans	-	3,283,841
Leases	-	5,852
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 21,937,850</b>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 1,474,447
Contracts payable	-	20,415
Accrued liabilities	-	99,010
Deposits payable	-	1,690
Due to other funds	-	656,907
<b>Total liabilities</b>	<b>-</b>	<b>2,252,469</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenues	-	116,454
Lease-related	-	6,770
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>123,224</b>
<b>FUND BALANCES (DEFICITS)</b>		
Restricted	-	19,494,089
Assigned	-	1,538,984
Unassigned	-	(1,470,916)
<b>Total fund balances (deficits)</b>	<b>-</b>	<b>19,562,157</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ 21,937,850</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF ORANGE**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>EMT Transport</b>	<b>1% PEG Program</b>	<b>CASP Certification &amp; Training</b>	<b>Headstart Building Maintenance</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees	-	526,529	-	-
Licenses and permits	-	-	7,698	-
Intergovernmental	501,030	-	-	-
Charges for services and fees	3,387,298	-	-	-
Use of money and property	(23,277)	(1,802)	6,109	12,893
Miscellaneous	-	-	59,021	-
<b>Total revenues</b>	<b>3,865,051</b>	<b>524,727</b>	<b>72,828</b>	<b>12,893</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	245,028	-	-
Public safety	3,318,419	-	-	-
Community development	-	-	1,601	-
Parks and library	-	-	-	-
Public works	-	-	63,810	2,275
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>3,318,419</b>	<b>245,028</b>	<b>65,411</b>	<b>2,275</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>546,632</b>	<b>279,699</b>	<b>7,417</b>	<b>10,618</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	400,000	-	-	-
<b>Total other financing sources (uses)</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>946,632</b>	<b>279,699</b>	<b>7,417</b>	<b>10,618</b>
Fund balances (deficit)-beginning	94,106	180,352	283,495	161,634
<b>Fund balances (deficit)-ending</b>	<b>\$ 1,040,738</b>	<b>\$ 460,051</b>	<b>\$ 290,912</b>	<b>\$ 172,252</b>



**CITY OF ORANGE**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2023**

(Continued)

	<b>Special Revenue Funds</b>			
	<b>Air Pollution Reduction</b>	<b>Gas Tax</b>	<b>RMRA Road Maintenance</b>	<b>Transportation System Improvement Program</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	135,823	3,528,705	3,115,413	-
Charges for services and fees	-	6,255	-	158,400
Use of money and property	1,966	5,470	42,871	75,345
Miscellaneous	-	64	-	-
<b>Total revenues</b>	<b>137,789</b>	<b>3,540,494</b>	<b>3,158,284</b>	<b>233,745</b>
<b>EXPENDITURES</b>				
Current:				
General government	59,407	9,409	-	-
Public safety	9,158	-	-	-
Community development	-	-	-	-
Parks and library	-	-	-	-
Public works	-	3,884,543	3,796	166,419
Capital outlay	117,566	55,170	2,608,342	697,218
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>186,131</b>	<b>3,949,122</b>	<b>2,612,138</b>	<b>863,637</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(48,342)</b>	<b>(408,628)</b>	<b>546,146</b>	<b>(629,892)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(48,342)</b>	<b>(408,628)</b>	<b>546,146</b>	<b>(629,892)</b>
Fund balances (deficit)-beginning	214,298	1,006,294	3,586,870	3,667,324
<b>Fund balances (deficit)-ending</b>	<b>\$ 165,956</b>	<b>\$ 597,666</b>	<b>\$ 4,133,016</b>	<b>\$ 3,037,432</b>

**CITY OF ORANGE**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Landscape Maintenance Assessment Districts</b>	<b>Asset Seizure</b>	<b>SB2 Building Home &amp; Jobs Act</b>	<b>Housing In-Lieu</b>
<b>REVENUES</b>				
Taxes	\$ 1,044,488	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	174,564	3,939	944,217	221,306
Charges for services and fees	-	-	-	-
Use of money and property	18,897	65,855	-	160,194
Miscellaneous	-	1,506,393	-	-
<b>Total revenues</b>	<b>1,237,949</b>	<b>1,576,187</b>	<b>944,217</b>	<b>381,500</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	1,037,870	4
Public safety	-	124,710	-	-
Community development	-	-	50,738	-
Parks and library	1,046,781	-	-	-
Public works	-	-	-	-
Capital outlay	11,269	244,688	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>1,058,050</b>	<b>369,398</b>	<b>1,088,608</b>	<b>4</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>179,899</b>	<b>1,206,789</b>	<b>(144,391)</b>	<b>381,496</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>179,899</b>	<b>1,206,789</b>	<b>(144,391)</b>	<b>381,496</b>
Fund balances (deficit)-beginning	1,702,623	2,830,508	(1,326,525)	3,294,751
<b>Fund balances (deficit)-ending</b>	<b>\$ 1,882,522</b>	<b>\$ 4,037,297</b>	<b>\$ (1,470,916)</b>	<b>\$ 3,676,247</b>

**CITY OF ORANGE**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2023**

(Continued)

**Capital Projects Funds**

	<b>Drainage District</b>	<b>Fire Facilities Fees</b>	<b>Police Facilities Fees</b>	<b>Library Facilities Fees</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services and fees	-	57,629	21,919	2,615
Use of money and property	57	30,729	11,553	29,580
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>57</b>	<b>88,358</b>	<b>33,472</b>	<b>32,195</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	19,821	19,296	-
Community development	-	-	-	-
Parks and library	-	-	-	261,342
Public works	-	-	-	-
Capital outlay	-	482,997	53,547	311,819
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>502,818</b>	<b>72,843</b>	<b>573,161</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>57</b>	<b>(414,460)</b>	<b>(39,371)</b>	<b>(540,966)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>57</b>	<b>(414,460)</b>	<b>(39,371)</b>	<b>(540,966)</b>
Fund balances (deficit)-beginning	4,017	926,925	679,029	923,753
<b>Fund balances (deficit)-ending</b>	<b>\$ 4,074</b>	<b>\$ 512,465</b>	<b>\$ 639,658</b>	<b>\$ 382,787</b>

**CITY OF ORANGE**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2023**

	<b>Debt Service Funds</b>	
	<b>City Debt Service</b>	<b>Total Non-major Funds</b>
<b>REVENUES</b>		
Taxes	\$ -	\$ 1,044,488
Franchise fees	-	526,529
Licenses and permits	-	7,698
Intergovernmental	-	8,624,997
Charges for services and fees	-	3,634,116
Use of money and property	-	436,440
Miscellaneous	16,755,374	18,320,852
<b>Total revenues</b>	<b>16,755,374</b>	<b>32,595,120</b>
<b>EXPENDITURES</b>		
Current:		
General government	-	1,351,718
Public safety	-	3,491,404
Community development	-	52,339
Parks and library	-	1,308,123
Public works	-	4,120,843
Capital outlay	-	4,582,616
Debt service:		
Principal	10,120,000	10,120,000
Interest and fiscal charges	6,635,374	6,635,374
<b>Total expenditures</b>	<b>16,755,374</b>	<b>31,662,417</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>932,703</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	400,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>400,000</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>1,332,703</b>
Fund balances (deficit)-beginning	-	18,229,454
<b>Fund balances (deficit)-ending</b>	<b>\$ -</b>	<b>\$ 19,562,157</b>

CITY OF ORANGE  
 EMT Transport  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 501,030	\$ 386,030
Charges for services and fees	2,760,000	2,760,000	3,387,298	627,298
Use of money and property	420	420	(23,277)	(23,697)
<b>Total revenues</b>	<b>2,875,420</b>	<b>2,875,420</b>	<b>3,865,051</b>	<b>989,631</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	3,293,285	3,293,285	3,318,419	(25,134)
<b>Total expenditures</b>	<b>3,293,285</b>	<b>3,293,285</b>	<b>3,318,419</b>	<b>(25,134)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(417,865)</b>	<b>(417,865)</b>	<b>546,632</b>	<b>964,497</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	400,000	400,000	400,000	-
<b>Total other financing sources (uses)</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (17,865)</b>	<b>\$ (17,865)</b>	<b>946,632</b>	<b>\$ 964,497</b>
Fund balance-beginning			94,106	
<b>Fund balance-ending</b>			<b>\$ 1,040,738</b>	

**CITY OF ORANGE**  
**1% PEG Program**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

---

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 251,900	\$ 251,900	\$ 526,529	\$ 274,629
Use of money and property	907	907	(1,802)	(2,709)
<b>Total revenues</b>	<b>252,807</b>	<b>252,807</b>	<b>524,727</b>	<b>271,920</b>
<b>EXPENDITURES</b>				
Current:				
General government	248,935	293,935	245,028	48,907
<b>Total expenditures</b>	<b>248,935</b>	<b>293,935</b>	<b>245,028</b>	<b>48,907</b>
<b>Net change in fund balance</b>	<b>\$ 3,872</b>	<b>\$ (41,128)</b>	<b>279,699</b>	<b>\$ 320,827</b>
Fund balance-beginning			180,352	
<b>Fund balance-ending</b>			<b>\$ 460,051</b>	

**CITY OF ORANGE**  
**CASP Certification & Training**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

---

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ -	\$ -	\$ 7,698	\$ 7,698
Use of money and property	1,157	1,157	6,109	4,952
Miscellaneous	65,000	65,000	59,021	(5,979)
<b>Total revenues</b>	<b>66,157</b>	<b>66,157</b>	<b>72,828</b>	<b>6,671</b>
<b>EXPENDITURES</b>				
Current:				
Community development	1,601	1,601	1,601	-
Public works	-	3,098	63,810	(60,712)
<b>Total expenditures</b>	<b>1,601</b>	<b>4,699</b>	<b>65,411</b>	<b>(60,712)</b>
<b>Net change in fund balance</b>	<b>\$ 64,556</b>	<b>\$ 61,458</b>	<b>7,417</b>	<b>\$ (54,041)</b>
Fund balance-beginning			283,495	
<b>Fund balance-ending</b>			<b>\$ 290,912</b>	

**CITY OF ORANGE**  
**Headstart Building Maintenance**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

---

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Use of money and property	\$ 15,581	\$ 15,581	\$ 12,893	\$ (2,688)
<b>Total revenues</b>	<b>15,581</b>	<b>15,581</b>	<b>12,893</b>	<b>(2,688)</b>
<b>EXPENDITURES</b>				
Current:				
Public works	10,485	54,245	2,275	51,970
<b>Total expenditures</b>	<b>10,485</b>	<b>54,245</b>	<b>2,275</b>	<b>51,970</b>
<b>Net change in fund balance</b>	<b>\$ 5,096</b>	<b>\$ (38,664)</b>	<b>10,618</b>	<b>\$ 49,282</b>
Fund balance-beginning			161,634	
<b>Fund balance-ending</b>			<b>\$ 172,252</b>	



**CITY OF ORANGE**  
**Air Pollution Reduction**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 182,000	\$ 182,000	\$ 135,823	\$ (46,177)
Use of money and property	478	478	1,966	1,488
<b>Total revenues</b>	<b>182,478</b>	<b>182,478</b>	<b>137,789</b>	<b>(44,689)</b>
<b>EXPENDITURES</b>				
Current:				
General government	133,747	115,289	59,407	55,882
Public safety	10,000	10,000	9,158	842
Capital outlay	130,000	210,426	117,566	92,860
<b>Total expenditures</b>	<b>273,747</b>	<b>335,715</b>	<b>186,131</b>	<b>149,584</b>
<b>Net change in fund balance</b>	<b>\$ (91,269)</b>	<b>\$ (153,237)</b>	<b>(48,342)</b>	<b>\$ 104,895</b>
Fund balance-beginning			214,298	
<b>Fund balance-ending</b>			<b>\$ 165,956</b>	

**CITY OF ORANGE**  
**Gas Tax**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 4,000,567	\$ 4,000,567	\$ 3,528,705	\$ (471,862)
Charges for services and fees	-	-	6,255	6,255
Use of money and property	4,687	4,687	5,470	783
Miscellaneous	-	-	64	64
<b>Total revenues</b>	<b>4,005,254</b>	<b>4,005,254</b>	<b>3,540,494</b>	<b>(464,760)</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	12,900	9,409	3,491
Public works	4,029,074	4,149,381	3,884,543	264,838
Capital outlay	420,000	404,168	55,170	348,998
<b>Total expenditures</b>	<b>4,449,074</b>	<b>4,566,449</b>	<b>3,949,122</b>	<b>617,327</b>
<b>Net change in fund balance</b>	<b>\$ (443,820)</b>	<b>\$ (561,195)</b>	<b>(408,628)</b>	<b>\$ 152,567</b>
Fund balance-beginning			1,006,294	
<b>Fund balance-ending</b>			<b>\$ 597,666</b>	

CITY OF ORANGE  
 RMRA Road Maintenance  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 3,131,211	\$ 3,131,211	\$ 3,115,413	\$ (15,798)
Use of money and property	9,112	9,112	42,871	33,759
<b>Total revenues</b>	<b>3,140,323</b>	<b>3,140,323</b>	<b>3,158,284</b>	<b>17,961</b>
<b>EXPENDITURES</b>				
Current:				
Public works	-	-	3,796	(3,796)
Capital outlay	3,487,943	6,629,553	2,608,342	4,021,211
<b>Total expenditures</b>	<b>3,487,943</b>	<b>6,629,553</b>	<b>2,612,138</b>	<b>4,017,415</b>
<b>Net change in fund balance</b>	<b>\$ (347,620)</b>	<b>\$ (3,489,230)</b>	<b>546,146</b>	<b>\$ 4,035,376</b>
Fund balance-beginning			3,586,870	
<b>Fund balance-ending</b>			<b>\$ 4,133,016</b>	

**CITY OF ORANGE**  
**Transportation System Improvement Program**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services and fees	\$ 77,267	\$ 77,267	\$ 158,400	\$ 81,133
Use of money and property	73,083	73,083	75,345	2,262
<b>Total revenues</b>	<b>150,350</b>	<b>150,350</b>	<b>233,745</b>	<b>83,395</b>
<b>EXPENDITURES</b>				
Current:				
Public works	118,990	178,841	166,419	12,422
Capital outlay	450,000	3,951,141	697,218	3,253,923
<b>Total expenditures</b>	<b>568,990</b>	<b>4,129,982</b>	<b>863,637</b>	<b>3,266,345</b>
<b>Net change in fund balance</b>	<b>\$ (418,640)</b>	<b>\$ (3,979,632)</b>	<b>(629,892)</b>	<b>\$ 3,349,740</b>
Fund balance-beginning			3,667,324	
<b>Fund balance-ending</b>			<b>\$ 3,037,432</b>	

**CITY OF ORANGE**  
**Landscape Maintenance Assessment Districts**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,037,423	\$ 1,037,423	\$ 1,044,488	\$ 7,065
Intergovernmental	-	174,564	174,564	-
Use of money and property	5,537	5,537	18,897	13,360
<b>Total revenues</b>	<b>1,042,960</b>	<b>1,217,524</b>	<b>1,237,949</b>	<b>20,425</b>
<b>EXPENDITURES</b>				
Current:				
Parks and library	1,075,648	1,512,947	1,046,781	466,166
Capital outlay	10,000	306,653	11,269	295,384
<b>Total expenditures</b>	<b>1,085,648</b>	<b>1,819,600</b>	<b>1,058,050</b>	<b>761,550</b>
<b>Net change in fund balance</b>	<b>\$ (42,688)</b>	<b>\$ (602,076)</b>	<b>179,899</b>	<b>\$ 781,975</b>
Fund balance-beginning			1,702,623	
<b>Fund balance-ending</b>			<b>\$ 1,882,522</b>	

**CITY OF ORANGE**  
**Asset Seizure**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 3,939	\$ 3,939
Use of money and property	12,192	12,192	65,855	53,663
Miscellaneous	64,000	64,000	1,506,393	1,442,393
<b>Total revenues</b>	<b>76,192</b>	<b>76,192</b>	<b>1,576,187</b>	<b>1,499,995</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	241,780	256,980	124,710	132,270
Capital outlay	62,800	335,699	244,688	91,011
<b>Total expenditures</b>	<b>304,580</b>	<b>592,679</b>	<b>369,398</b>	<b>223,281</b>
<b>Net change in fund balance</b>	<b>\$ (228,388)</b>	<b>\$ (516,487)</b>	<b>1,206,789</b>	<b>\$ 1,723,276</b>
Fund balance-beginning			2,830,508	
<b>Fund balance-ending</b>			<b>\$ 4,037,297</b>	

CITY OF ORANGE  
 SB2 Building Home & Jobs Act  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 944,217	\$ 944,217
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>944,217</u>	<u>944,217</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	248,078	1,037,870	(789,792)
Community development	-	83,907	50,738	33,169
<b>Total expenditures</b>	<u>-</u>	<u>331,985</u>	<u>1,088,608</u>	<u>(756,623)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (331,985)</u>	<u>(144,391)</u>	<u>\$ 187,594</u>
Fund balance-beginning			(1,326,525)	
<b>Fund balance-ending</b>			<u>\$ (1,470,916)</u>	

**CITY OF ORANGE**  
**Housing In-Lieu**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

---

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 221,306	\$ 221,306
Use of money and property	12,289	12,289	160,194	147,905
<b>Total revenues</b>	<b>12,289</b>	<b>12,289</b>	<b>381,500</b>	<b>369,211</b>
<b>EXPENDITURES</b>				
Current:				
General government	4	372,760	4	372,756
<b>Total expenditures</b>	<b>4</b>	<b>372,760</b>	<b>4</b>	<b>372,756</b>
<b>Net change in fund balance</b>	<b>\$ 12,285</b>	<b>\$ (360,471)</b>	<b>381,496</b>	<b>\$ 741,967</b>
Fund balance-beginning			3,294,751	
<b>Fund balance-ending</b>			<b>\$ 3,676,247</b>	



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

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

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:

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

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.

CITY OF ORANGE  
Capital Improvement  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 4,555,985	\$ 5,822,799	\$ 844,701	\$ (4,978,098)
Charges for services and fees	5,000	5,000	1,755,040	1,750,040
Use of money and property	28,471	28,471	454,069	425,598
<b>Total revenues</b>	<b>4,589,456</b>	<b>5,856,270</b>	<b>3,053,810</b>	<b>(2,802,460)</b>
<b>EXPENDITURES</b>				
Current:				
General government	300,000	471,795	303,875	167,920
Community development	-	343,874	94,154	249,720
Parks and library	12,049	12,049	13,572	(1,523)
Public works	1,180,000	1,720,884	733,983	986,901
Capital outlay	10,878,900	25,623,432	7,235,780	18,387,652
<b>Total expenditures</b>	<b>12,370,949</b>	<b>28,172,034</b>	<b>8,381,364</b>	<b>19,790,670</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,781,493)</b>	<b>(22,315,764)</b>	<b>(5,327,554)</b>	<b>16,988,210</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,000,000	7,000,000	7,000,000	-
Transfers out	-	(1,000,000)	(1,000,000)	-
<b>Total other financing sources (uses)</b>	<b>7,000,000</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (781,493)</b>	<b>\$ (16,315,764)</b>	<b>672,446</b>	<b>\$ 16,988,210</b>
Fund balance-beginning			28,964,389	
<b>Fund balance-ending</b>			<b>\$ 29,636,835</b>	

**CITY OF ORANGE**  
**Park Acquisition, Development and Maintenance**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services and fees	\$ 815,855	\$ 815,855	\$ 70,645	\$ (745,210)
Use of money and property	125,371	125,371	250,945	125,574
<b>Total revenues</b>	<b>941,226</b>	<b>941,226</b>	<b>321,590</b>	<b>(619,636)</b>
<b>EXPENDITURES</b>				
Current:				
Public works	-	-	646,046	(646,046)
Capital outlay	2,659,279	5,090,093	1,365,662	3,724,431
<b>Total expenditures</b>	<b>2,659,279</b>	<b>5,090,093</b>	<b>2,011,708</b>	<b>3,078,385</b>
<b>Net change in fund balance</b>	<b>\$ (1,718,053)</b>	<b>\$ (4,148,867)</b>	<b>(1,690,118)</b>	<b>\$ 2,458,749</b>
Fund balance-beginning			8,873,331	
<b>Fund balance-ending</b>			<b>\$ 7,183,213</b>	

**CITY OF ORANGE**  
**Drainage District**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

---

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 16	\$ 16	\$ 57	\$ 41
<b>Total revenues</b>	<b>16</b>	<b>16</b>	<b>57</b>	<b>41</b>
<b>Net change in fund balance</b>	<b>\$ 16</b>	<b>\$ 16</b>	<b>57</b>	<b>\$ 41</b>
Fund balance-beginning			4,017	
<b>Fund balance-ending</b>			<b>\$ 4,074</b>	

CITY OF ORANGE  
 Fire Facilities Fees  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services and fees	\$ 89,049	\$ 89,049	\$ 57,629	\$ (31,420)
Use of money and property	5,973	5,973	30,729	24,756
<b>Total revenues</b>	<b>95,022</b>	<b>95,022</b>	<b>88,358</b>	<b>(6,664)</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	19,821	(19,821)
Capital outlay	535,000	864,555	482,997	381,558
<b>Total expenditures</b>	<b>535,000</b>	<b>864,555</b>	<b>502,818</b>	<b>361,737</b>
<b>Net change in fund balance</b>	<b>\$ (439,978)</b>	<b>\$ (769,533)</b>	<b>(414,460)</b>	<b>\$ 355,073</b>
Fund balance-beginning			926,925	
<b>Fund balance-ending</b>			<b>\$ 512,465</b>	

**CITY OF ORANGE**  
**Police Facilities Fees**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

---

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services and fees	\$ 29,465	\$ 29,465	\$ 21,919	\$ (7,546)
Use of money and property	2,206	2,206	11,553	9,347
<b>Total revenues</b>	<b>31,671</b>	<b>31,671</b>	<b>33,472</b>	<b>1,801</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	20,000	20,000	19,296	704
Capital outlay	-	345,000	53,547	291,453
<b>Total expenditures</b>	<b>20,000</b>	<b>365,000</b>	<b>72,843</b>	<b>292,157</b>
<b>Net change in fund balance</b>	<b>\$ 11,671</b>	<b>\$ (333,329)</b>	<b>(39,371)</b>	<b>\$ 293,958</b>
Fund balance-beginning			679,029	
<b>Fund balance-ending</b>			<b>\$ 639,658</b>	

**CITY OF ORANGE**  
**Library Facilities Fees**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services and fees	\$ 71,550	\$ 71,550	\$ 2,615	\$ (68,935)
Use of money and property	3,450	3,450	29,580	26,130
<b>Total revenues</b>	<b>75,000</b>	<b>75,000</b>	<b>32,195</b>	<b>(42,805)</b>
<b>EXPENDITURES</b>				
Current:				
Parks and library	-	257,785	261,342	(3,557)
Capital outlay	-	640,572	311,819	328,753
<b>Total expenditures</b>	<b>-</b>	<b>898,357</b>	<b>573,161</b>	<b>325,196</b>
<b>Net change in fund balance</b>	<b>\$ 75,000</b>	<b>\$ (823,357)</b>	<b>(540,966)</b>	<b>\$ 282,391</b>
Fund balance-beginning			923,753	
<b>Fund balance-ending</b>			<b>\$ 382,787</b>	

**THIS PAGE INTENTIONALLY LEFT BLANK**



### **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  
City Debt Service  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended June 30, 2023

---

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other revenues	\$ 16,755,374	\$ 16,755,374	\$ 16,755,374	\$ -
<b>Total revenues</b>	<b>16,755,374</b>	<b>16,755,374</b>	<b>16,755,374</b>	<b>-</b>
<b>EXPENDITURES</b>				
Debt service:				
Principal	10,120,000	10,120,000	10,120,000	-
Interest	6,635,374	6,635,374	6,635,374	-
<b>Total expenditures</b>	<b>16,755,374</b>	<b>16,755,374</b>	<b>16,755,374</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance-beginning			-	
<b>Fund balance-ending</b>			<b>\$ -</b>	

## 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, 2023

	<u>Self-Insurance Funds</u>				
	<u>Equipment Maintenance</u>	<u>Equipment Replacement</u>	<u>Major Building Improvements</u>	<u>Worker's Compensation</u>	<u>Liability</u>
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ -	\$ 7,887,601	\$ 209,293	\$ 4,457,927	\$ 1,065,941
Receivables (net of uncollectibles):					
Accounts	560	8,310	-	78,462	-
Prepaid costs	-	-	-	-	-
Inventories	447,180	-	-	-	-
Restricted:					
Cash with fiscal agent	167	-	-	-	-
<b>Total current assets</b>	<b>447,907</b>	<b>7,895,911</b>	<b>209,293</b>	<b>4,536,389</b>	<b>1,065,941</b>
Noncurrent:					
Capital assets, net	140,108	17,166,682	-	-	-
<b>Total noncurrent assets</b>	<b>140,108</b>	<b>17,166,682</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>588,015</b>	<b>25,062,593</b>	<b>209,293</b>	<b>4,536,389</b>	<b>1,065,941</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension-related	1,398,975	-	-	-	-
OPEB-related	356,049	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>1,755,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	172,407	58,354	7,164	154,791	125,074
Due to other funds	10,749	-	-	-	-
Claims and judgments	-	-	-	4,461,341	869,584
Bonds, notes, loans, leases and subscriptions	163,586	-	-	-	-
<b>Total current liabilities</b>	<b>346,742</b>	<b>58,354</b>	<b>7,164</b>	<b>4,616,132</b>	<b>994,658</b>
Noncurrent liabilities:					
Claims and judgments	-	-	-	9,545,244	903,836
Bonds, notes, loans, leases, and subscriptions	3,776,406	-	-	-	-
Net pension liability	632,281	-	-	-	-
Net OPEB liability	1,496,455	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>5,905,142</b>	<b>-</b>	<b>-</b>	<b>9,545,244</b>	<b>903,836</b>
<b>Total liabilities</b>	<b>6,251,884</b>	<b>58,354</b>	<b>7,164</b>	<b>14,161,376</b>	<b>1,898,494</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension-related	133,049	-	-	-	-
OPEB-related	457,135	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>590,184</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	140,108	17,166,682	-	-	-
Unrestricted	(4,639,137)	7,837,557	202,129	(9,624,987)	(832,553)
<b>Total net position</b>	<b>\$ (4,499,029)</b>	<b>\$ 25,004,239</b>	<b>\$ 202,129</b>	<b>\$ (9,624,987)</b>	<b>\$ (832,553)</b>

**CITY OF ORANGE**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2023**

	<b>Self-Insurance Fund</b>				<b>Total Internal Service Funds</b>
	<b>Dental</b>	<b>Employee Accrued Liability</b>	<b>Information Systems</b>	<b>Computer Replacement</b>	
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 536,001	\$ 6,772,645	\$ 1,068,067	\$ 10,070,230	\$ 32,067,705
Receivables (net of uncollectibles):					
Accounts	-	-	-	-	87,332
Prepaid costs	41,500	-	-	-	41,500
Inventories	-	-	-	-	447,180
Restricted:					
Cash with fiscal agent	-	-	-	-	167
<b>Total current assets</b>	<b>577,501</b>	<b>6,772,645</b>	<b>1,068,067</b>	<b>10,070,230</b>	<b>32,643,884</b>
Noncurrent:					
Capital assets, net	-	-	1,421,503	5,956,393	24,684,686
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>1,421,503</b>	<b>5,956,393</b>	<b>24,684,686</b>
<b>Total assets</b>	<b>577,501</b>	<b>6,772,645</b>	<b>2,489,570</b>	<b>16,026,623</b>	<b>57,328,570</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension-related	-	-	-	-	1,398,975
OPEB-related	-	-	-	-	356,049
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,755,024</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	40,848	11,071	358,116	52,600	980,425
Due to other funds	-	-	-	-	10,749
Claims and judgments	-	-	-	-	5,330,925
Bonds, notes, loans, leases and subscriptions	-	-	560,803	452,931	1,177,320
<b>Total current liabilities</b>	<b>40,848</b>	<b>11,071</b>	<b>918,919</b>	<b>505,531</b>	<b>7,499,419</b>
Noncurrent liabilities:					
Claims and judgments	-	-	-	-	10,449,080
Bonds, notes, loans, leases, and subscriptions	-	-	522,750	5,063,177	9,362,333
Net pension liability	-	-	-	-	632,281
Net OPEB liability	-	-	-	-	1,496,455
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>522,750</b>	<b>5,063,177</b>	<b>21,940,149</b>
<b>Total liabilities</b>	<b>40,848</b>	<b>11,071</b>	<b>1,441,669</b>	<b>5,568,708</b>	<b>29,439,568</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension-related	-	-	-	-	133,049
OPEB-related	-	-	-	-	457,135
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>590,184</b>
<b>NET POSITION</b>					
Net investment in capital assets	-	-	337,950	440,285	18,085,025
Unrestricted	536,653	6,761,574	709,951	10,017,630	10,968,817
<b>Total net position</b>	<b>\$ 536,653</b>	<b>\$ 6,761,574</b>	<b>\$ 1,047,901</b>	<b>\$ 10,457,915</b>	<b>\$ 29,053,842</b>

CITY OF ORANGE  
Combining Statement of Revenues, Expenses and  
Changes in Net Position  
Internal Service Funds  
For the Year Ended June 30, 2023

	Self-Insurance Funds				
	Equipment Maintenance	Equipment Replacement	Major Building Improvements	Worker's Compensation	Liability
<b>OPERATING REVENUES</b>					
Charges for services and fees	\$ 3,040,352	\$ 432,076	\$ -	\$ 3,998,158	\$ 3,436,889
Other revenues	6,120	493,194	-	215,252	49,006
<b>Total operating revenues</b>	<b>3,046,472</b>	<b>925,270</b>	<b>-</b>	<b>4,213,410</b>	<b>3,485,895</b>
<b>OPERATING EXPENSES</b>					
Salaries and wages	1,044,272	-	15,797	173,061	364,442
Maintenance and operations	2,282,287	-	513,120	148,026	123,500
Contractual services	71,385	-	-	27,716	308,805
Insurance claims and charges	-	-	-	2,734,795	3,437,328
Depreciation/amortization	31,908	1,989,336	-	-	-
<b>Total operating expenses</b>	<b>3,694,421</b>	<b>1,989,336</b>	<b>530,654</b>	<b>3,097,332</b>	<b>4,264,522</b>
<b>Operating income (loss)</b>	<b>(647,949)</b>	<b>(1,064,066)</b>	<b>(530,654)</b>	<b>1,116,078</b>	<b>(778,627)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest expense	(97,308)	-	-	-	-
Gain (loss) on disposal of capital assets	-	(36,823)	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(97,308)</b>	<b>(36,823)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>(745,257)</b>	<b>(1,100,889)</b>	<b>(530,654)</b>	<b>1,116,078</b>	<b>(778,627)</b>
Transfers in	720,000	5,750,000	-	950,000	1,110,000
Transfers out	-	-	-	(250,000)	-
<b>Change in net position</b>	<b>(25,257)</b>	<b>4,649,111</b>	<b>(530,654)</b>	<b>1,816,078</b>	<b>331,373</b>
Net position-beginning	(4,473,772)	20,355,128	732,783	(11,441,065)	(1,163,926)
<b>Net position-ending</b>	<b>\$ (4,499,029)</b>	<b>\$ 25,004,239</b>	<b>\$ 202,129</b>	<b>\$ (9,624,987)</b>	<b>\$ (832,553)</b>

**CITY OF ORANGE**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2023**

	<b>Self-Insurance Fund</b>				<b>Total Internal Service Funds</b>
	<b>Dental</b>	<b>Employee Accrued Liability</b>	<b>Information Systems</b>	<b>Computer Replacement</b>	
<b>OPERATING REVENUES</b>					
Charges for services and fees	\$ 534,214	\$ 1,820,034	\$ 3,206,639	\$ 391,622	\$ 16,859,984
Other revenues	-	-	944,785	1,102,107	2,810,464
<b>Total operating revenues</b>	<b>534,214</b>	<b>1,820,034</b>	<b>4,151,424</b>	<b>1,493,729</b>	<b>19,670,448</b>
<b>OPERATING EXPENSES</b>					
Salaries and wages	-	2,715,192	1,129,051	-	5,441,815
Maintenance and operations	10,005	62,755	209,565	944,662	4,293,920
Contractual services	-	-	2,112,831	-	2,520,737
Insurance claims and charges	453,183	30,002	-	-	6,655,308
Depreciation/amortization	-	-	606,835	661,822	3,289,901
<b>Total operating expenses</b>	<b>463,188</b>	<b>3,293,325</b>	<b>4,158,327</b>	<b>1,606,484</b>	<b>23,097,589</b>
<b>Operating income (loss)</b>	<b>71,026</b>	<b>(1,473,291)</b>	<b>(6,903)</b>	<b>(112,755)</b>	<b>(3,427,141)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest expense	-	-	-	-	(97,308)
Gain (loss) on disposal of capital assets	-	-	-	-	(36,823)
<b>Total nonoperating revenues (expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(134,131)</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>71,026</b>	<b>(1,473,291)</b>	<b>(6,903)</b>	<b>(112,755)</b>	<b>(3,561,272)</b>
Transfers in	-	-	-	7,750,000	16,280,000
Transfers out	-	-	-	(1,000,000)	(1,250,000)
<b>Change in net position</b>	<b>71,026</b>	<b>(1,473,291)</b>	<b>(6,903)</b>	<b>6,637,245</b>	<b>11,468,728</b>
Net position-beginning	465,627	8,234,865	1,054,804	3,820,670	17,585,114
<b>Net position-ending</b>	<b>\$ 536,653</b>	<b>\$ 6,761,574</b>	<b>\$ 1,047,901</b>	<b>\$ 10,457,915</b>	<b>\$ 29,053,842</b>

CITY OF ORANGE  
Combining Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2023

	Self-Insurance Funds				
	Equipment Maintenance	Equipment Replacement	Major Building Improvements	Worker's Compensation	Liability
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from interfund charges	\$ 2,968,366	\$ 458,344	\$ -	\$ 3,988,237	\$ 3,436,889
Payments to suppliers and service providers	(2,580,005)	-	(532,646)	(3,918,717)	(4,161,055)
Payments to employees for salaries and benefits	(868,766)	-	-	-	-
Other receipts (payments)	6,120	551,548	-	215,252	448,968
<b>Net cash provided by (used for) operating activities</b>	<b>(474,285)</b>	<b>1,009,892</b>	<b>(532,646)</b>	<b>284,772</b>	<b>(275,198)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	720,000	5,750,000	-	950,000	1,110,000
Transfers to other funds	-	-	-	(250,000)	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>720,000</b>	<b>5,750,000</b>	<b>-</b>	<b>700,000</b>	<b>1,110,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	-	(4,116,637)	-	-	-
Principal paid on capital debt	(148,407)	-	-	-	-
Principal paid on subscriptions	-	-	-	-	-
Interest paid on capital debt	(97,308)	-	-	-	-
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(245,715)</b>	<b>(4,116,637)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>2,643,255</b>	<b>(532,646)</b>	<b>984,772</b>	<b>834,802</b>
Cash and cash equivalents-beginning	167	5,244,346	741,939	3,473,155	231,139
<b>Cash and cash equivalents-ending</b>	<b>\$ 167</b>	<b>\$ 7,887,601</b>	<b>\$ 209,293</b>	<b>\$ 4,457,927</b>	<b>\$ 1,065,941</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>					
Cash and investments	\$ -	\$ 7,887,601	\$ 209,293	\$ 4,457,927	\$ 1,065,941
Cash with fiscal agent	167	-	-	-	-
Total cash and cash equivalents	<b>\$ 167</b>	<b>\$ 7,887,601</b>	<b>\$ 209,293</b>	<b>\$ 4,457,927</b>	<b>\$ 1,065,941</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (647,949)	\$ (1,064,066)	\$ (530,654)	\$ 1,116,078	\$ (778,627)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	31,908	1,989,336	-	-	-
(Increase) decrease in accounts receivable	203	26,268	-	(9,921)	-
(Increase) decrease in inventories	7,211	-	-	-	-
(Increase) decrease in pension-related deferred outflows	(1,193,094)	-	-	-	-
Increase (decrease) in accounts payable	31,025	58,354	(1,992)	32,960	103,467
Increase (decrease) in accrued liabilities	-	-	-	(3,887)	-
Increase (decrease) in claims and judgments	-	-	-	(850,458)	399,962
Increase (decrease) in net pension liability	2,588,476	-	-	-	-
Increase (decrease) in net OPEB liability	(277,703)	-	-	-	-
Increase (decrease) in pension-related deferred inflows	(1,217,135)	-	-	-	-
Increase (decrease) in OPEB-related deferred inflows	274,962	-	-	-	-
Increase (decrease) in due to other funds	(72,189)	-	-	-	-
Total adjustments	173,664	2,073,958	(1,992)	(831,306)	503,429
<b>Net cash provided by (used for) operating activities</b>	<b>\$ (474,285)</b>	<b>\$ 1,009,892</b>	<b>\$ (532,646)</b>	<b>\$ 284,772</b>	<b>\$ (275,198)</b>



**CITY OF ORANGE**  
**Combining Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	<u>Self-Insurance Fund</u>				
	<u>Dental</u>	<u>Employee Accrued Liability</u>	<u>Information Systems</u>	<u>Computer Replacement</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from interfund charges	\$ 534,214	\$ 1,820,034	\$ 3,206,639	\$ 391,622	\$ 16,804,345
Payments to suppliers and service providers	(464,190)	(3,282,254)	(3,368,511)	(914,273)	(19,221,651)
Payments to employees for salaries and benefits	-	-	-	-	(868,766)
Other receipts (payments)	-	-	944,785	1,102,107	3,268,780
<b>Net cash provided by (used for) operating activities</b>	<b>70,024</b>	<b>(1,462,220)</b>	<b>782,913</b>	<b>579,456</b>	<b>(17,292)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	-	-	-	7,750,000	16,280,000
Transfers to other funds	-	-	-	(1,000,000)	(1,250,000)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,750,000</b>	<b>15,030,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	-	-	-	-	(4,116,637)
Principal paid on capital debt	-	-	-	-	(148,407)
Principal paid on subscriptions	-	-	(944,785)	(1,102,107)	(2,046,892)
Interest paid on capital debt	-	-	-	-	(97,308)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(944,785)</b>	<b>(1,102,107)</b>	<b>(6,409,244)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>70,024</b>	<b>(1,462,220)</b>	<b>(161,872)</b>	<b>6,227,349</b>	<b>8,603,464</b>
Cash and cash equivalents-beginning	465,977	8,234,865	1,229,939	3,842,881	23,464,408
<b>Cash and cash equivalents-ending</b>	<b>\$ 536,001</b>	<b>\$ 6,772,645</b>	<b>\$ 1,068,067</b>	<b>\$ 10,070,230</b>	<b>\$ 32,067,872</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>					
Cash and investments	\$ 536,001	\$ 6,772,645	\$ 1,068,067	\$ 10,070,230	\$ 32,067,705
Cash with fiscal agent	-	-	-	-	167
Total cash and cash equivalents	<u>\$ 536,001</u>	<u>\$ 6,772,645</u>	<u>\$ 1,068,067</u>	<u>\$ 10,070,230</u>	<u>\$ 32,067,872</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 71,026	\$ (1,473,291)	\$ (6,903)	\$ (112,755)	\$ (3,427,141)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	-	-	606,835	661,822	3,289,901
(Increase) decrease in accounts receivable	-	-	-	-	16,550
(Increase) decrease in inventories	-	-	-	-	7,211
(Increase) decrease in pension-related deferred outflows	-	-	-	-	(1,193,094)
Increase (decrease) in accounts payable	(1,002)	11,071	182,981	30,389	447,253
Increase (decrease) in accrued liabilities	-	-	-	-	(3,887)
Increase (decrease) in claims and judgments	-	-	-	-	(450,496)
Increase (decrease) in net pension liability	-	-	-	-	2,588,476
Increase (decrease) in net OPEB liability	-	-	-	-	(277,703)
Increase (decrease) in pension-related deferred inflows	-	-	-	-	(1,217,135)
Increase (decrease) in OPEB-related deferred inflows	-	-	-	-	274,962
Increase (decrease) in due to other funds	-	-	-	-	(72,189)
Total adjustments	(1,002)	11,071	789,816	692,211	\$ 3,409,849
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 70,024</b>	<b>\$ (1,462,220)</b>	<b>\$ 782,913</b>	<b>\$ 579,456</b>	<b>\$ (17,292)</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## ***Statistical Section***



**THIS PAGE INTENTIONALLY LEFT BLANK**

## 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.

<u>Contents</u>	<u>Page</u>
Financial Trends .....	154
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity .....	164
These schedules contain information to help the reader assess the City's most significant revenue source, property tax.	
Debt Capacity .....	170
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.	
Demographic and Economic Information .....	177
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information .....	180
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.	

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			
	2023	2022	2021	2020
Governmental activities:				
Net investment in capital assets	\$ 684,071,711	\$ 683,891,043	\$ 685,927,045	\$ 674,673,211
Restricted for:				
Specific projects and programs	69,118,798	50,065,919	44,321,446	42,194,380
Unrestricted	(195,625,958)	(174,372,427)	(186,982,262)	(183,258,010)
Total governmental act.net position	<u>\$ 557,564,551</u>	<u>\$ 559,584,535</u>	<u>\$ 543,266,229</u>	<u>\$ 533,609,581</u>
Business-type activities:				
Net investment in capital assets	\$ 127,758,485	\$ 131,949,626	\$ 131,443,618	\$ 129,356,837
Unrestricted	12,039,915	5,392,793	1,639,357	622,689
Total business-type act. net position	<u>\$ 139,798,400</u>	<u>\$ 137,342,419</u>	<u>\$ 133,082,975</u>	<u>\$ 129,979,526</u>
Primary government:				
Net investment in capital assets	\$ 811,830,196	\$ 815,840,669	\$ 817,370,663	\$ 804,030,048
Restricted for:				
Specific projects and programs	69,118,798	50,065,919	44,321,446	42,194,380
Unrestricted	(183,586,043)	(168,979,634)	(185,342,905)	(182,635,321)
Total primary gov't net position	<u>\$ 697,362,951</u>	<u>\$ 696,926,954</u>	<u>\$ 676,349,204</u>	<u>\$ 663,589,107</u>

(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
\$ 668,898,000	\$ 658,706,056	\$ 643,259,170	\$ 632,246,033	\$ 691,177,418	\$ 690,214,241
40,509,831	40,833,934	43,175,076	50,288,584	56,695,286	58,195,215
(160,066,933)	(147,206,248)	(103,909,743)	(104,017,007)	(115,036,341)	69,801,995
<u>\$ 549,340,898</u>	<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>
\$ 130,464,008	\$ 132,924,641	\$ 134,136,742	\$ 137,600,598	\$ 66,354,962	\$ 62,656,018
(833,151)	(3,721,768)	2,174,136	2,606,432	3,876,072	18,512,931
<u>\$ 129,630,857</u>	<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>
\$ 799,362,008	\$ 791,630,697	\$ 777,395,912	\$ 769,846,631	\$ 757,532,380	\$ 752,870,259
40,509,831	40,833,934	43,175,076	50,288,584	56,695,286	58,195,215
(160,900,084)	(150,928,016)	(101,735,607)	(101,410,575)	(111,160,269)	88,314,926
<u>\$ 678,971,755</u>	<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>

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

	Fiscal Year			
	2023	2022	2021	2020
<b>Expenses:</b>				
General government	\$ 24,083,824	\$ 13,171,835	\$ 18,961,388	\$ 19,426,844
Public safety	110,206,495	91,321,077	102,189,315	106,839,054
Public works	19,715,973	22,820,124	25,264,533	14,683,383
Community development	4,112,664	3,304,024	5,280,546	5,174,978
Parks and library	20,276,823	17,810,698	17,161,257	17,048,393
Economic development	8,310,619	4,562,019	465,809	849,150
Health and sanitation	-	-	-	-
Interest on long-term debt	7,745,269	7,850,113	5,097,209	-
Cost of issuance	-	677,074	-	-
Total governmental activities expenses	<u>194,451,667</u>	<u>161,516,964</u>	<u>174,420,057</u>	<u>164,021,802</u>
<b>Program revenues:</b>				
Charges for services:				
Public safety	9,973,692	8,229,685	7,233,973	8,444,493
Community development	4,141,083	3,655,955	2,973,252	3,105,770
Sanitation	-	-	-	-
Other activities	19,161,183	10,233,437	8,100,014	14,732,822
Operating grants and contributions	6,116,512	19,559,089	19,358,516	5,650,779
Capital grants and contributions	8,934,066	7,934,114	12,631,485	8,026,570
Total governmental activities program revenues	<u>48,326,536</u>	<u>49,612,280</u>	<u>50,297,240</u>	<u>39,960,434</u>
Net program revenues (expenses)	<u>(146,125,131)</u>	<u>(111,904,684)</u>	<u>(124,122,817)</u>	<u>(124,061,368)</u>
<b>General revenues and other changes in net position:</b>				
Taxes:				
Property taxes	53,784,303	50,960,121	48,272,714	46,274,506
Sales tax	51,389,099	54,702,920	56,577,610	47,215,228
Transient occupancy taxes	6,080,399	5,253,351	1,834,447	3,990,266
Franchise taxes	3,148,573	2,871,612	2,791,170	2,819,979
Other taxes	3,897,046	26,039	30,466	23,361
Use of money and property	4,287,125	(2,755,656)	1,534,758	4,158,758
State motor vehicle in lieu (unrestricted)	-	-	-	-
Other general revenues	21,365,548	32,636,552	4,478,646	3,847,953
Transfers	153,054	-	-	-
Extraordinary items	-	4,030,000	-	-
Total general revenues and other changes in net position	<u>144,105,147</u>	<u>147,724,939</u>	<u>115,519,811</u>	<u>108,330,051</u>
Changes in net position - governmental activities	<u>\$ (2,019,984)</u>	<u>\$ 35,820,255</u>	<u>\$ (8,603,006)</u>	<u>\$ (15,731,317)</u>

(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	
\$ 16,046,573	\$ 12,469,911	\$ 12,901,270	\$ 11,523,233	\$ 11,043,299	\$ 8,745,250	
91,261,509	91,221,804	74,753,184	68,091,154	68,074,704	64,237,453	
18,465,238	18,449,207	21,174,647	15,343,879	18,432,374	19,408,557	
5,280,071	5,419,811	4,753,861	3,651,913	3,760,037	3,487,860	
17,791,196	18,243,140	15,632,111	12,867,558	14,226,553	12,585,457	
1,195,781	2,667,779	2,371,172	2,615,785	2,026,364	797,263	
-	-	-	-	4,677,346	4,232,920	
-	-	-	-	-	-	
-	-	-	-	-	-	
<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>	
6,578,160	7,412,945	7,115,563	7,227,522	6,594,312	6,960,513	
8,438,051	2,250,135	2,476,758	2,825,885	2,144,006	2,054,395	
-	-	-	-	4,642,609	5,108,090	
8,812,877	7,727,691	7,310,803	10,687,277	5,889,501	9,796,993	
3,340,401	4,562,365	4,161,061	4,397,657	5,110,904	4,827,666	
7,881,907	4,388,460	5,726,683	3,845,044	3,355,657	4,658,990	
<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>(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>	
44,237,113	42,385,253	39,907,869	26,733,026	24,378,818	23,605,854	
52,300,499	45,082,151	46,102,329	45,789,026	43,928,900	40,343,068	
5,399,992	5,476,167	5,413,495	5,211,752	4,545,827	3,851,012	
2,821,430	2,831,378	2,755,030	3,076,891	3,157,617	2,950,916	
31,682	31,440	39,235	58,043	37,067	41,159	
5,077,128	1,753,319	1,572,433	2,248,055	1,629,390	1,782,285	
-	-	-	11,951,577	11,313,325	10,837,071	
4,118,151	5,075,459	11,510,192	5,274,621	3,160,624	3,102,953	
-	-	-	-	-	-	
-	-	1,501,687	7,900,901	15,605,368	10,449,117	
<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>\$ (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>	

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

	Fiscal Year			
	2023	2022	2021	2020
Expenses:				
Water	\$ 34,893,589	\$ 36,818,407	\$ 35,983,197	\$ 35,010,074
Sanitation	10,061,616	6,670,133	7,860,697	8,486,309
Total Expenses	<u>44,955,205</u>	<u>43,488,540</u>	<u>43,843,894</u>	<u>43,496,383</u>
Program revenues:				
Charges for services:				
Water	38,461,941	40,369,251	38,899,703	35,425,788
Sanitation	8,300,397	8,318,717	8,012,849	7,754,294
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total program revenues	<u>46,762,338</u>	<u>48,687,968</u>	<u>46,912,552</u>	<u>43,180,082</u>
Net Program revenues (expenses)	<u>1,807,133</u>	<u>5,199,428</u>	<u>3,068,658</u>	<u>(316,301)</u>
General revenues and other changes in net position:				
Use of money and property	324,028	(939,984)	34,791	664,970
Others	477,874	-	-	-
Transfers	(153,054)	-	-	-
Total general revenues and other	<u>648,848</u>	<u>(939,984)</u>	<u>34,791</u>	<u>664,970</u>
Changes in net position - business-type activities	<u>\$ 2,455,981</u>	<u>\$ 4,259,444</u>	<u>\$ 3,103,449</u>	<u>\$ 348,669</u>

(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
\$ 33,532,078	\$ 33,413,891	\$ 29,293,848	\$ 25,302,258	\$ 28,440,276	\$ 27,914,474
8,153,404	7,926,974	7,761,578	7,591,850	-	-
<u>41,685,482</u>	<u>41,340,865</u>	<u>37,055,426</u>	<u>32,894,108</u>	<u>28,440,276</u>	<u>27,914,474</u>
33,358,746	32,419,133	28,192,880	25,733,212	28,795,052	30,870,221
7,866,374	7,838,429	4,408,670	4,353,379	-	-
-	-	72,327	-	-	-
180,500	-	-	462,951	385,000	2,382,000
<u>41,405,620</u>	<u>40,257,562</u>	<u>32,673,877</u>	<u>30,549,542</u>	<u>29,180,052</u>	<u>33,252,221</u>
<u>(279,862)</u>	<u>(1,083,303)</u>	<u>(4,381,549)</u>	<u>(2,344,566)</u>	<u>739,776</u>	<u>5,337,747</u>
707,846	41,164	92,860	240,646	156,077	185,232
-	-	392,537	-	-	-
-	-	-	-	-	-
<u>707,846</u>	<u>41,164</u>	<u>485,397</u>	<u>240,646</u>	<u>156,077</u>	<u>185,232</u>
<u>\$ 427,984</u>	<u>\$ (1,042,139)</u>	<u>\$ (3,896,152)</u>	<u>\$ (2,103,920)</u>	<u>\$ 895,853</u>	<u>\$ 5,522,979</u>

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

	Fiscal Year			
	2023	2022	2021	2020
General fund:				
Nonspendable	\$ 130,663	\$ 102,858	\$ 101,737	\$ 87,818
Restricted	22,506,997	20,667,960	18,259,654	-
Committed	630,545	-	-	-
Assigned	1,546,660	3,115,614	2,928,780	-
Unassigned	913,339	21,234,508	25,568,686	32,313,009
Total general fund	<u>\$ 25,728,204</u>	<u>\$ 45,120,940</u>	<u>\$ 46,858,857</u>	<u>\$ 32,400,827</u>
All other governmental funds:				
Restricted	\$ 46,611,801	\$ 49,810,179	\$ 44,321,446	\$ 42,194,380
Committed	-	255,740	4,740,268	5,269,093
Assigned	38,359,032	40,371,444	52,871,901	31,184,214
Unassigned	(1,470,916)	(1,608,382)	(1,856,633)	(2,053,907)
Total all other governmental funds	<u>\$ 83,499,917</u>	<u>\$ 88,828,981</u>	<u>\$ 100,076,982</u>	<u>\$ 76,593,780</u>

Fiscal Year					
2019	2018	2017	2016 <sup>(1)</sup>	2015	2014
\$ 160,760	\$ 95,178	\$ 88,269	\$ 88,354	\$ 109,731	\$ 105,777
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
38,610,758	34,763,378	35,810,692	34,732,497	31,493,563	34,262,063
<u>\$ 38,771,518</u>	<u>\$ 34,858,556</u>	<u>\$ 35,898,961</u>	<u>\$ 34,820,851</u>	<u>\$ 31,603,294</u>	<u>\$ 34,367,840</u>
\$ 40,509,831	\$ 40,833,934	\$ 43,175,076	\$ 50,288,584	\$ 56,695,286	\$ 58,195,215
6,154,780	7,398,168	7,737,725	7,886,387	13,486,748	13,850,031
29,603,940	29,224,001	39,584,296	34,414,429	31,626,222	14,240,824
(1,593,498)	(1,989,867)	-	-	-	-
<u>\$ 74,675,053</u>	<u>\$ 75,466,236</u>	<u>\$ 90,497,097</u>	<u>\$ 92,589,400</u>	<u>\$ 101,808,256</u>	<u>\$ 86,286,070</u>

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

	Fiscal Year			
	2023	2022	2021	2020
<b>Revenues:</b>				
Taxes	\$ 115,150,847	\$ 110,942,447	\$ 106,715,236	\$ 97,503,362
Franchise fees	3,148,573	2,871,611	2,791,170	2,819,979
Licenses and permits	6,591,296	6,669,254	5,550,237	5,780,011
Use of money and property	4,287,125	(2,775,150)	1,533,906	4,121,085
Intergovernmental	12,356,695	27,482,163	33,085,279	13,638,969
Charges for services and fees	16,557,655	13,515,236	11,243,519	18,699,180
Fines and forfeitures	2,006,648	1,942,715	1,485,230	1,772,867
Other revenues	23,939,387	20,252,480	4,483,183	3,661,149
<b>Total Revenues</b>	<b>184,038,226</b>	<b>180,900,756</b>	<b>166,887,760</b>	<b>147,996,602</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	16,509,249	11,134,810	15,518,693	16,680,796
Public safety	95,857,843	90,723,202	88,567,963	85,168,745
Public works	15,824,350	13,033,667	10,901,569	11,062,997
Community development	3,910,804	3,404,436	4,844,971	4,842,271
Parks and library	18,141,773	16,188,815	14,581,024	14,763,471
Economic development	8,265,884	4,457,229	420,264	435,243
Health and sanitation	-	-	-	-
Capital outlay	16,745,964	32,146,704	24,762,286	17,107,265
<b>Debt service:</b>				
Principal	10,826,439	8,452,778	237,778	237,778
Interest	7,800,774	9,250,095	947,783	-
<b>Total expenditures</b>	<b>193,883,080</b>	<b>188,791,736</b>	<b>160,782,331</b>	<b>150,298,566</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(9,844,854)</b>	<b>(7,890,980)</b>	<b>6,105,429</b>	<b>(2,301,964)</b>
<b>Other Financing sources (uses):</b>				
Loan proceeds	-	-	-	-
Lease proceeds	-	118,528	-	-
Gain on sale of property	-	4,030,000	-	-
Transfers in	9,400,000	7,300,000	5,847,783	-
Transfers out	(24,276,946)	(16,587,500)	(8,027,783)	(2,150,000)
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>(14,876,946)</b>	<b>(5,138,972)</b>	<b>31,835,803</b>	<b>(2,150,000)</b>
<b>Extraordinary gain/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (24,721,800)</b>	<b>\$ (13,029,952)</b>	<b>\$ 37,941,232</b>	<b>\$ (4,451,964)</b>
Debt service as a percentage of noncapital expenditures	10.60%	11.30%	0.72%	0.17%

(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
\$ 101,969,285	\$ 92,975,011	\$ 91,462,928	\$ 77,791,847	\$ 72,890,611	\$ 67,841,093
2,821,431	2,831,378	2,755,030	3,076,891	3,157,618	2,950,916
5,846,046	4,846,681	4,966,017	5,443,388	4,080,299	4,473,533
5,077,127	1,753,319	1,572,433	2,248,055	1,629,390	1,780,461
11,584,134	9,016,736	9,727,861	20,125,635	20,574,583	20,703,372
15,924,806	10,703,009	10,978,973	14,311,067	13,740,393	17,774,897
2,194,948	1,852,674	1,706,291	1,725,785	2,190,664	2,341,032
4,108,287	4,783,149	11,495,612	4,732,645	2,640,918	3,022,791
149,526,064	128,761,957	134,665,145	129,455,313	120,904,476	120,888,095
13,460,308	11,488,962	11,369,206	11,059,999	9,750,112	7,137,074
80,275,211	75,704,854	72,292,753	70,304,539	65,620,597	63,914,038
11,209,853	10,351,948	10,099,229	9,732,287	9,942,108	9,593,548
4,538,371	4,545,422	4,651,614	4,086,895	3,735,548	3,536,074
14,840,900	14,575,737	13,835,002	12,464,990	12,796,867	11,272,908
1,037,149	2,354,318	2,115,151	2,519,124	557,096	711,397
-	-	-	-	4,595,026	4,259,091
18,370,773	23,596,982	18,601,383	12,103,521	11,654,340	11,225,325
92,339	-	-	-	-	-
-	-	-	-	-	-
143,824,904	142,618,223	132,964,338	122,271,355	118,651,694	111,649,455
5,701,160	(13,856,266)	1,700,807	7,183,958	2,252,782	9,238,640
570,619	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,000,000	1,042,261	3,765,260	1,500,000	3,025,395	105,000
(5,150,000)	(3,257,261)	(6,480,260)	(2,952,143)	(7,069,316)	(255,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(2,579,381)	(2,215,000)	(2,715,000)	(1,452,143)	(4,043,921)	(150,000)
-	-	-	31,406	14,548,779	-
\$ 3,121,779	\$ (16,071,266)	\$ (1,014,193)	\$ 5,763,221	\$ 12,757,640	\$ 9,088,640
0.07%	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			
	Secured	Unsecured	Taxable Assessed Value	Total Direct Tax Rate
2014	16,296,788,989	888,670,895	17,185,459,884	0.137%
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	0.136%
2017	18,745,544,867	820,730,838	19,566,275,705	0.136%
2018	19,781,317,411	816,774,617	20,598,092,028	0.138%
2019	20,805,169,196	864,502,376	21,669,671,572	0.136%
2020	21,855,913,285	988,437,454	22,844,350,739	0.135%
2021	22,722,807,195	923,182,436	23,645,989,631	0.137%
2022	23,683,281,478	1,099,996,267	24,783,277,745	0.138%
2023	25,668,360,217	963,478,200	26,631,838,417	0.135%

**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
-	-	-	0.000%		0.137%
-	-	-		-	0.132%
-	-	-		-	0.136%
-	-	-		-	0.136%
-	-	-		-	0.138%
-	-	-		-	0.136%
-	-	-		-	0.135%
-	-	-		-	0.137%
-	-	-		-	0.138%
					0.135%

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

	Fiscal Year			
	2023	2022	2021	2020
Basic levy	1.0000	1.0000	1.0000	1.0000
Overlapping Rates:				
School Services:				
North Orange County Community College District	0.02778	0.02877	0.03198	0.02409
No. OC Comm. College Dist. 2002 Bond	-	-	-	-
Rancho Santiago Community College District	0.04691	0.02652	0.02768	0.02818
Anaheim Elementary School District	0.04667	0.06321	0.06595	0.06595
Anaheim High School District	0.03016	0.03804	0.03971	0.03968
Santa Ana Unified School District	0.06976	-	-	-
Orange USD Series 2018 2016	0.01609	0.01656	0.01664	0.02288
Orange USD Elementary 2016 Series 2022	0.00946	-	-	-
Placentia Yorba Linda Unified	-	-	-	-
Tustin Unified School District SFID No. 2002-1	0.06647	0.06523	0.07102	0.06376
Garden Grove Unified 2010 Series A & B	-	-	-	-
Total School Services	0.3133	0.23833	0.25298	0.24454
Metropolitan Water District	0.0035	0.00350	0.0035	0.00350
Irvine Ranch Water District	0.05001	0.05001	0.05001	0.06901
Total Direct Rate	1.36681	1.29184	1.30649	1.31705

**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
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.02828	0.02927	0.02885	0.03043	0.01704	0.01704
0.00001	-	-	-	-	-
0.02875	0.03013	0.04945	0.03063	0.05078	0.03334
0.05059	0.04502	0.04461	0.04227	0.02867	0.05848
0.04244	0.02211	0.04259	0.04948	0.02412	0.02620
-	-	0.06377	-	0.06869	0.07359
0.02685	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	0.05822	0.06525
0.06687	0.06873	0.07001	0.07751	0.06955	0.08912
-	-	-	-	0.04148	0.03703
0.24379	0.19526	0.29928	0.23032	0.35855	0.40005
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.06901	0.06901	0.02803	0.02803	0.02803	0.05581
1.31630	1.26777	1.33081	1.26185	1.39008	1.45936

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

Taxpayer	2023		2014	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	(1) Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Irvine Company LLC	\$ 171,995,527	0.65%	\$ 148,472,335	0.86%
Orange City Mills LP	241,542,461 *	0.91%	146,166,715	0.85%
Children's Hospital of Orange County	461,674,605	1.73%	141,594,745	0.82%
St Joseph Hospital of Orange	509,142,959	1.91%	139,118,932	0.81%
City Tower Properties LLC	157,894,643	0.59%	-	0.00%
Bex Portfolio Inc	142,190,336	0.53%	-	0.00%
OC OET Owner LLC	125,327,850 *	0.47%	-	0.00%
TPP-LPW Som Property LLC	120,202,754	0.45%	-	0.00%
CRC Real Estate Corporation	107,471,978	0.40%	-	0.00%
Mainstay Main Place LP	103,015,496	0.39%	-	0.00%
Passco TVO-S LLC	-	0.00%	117,697,869	0.68%
Bre Properties Inc	-	0.00%	99,842,915	0.58%
DOF II City Tower LLC	-	0.00%	69,199,884	0.40%
Wilshire Tower Apartments LLC	-	0.00%	69,100,280	0.40%
3091 Chapman Ave Apts Investors	-	0.00%	68,042,160	0.40%
Orange County Realty Investors LLC	-	0.00%	65,545,200	0.38%
	<u>\$ 2,140,458,609</u>	<u>8.04%</u>	<u>1,064,781,035</u>	<u>6.20%</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
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	32,699,504	77.87%	243,898	(611,668)	32,331,734	76.99%
2022	48,623,035	34,141,966	70.22%	245,581	(142,219)	34,245,328	70.43%
2023	47,783,174	35,948,954	75.23%	252,228	(284,750)	35,916,432	75.17%

**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				Total Governmental Activities
	Pension Obligation Bonds	Lease Revenue Bonds	Loans Payable	Leases and Subscriptions	
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	265,478,776	34,159,604	-	-	299,638,380
2022	258,348,004	29,410,000	303,679	150,573	288,212,256
2023	248,970,039	32,797,907	147,240	7,196,047	289,111,233

**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.

Business-type Activities

Pension Obligation Bonds	Leases and Subscriptions	Total Business-type Activities	Total Total Primary Government	Percentage of Personal Income <sup>1</sup>	Debt Per Capita <sup>2</sup>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,006,224	-	21,006,224	320,644,604	3.13%	2,334
20,441,996	-	20,441,996	308,654,252	2.77%	2,242
19,699,961	579,585	20,279,546	309,390,779	2.89%	2,225

**THIS PAGE INTENTIONALLY LEFT BLANK**



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

2022-23 Assessed Valuation: \$26,631,838,417

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2023	% Applicable (1)	City's Share of Debt 6/30/23
Metropolitan Water District	\$ 19,215,000	0.732%	\$ 140,654
Irvine Ranch Water District, Improvement District No. 125	162,186,374	0.891	1,445,081
Irvine Ranch Water District, Improvement District No. 225	236,495,176	0.009	21,285
Irvine Ranch Water District, Improvement District No. 153-253	18,657,730	0.052	9,702
North Orange County Joint Community College District	324,914,503	0.1250	406,143
Rancho Santiago Community College District	176,539,286	28.157	49,708,167
Rancho Santiago Community College District School Facilities Improvement District No. 1	149,820,000	0.002	2,996
Anaheim Union High School District	245,578,955	0.361	886,540
Anaheim School District	270,656,858	0.615	1,664,540
Tustin Unified School District School Facilities Improvement District No. 2002-1	40,350,000	0.052	20,982
Tustin Unified School District School Facilities Improvement District No. 2008-1	76,275,000	0.053	40,426
Tustin Unified School District School Facilities Improvement District No. 2012-1	51,825,000	0.038	19,694
Orange Unified School District	277,865,000	60.357	167,710,978
Orange Unified School District Community Facilities District No. 2005-1	5,315,000	100	5,315,000
Orange Unified School District Community Facilities District No. 2005-2	4,920,000	100	4,920,000
Santa Ana Unified School District	418,970,373	0.002	8,379
City of Orange Community Facilities District No. 91-2	16,293,000	100	16,293,000
City of Orange Community Facilities District No. 06-1	20,705,000	100	20,705,000
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<u>269,318,567</u>
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	451,165,000	0	16,575,802
Orange County Board of Education Certificates of Participation	10,860,000	3.674	398,996
North Orange County Regional Occupation Program Certificates of Participation	7,790,000	0.129	10,049
Orange Unified School District Certificates of Participation and Benefit Obligations	71,515,618	60.357	43,164,682
Santa Ana Unified School District General Fund Obligations	46,436,043	0.002	929
Anaheim Union High School District Certificates of Participation	29,580,000	0.361	106,784
<b>City of Orange General Fund Obligations</b>	<b>32,797,907</b>	<b>100</b>	<b>32,797,907</b>
<b>City of Orange Pension Obligation Bonds</b>	<b>268,670,000</b>	<b>100</b>	<b>268,670,000</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<u>361,725,149</u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	27,010,000	100%	27,010,000
<b>TOTAL DIRECT DEBT</b>			<u><b>301,467,907</b></u>
TOTAL OVERLAPPING DEBT			<u>356,585,809</u>
COMBINED TOTAL DEBT			<u><u>\$658,053,716 (2)</u></u>

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 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.01%
<b>Total Direct Debt (\$297,530,000)</b>	<b>1.12%</b>
Combined Total Debt	2.46%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$5,668,131,638):

Total Overlapping Tax increment Debt	0.48%
--------------------------------------	-------

CITY OF ORANGE  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

	Fiscal Year			
	2023	2022	2021	2020
Assessed valuation	\$ 26,631,838,417	\$ 24,783,277,745	\$ 23,645,989,631	\$ 22,844,350,739
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	6,657,959,604	6,195,819,436	5,911,497,408	5,711,087,685
Debt limit percentage	15%	15%	15%	15%
Debt limit	998,693,941	929,372,915	886,724,611	856,663,153
Legal debt margin	<u>\$ 998,693,941</u>	<u>\$ 929,372,915</u>	<u>\$ 886,724,611</u>	<u>\$ 856,663,153</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 21,669,671,572	\$ 20,598,092,028	\$ 19,566,275,705	\$ 18,968,778,954	\$ 17,948,279,036	\$ 17,185,459,884
25%	25%	25%	25%	25%	25%
5,417,417,893	5,149,523,007	4,891,568,926	4,742,194,739	4,487,069,759	4,296,364,971
15%	15%	15%	15%	15%	15%
812,612,684	772,428,451	733,735,339	711,329,211	673,060,464	644,454,746
<u>\$ 812,612,684</u>	<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>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF ORANGE  
Pledged-Revenue Coverage  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Allocation Bonds				
	Property Tax Increment	Debt Service		Coverage	
		Principal	Interest		
2014	-	-	-	-	
2015	-	-	-	-	
2016	-	-	-	-	
2017	-	-	-	-	
2018	-	-	-	-	
2019	-	-	-	-	
2020	-	-	-	-	
2021	-	-	-	-	
2022	-	-	-	-	
2023	-	-	-	-	

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>
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	263,290,135	77,036	13,187	3.7%
2023	139,063	*	*	12,850	*

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	2023		2014	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
UCI Medical Center	4,995	6.94%	4,000	5.75%
CHOC Children's Hospital	3,938	5.47%	2,400	3.45%
St. Joseph Hospital of Orange	3,500	4.86%	4,850 <sup>(1)</sup>	6.97%
Chapman University	1,300	1.81%	800	1.15%
Santiago Canyon College	950	1.32%	490	0.70%
CalOptima Health Plans	930	1.29%	575	0.83%
City of Orange	800	1.11%	766	1.10%
Chapman Integrated Healthcare Holdings	700	0.97%	-	-
Orange County Transportation Authority	500	0.69%	-	-
Hilton Hotel Fera	477	0.66%	-	-
National Oilwell Varco-Rig Solutions	-	-	900	1.29%
Sybron Dental Specialists	-	-	610	0.88%
California Choice	-	-	490	0.70%

**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. and State of California EDD

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

Function	Full-Time Equivalents as of June 30									
	2023	2022	2021	2020	2019	2018*	2017*	2016*	2015*	2014*
<b>Governmental Activities:</b>										
General Government (2)	71	55	60	59	61	71	72	72	75	75
Public Safety	414	407	386	388	386	410	412	412	412	412
Public Works	78	87	73	71	66	68	67	67	67	74
Community Development	25	24	33	33	32	36	36	36	36	36
Parks and Library	106	113	105	105	106	109	109	111	109	107
Economic Development	1	1	1	1	3	-	-	-	-	-
Sanitation (1)	-	-	-	-	-	-	-	-	21	15
Subtotal governmental activities	695	687	658	657	654	694	696	698	720	719
<b>Business-Type Activities:</b>										
Water	46	46	51	51	53	45	45	45	45	44
Sanitation (1)	22	18	18	18	22	21	21	21	21	21
Subtotal business-type activities	68	64	69	69	75	66	66	66	45	44
<b>Total activities</b>	<b>763</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>

\* 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

CITY OF ORANGE  
Operating Indicators by Department  
Last Ten Fiscal Years

	Fiscal Year			
	2023	2022	2021	2020
<b>City Attorney:</b>				
Number of claims/cases handled	467	453	234	413
Number of resolutions/ordinances/agreements	315	342	396	312
<b>City Clerk:</b>				
Number of passports processed <sup>(1, 3)</sup>	1,000	1,634	1,106	1,726
Number of documents scanned <sup>(4)</sup>	-	-	2,423	5,890
Number of public records requested <sup>(4)</sup>	810	1,203	669	439
<b>Finance:</b>				
Number of business licenses issued	20,385	20,678	20,849	20,771
Number of water accounts billed	35,513	35,492	36,508	36,456
<b>Human Resources:</b>				
Number of recruitments held	128	123	83	68
Number of applications processed	7,851	7,622	7,051	5,725
<b>Library:</b>				
Number of items checked out <sup>(2, 5)</sup>	602,683	462,847	266,537	402,449
Number of library cards issued <sup>(5)</sup>	6,664	5,354	61,107	60,209
Number of patrons/visitors	258,478	217,211	76,152	339,659
<b>Fire:</b>				
Number of calls:				
Medical	14,467	13,014	11,789	13,426
Fire	806	845	729	709
Other	2,457	2,496	2,291	2,348
Number of inspections performed	5,949	4,864	3,421	4,004
<b>Police:</b>				
Number of calls for service	94,091	91,179	88,853	92,730
Number of arrests	5,335	5,339	5,715	4,589
<b>Public Works:</b>				
Lane miles of streets resurfaced	30	27	22	22
Miles of streets swept	40,872	39,664	39,664	39,664
<b>Water Division:</b>				
Number of active water connections	36,536	36,508	36,508	36,485
Million gallons of daily average distribution	20	24	24	24
<b>Sanitation Division:</b>				
Number of active sewer connections	33,667	33,667	33,662	33,647
Number of catch basins inspected	1,983	1,985	1,985	1,985
<b>Community Development:</b>				
Number of permits issued	4,151	3,676	3,576	3,406
Combined construction valuation	\$ 408,001,641	\$ 192,982,847	\$ 158,963,749	\$ 174,844,204
<b>Community Services:</b>				
Number of contract classes held <sup>(3)</sup>	521	611	278	863
Total participants at all activities/events <sup>(3)</sup>	804,521	878,457	32,039	622,373

**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> In Fiscal Year 2021-22, information was revised to improve accuracy.

Source: City of Orange



Fiscal Year						
2019	2018	2017	2016	2015	2014	
534	414	428	441	486	790	
292	288	240	288	269	367	
2,686	2,611	3,183	2,669	1,837	1,530	
7,168	4,658	2,544	2,184	2,220	2,810	
374	230	N/A	N/A	N/A	N/A	
20,659	20,659	20,487	20,721	20,190	19,991	
36,490	35,216	35,388	35,380	35,174	35,166	
100	81	87	60	60	52	
10,744	7,193	7,590	8,968	6,717	9,881	
418,033	536,202	541,270	616,388	643,791	688,716	
56,992	55,644	57,078	59,162	59,316	60,063	
422,142	413,582	426,861	469,700	502,276	534,686	
12,592	12,463	12,048	12,327	9,416	9,051	
692	688	664	622	355	365	
2,218	2,457	2,336	3,022	1,843	1,813	
5,612	4,999	6,868	6,866	5,970	5,518	
108,371	109,192	100,876	99,728	103,793	98,148	
5,353	5,667	4,568	4,771	4,683	4,558	
23	24	37	35	28	26	
39,664	37,617	40,766	39,850	40,180	32,219	
36,435	36,431	36,391	36,372	36,347	36,332	
24	25	23	21	26	29	
33,950	33,956	33,951	33,950	33,943	33,513	
1,985	1,910	1,983	1,983	1,952	1,970	
3,396	3,552	4,229	4,153	3,803	3,497	
\$ 156,630,767	\$ 132,814,044	\$ 114,940,690	\$ 235,315,312	\$ 106,328,212	\$ 163,884,728	
1,201	1,188	1,044	1,148	1,212	1,864	
1,000,000	1,060,872	1,060,893	918,805	934,188	909,192	

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

	Fiscal Year			
	2023	2022	2021	2020
Library:				
Number of libraries	3	3	3	3
Number of books & other items held <sup>1</sup>	170,539	168,012	202,641	192,927
Fire:				
Number of fire stations	8	8	8	8
Number of vehicles in fleet	62	62	62	59
Police:				
Number of stations/sub-stations	2	2	2	2
Number of vehicles in fleet	136	133	131	132
Public Works:				
Streets (in miles)	322	324	324	324
Number of streetlights	7,842	7,842	7,842	7,836
Number of traffic signals	158	158	158	157
Number of street trees	23,000	20,000	20,000	19,716
Water Division:				
Number of wells	12	12	12	12
Water mains (in miles)	462	445	445	446
Number of hydrants	4,475	4,434	4,431	4,450
Sanitation Division:				
Miles of sewer lines/storm drains	422	422	422	422
Facilities Maintenance Division:				
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	270	277	275	275
Community Services:				
Number of parks	22	22	22	22
Acres of parkland <sup>1</sup>	267	267	267	260
Number of community pools	2	2	2	2

**Notes:**

<sup>1</sup> In Fiscal Years 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					
2019	2018	2017	2016	2015	2014
3	3	3	3	3	3
196,198	218,688	231,715	223,161	212,373	209,128
8	8	8	8	8	8
58	58	58	58	58	57
2	2	2	2	2	2
133	132	132	132	132	128
324	324	324	331	328	328
7,836	7,836	3,182	3,182	3,125	2,926
157	157	157	157	157	156
22,000	22,000	22,000	22,000	20,430	19,728
12	12	14	17	16	16
446	462	462	452	452	452
4,439	4,434	4,389	4,417	4,410	4,413
436	436	436	436	436	436
82	82	82	82	82	82
533,384	512,000	512,000	529,995	529,995	529,995
274	272	271	271	236	241
22	22	22	22	22	22
260	258	258	258	258	258
2	2	2	2	2	2



CITY OF ORANGE  
ORANGE CIVIC CENTER  
POST OFFICE BOX 449  
300 EAST CHAPMAN AVENUE, ORANGE CALIFORNIA 92866-1591  
(714) 744-5500  
184