



Andrea Pham
Assistant Finance Director

Garrett Smith
City Treasurer

Pamela Coleman
City Clerk

AGENDA

Audit Advisory Committee April 03, 2025

Notice and Call of a Special Meeting

5:30 PM Regular Session

Weimer Room
300 E. Chapman Avenue
Orange, CA 92866

CAROLYN CAVECCHIE
Chair

BRIAN WILTERINK
Vice Chair

CALEB BROWN
Committee Member

CHRIS HORTON
Committee Member

JEFF GRAMPP
Committee Member

ANDREW LI
Committee Member

JACK SCHROEDER
Committee Member

The City of Orange Audit Advisory Committee welcomes you to this Special Meeting. Special Meetings are held for a specific purpose and when action is needed prior to the next Regular Meeting. The Chair or a majority of the Committee may call a special meeting with a minimum 24 hours notice.

Regular meetings of the City of Orange Audit Advisory Committee are held on the first Thursday of February and October at 5:30 p.m.

Agenda Information

The agenda contains a brief general description of each item to be considered. The agenda and supporting documentation for a special meeting is available no later than 24 hours prior to the meeting on the City's website at www.cityoforange.org, at the Finance Department and City Clerk's Office located at 300 E. Chapman Avenue, and at the Main Public Library located at 407 E. Chapman Avenue.

Public Participation

Public Comment shall be limited to only those items described on this Special Meeting Notice/Agenda (Government Code Section 54954.3(a)).

Public Comments are limited to three (3) minutes per speaker unless a different time limit is announced. It is requested that you state your name for the record, then proceed to address the Audit Advisory Committee. All speakers shall observe civility, decorum, and good behavior.

Please contact the City Clerk's Office at (714) 744-5500 with any questions.

ADA Requirements: In compliance with the Americans with Disabilities Act, if you need accommodations to participate in this meeting, contact the Finance Department at (714) 744-2230. When possible, notification at least 48 hours in advance of meeting will enable the City to make arrangements to assure accessibility to this meeting.

NOTICE IS HEREBY GIVEN, pursuant to Section 54956 of the California Government Code, that a Special Meeting of the City of Orange Audit Advisory Committee is hereby called for the following purpose:

1. OPENING/CALL TO ORDER

1.1 PLEDGE OF ALLEGIANCE

Committee Chair Carolyn Cavecche

1.2 ROLL CALL

2. COMMITTEE BUSINESS

2.1. Review of the Proposed Financial Management Policies

Recommended Action:

Provide input regarding the proposed Financial Management Policies.

Attachments: [Staff Report](#)
[City of Orange Financial Management Policies](#)

2.2. Review of the City's Annual Comprehensive Financial Report (ACFR) and Prop 218 as brought before the City Council

Recommended Action:

Discuss and establish a clear scope, including timeline and responsibilities, for the review of the FY 2007-08 through FY 2023-24 ACFRs and Prop 218 as brought before the City Council.

Attachments: [Staff Report](#)

3. AUDIT RESULT

3.1. FY 2023-24 Audit Results

Recommended Action:

Receive and file.

Attachments: [Staff Report](#)
[FY 2023-24 Annual Comprehensive Financial Report](#)

4. REPORTS FROM CITY MANAGER

5. REPORTS FROM FINANCE DIRECTOR

6. ADJOURNMENT

The next Regular Audit Advisory Committee meeting will be held on Thursday, October 2, 2025, at 5:30 p.m. in the Weimer Room.

I, Pamela Coleman, CMC, City Clerk for the City of Orange, hereby declare, under penalty of perjury, that a full and correct copy of this agenda was posted pursuant to Government Code Section 54950 et. seq., at the following locations: Orange Civic Center kiosk and Orange City Clerk's Office at 300 E. Chapman Avenue, Orange Main Public Library at 407 E. Chapman Avenue, and uploaded to the City's website www.cityoforange.org.

Date posted: March 27, 2025



Agenda Item

Audit Advisory Committee

Item #: 2.1.

4/3/2025

File #: 25-0182

TO: Chair and Members of the Audit Advisory Committee

FROM: Trang Nguyen, Finance Director

1. SUBJECT

Review of the Proposed Financial Management Policies

2. SUMMARY

Proposed Financial Management Policies to provide a framework for the annual budget and planning process.

3. RECOMMENDED ACTION

Provide input regarding the proposed Financial Management Policies.

4. DISCUSSION AND BACKGROUND

On March 11, 2025, staff presented the draft Financial Management Policies (FMPs) to the City Council. While the City has generally practiced many of the guidelines specified in the policies, it had not been formally outlined through a comprehensive document. In an effort to ensure transparency, consistency, and sustainability of the City's finances moving forward, staff compiled the draft Financial Management Policies (FMPs). These policies provide a framework for the annual budget and planning process, which include guardrails to ensure the financial decisions being proposed will support and maintain fiscal responsibility, accountability, and sustainability into the future. The purpose of the controls outlined in the policy is to establish consistent and sound financial decision-making that will carry forward year to year. These policies will also provide the public a comprehensive document that will serve as the roadmap for the annual budgetary process and a guideline for meeting fund balance reserves. The FMPs cover key elements of the City's finances, including the following:

- Budget Development
 - General Fund Budget
 - Capital Projects Fund Budget
- Fund Balance
- Reserves
- Budgetary Controls and Accounting Methodology

- Pension, Investment, and Debt

Also included in the FMPs are important definitions, principles, and changes that include:

- Structurally balanced budget
 - Recurring expenditure should not be more than recurring revenue
 - One-time revenue is not used for recurring expenditure
- Definition of reserves, components of fund balance, and reporting of fund balance
 - Non-spendable - amounts that are not in a spendable form such as inventory.
 - Restricted - amounts constrained to specific purposes by their providers such as grantors and higher levels of government.
 - Assigned - amounts identified by the City Council for a specific purpose.
 - Committed - amounts that have been spent for specific purposes determined by the government's highest level of decision-making authority.
 - Unassigned - amounts that are not classified as non-spendable, restricted, assigned, and committed.
- Changes to the reserve policy
 - General Fund - going from 16.6% back to 25% of the General Fund expenditure, excluding transfers.
 - Internal Service Funds - various levels depending on the fund. (See attachment A for more details).
 - Capital Projects Fund - going from 5-year annual average CIP or 50% of the single highest year to an equivalent of 1-year pavement management.
- Separating the reserve policy from the pension policy

Staff will incorporate feedback received from the meetings and present the final FMPs to the City Council for adoption at a future meeting. The FMPs will be reviewed annually during budget adoption.

5. ATTACHMENTS

- City of Orange Financial Management Policies



Agenda Item

Audit Advisory Committee

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5. ATTACHMENTS

- City of Orange Financial Management Policies

CITY OF ORANGE

FINANCIAL MANAGEMENT POLICIES

I. Purpose and Objectives

The City’s Financial Management Policies (FMPs) purpose and objective is ensuring its long-term fiscal stability and establishing controls for sound decision making, for the present and future.

This set of policies is intended to provide a framework to manage the City’s finances in a manner that will support a high level of public safety; maintain the quality of life; and provide excellent service for our residents and business community while maintaining a balanced budget with a healthy reserve to meet known and unknown future obligations.

These FMPs are essential to the fiscal health and contingency plans of the City. They will be reviewed annually during the budget process and, if necessary, recommended changes will be presented to the City Council for consideration at budget adoption.

II. Fiscal Sustainability

The City is committed to fiscal sustainability through its management of expenditures and stewardship of revenue growth through economic development and exploration of other revenue enhancing opportunities.

The City is also committed to maintaining a long-term view of financial planning that anticipates and proactively mitigate risks to preserve public safety, maintain the quality of life of the community, and provide excellence services to residents and businesses as identified and prioritized through community input.

Fiscal sustainability will be accomplished by these guiding principles:

- a. **Informed decision-making.** City staff will identify and evaluate immediate and long-term economic, social, and environmental impacts of challenges, and present them to the City Council for discussion and consideration.
- b. **Transparency.** The City will conduct all business with transparency, pursuant to applicable laws and regulations. The City will continue to improve transparency and make financial information available in an understandable format for the community.
- c. **Managing long-term liabilities.** The City will continue to monitor long-term financial liabilities, including unfunded pension obligations, and commits to taking actions to manage these obligations and ensure transparency to the public.

- d. **Shared responsibility.** The City recognizes a shared responsibility between the employee and employer. The City is committed to appropriately fund employee compensation to attract and retain employees while maintaining a long-term sustainable and balanced budget.
- e. **Seeking efficiency and effectiveness.** Staff is committed to continuously explore ways to operate more efficiently while providing a quality service.

III. Definition

- a. *Fiscal year* – each fiscal year begins on the first day of July and ends on the 30th day of June.
- b. *Recurring revenues* – revenues that are reasonably expected to continue from year-to-year, with some degree of predictability.
- c. *One-time revenues* – revenues that are one-time in nature or unpredictable.
- d. *Recurring expenditures* – expenditures that are reasonably expected to be funded every year to maintain the current level of City services.
- e. *One-time expenditures* – expenditures that are unpredictable and are not critical to maintain the current level of services.
- f. *Surplus* - when actual revenue exceed actual expenditure, including transfers.
- g. *Catastrophic reserve* – a required, non-discretionary, reserve that the City must maintain as a requirement for the Pension Obligation Bond (POB).
- h. *Restricted reserve* – a portion of the fund balance that is set aside for emergencies, economic uncertainty, and fiscal distress.
- i. *Operating surplus* – the excess of total revenues minus the total expenditures within a fiscal year.
- j. *Unrestricted/excess reserve* – a portion of the fund balance that is above the catastrophic and restricted reserve.

IV. Policies

City-wide Budget Policy

- a. The City Council will adopt an annual budget for all funds, including the Redevelopment Successor Agency, before the start of the fiscal year, July 1st.
- b. At a minimum, the budget adoption package shall include the following:
 - i. A schedule of changes in fund balance for all funds.
 - ii. Statement of revenues for all funds.
 - iii. Statement of expenditures for all funds.
 - iv. Five-year Capital Improvement Plan.
- c. A copy of the budget shall be certified by the City Clerk as adopted by the City Council and filed as a public record in the office of the City Clerk.

- d. The Council will annually adopt a resolution establishing the City's appropriations limit (Gann Limit), calculated in accordance with Article XIII-B of the Constitution of the State of California.
- e. A Financial Model should be reviewed, analyzed, updated, and presented at a City Council meeting as part of the annual City budget process.

General Fund Budget Policy

- a. The City will adopt a structurally balanced budget before the start of the fiscal year, July 1st.
 - i. Recurring revenues supporting recurring expenditures.
 - ii. One-time revenue cannot be used for ongoing expenditures, i.e. salaries and benefits.
- b. The City will commit to controlling recurring non-personnel expenditure growth to an average of the last ten years of the Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles-Long Beach-Anaheim area which is currently 2.0%.
 - i. Staff will present in detail the areas where the recurring expenditures growth exceeds the average CPI-U.
 - ii. City Council will approve or provide direction to staff for each area where the recurring expenditures exceeded the average CPI-U.
- c. The City will commit to balance the annual operating budget utilizing the following temporary budget balancing strategies*, if necessary:
 - i. Freeze vacant positions for one year.
 - ii. Suspend all overnight training, unless it is grant funded, for one year.
 - iii. Suspend non-essential purchases of supplies, materials, equipment, vehicles, services and capital improvement projects, unless it is grant funded, for one year.

*All temporary budget balancing strategies are subject to review annually.
- d. The City may borrow* fund balances to balance the annual operating budget for unplanned/unforeseen events such as a recession or natural disaster.
 - a. Borrow available fund balance from Internal Service Funds and/or Capital Project Fund.
 - b. Borrow from Catastrophic Reserve.

*A plan must be proposed and adopted by the City Council and must be paid back in two years.
- e. The City will commit to allocating operating surpluses to:
 - i. Replenish reserves,
 - i. Pay down long-term obligations such as pension obligations, other post-employment benefits, and bonds, and
 - ii. Fund one-time expenses such as deferred maintenance.

Capital Projects Fund Budget Policy

- a. The City will approve a Five-year Capital Improvement Plan during the annual budget development.
 - ii. The budget for the Five-year Capital Improvement Plan is adopted annually.
- b. The City will review and update the Five-year Capital Improvement Plan annually, if needed.
- c. Future operating costs associated with the new capital project are to be disclosed.
- d. An Inventory of the City's physical assets, their condition, and remaining useful life will be maintained.
- e. The City will maintain all assets at a sufficient level to protect the City's capital investment.

Fund Balance Policy

- a. Fund balance is essentially the difference between the assets and liabilities reported for the governmental fund. The Government Accounting Standards Board Statement No. 54 (GASB 54) identifies five separate components of fund balance, each of which identifies the specific purposes for which amounts can be spent:
 - i. Non-spendable – amounts that are not in a spendable form such as inventory.
 - ii. Restricted – amounts constrained to specific purposes by their providers such as grantors and higher levels of government.
 - iii. Assigned – amounts identified by the City Council for a specific purpose.
 - iv. Committed – amounts that have been spent for specific purposes determined by the government's highest level of decision-making authority.
 - v. Unassigned – amounts that are not classified as non-spendable, restricted, assigned, and committed.

Reserve Policies

- a. General Fund
 - i. Maintain reserves equivalent to 25% of annual General Fund expenditure, excluding transfers out, for the respective fiscal year.
 - 1) The City will implement a phase-in approach to achieving the 25% reserve over the next five years.
 - FY26 – 18%
 - FY27 – 20%
 - FY28 – 23%

- FY29 – 25%
 - ii. At the end of the fiscal year, the Finance Department reports on the year-end financial results. Any unrestricted/unassigned fund balance in the General Fund, after providing funding necessary to achieve the minimum reserve levels required by this policy, shall be available for allocation as follows, subject to City Council approval:
 - 1) Replenish reserves in Internal Service Funds and/or Capital Projects Fund.
 - 2) One-time funding, non-recurring needs.
 - 3) Loan repayment acceleration.
 - iii. Upon funding of the above, the decision of remaining unrestricted/unassigned balances shall be recommended to the City Council by the City Manager or designee.
- b. Internal Service Funds
 - i. Vehicle Replacement Fund - maintain reserves equivalent to 25% of the annual replacement value.
 - ii. Computer and Technology Replacement Fund - maintain reserves equivalent to 25 % of the annual replacement value.
 - iii. General Liability Fund – implement a phased in approach over the next 2 years to eliminate the negative fund balance. Once resolved, maintain a reserve amount equal to the Present Value of Projected Losses provided by the City’s Self-Insured Pool Administrator (CIPA).
 - FY26 - Eliminate 50% of the negative fund balance
 - FY27 - Eliminate remaining 50% negative fund balance
 - FY28 - Fund 25% of the annual unpaid claims as of the end of the fiscal year or actuarial estimate provided by the City’s Self-Insured Pool Administrator (CIPA), whichever is higher.
 - FY29 - Fund 50% of the annual unpaid claims as of the end of the fiscal year or actuarial estimate provided by the City’s Self-Insured Pool Administrator (CIPA), whichever is higher.
 - FY30 - Fund 75% of the annual unpaid claims as of the end of the fiscal year or actuarial estimate provided by the City’s Self-Insured Pool Administrator (CIPA), whichever is higher.
 - iv. Workers’ Compensation Fund - Implement a phased in approach over the next 5 years to eliminate the negative fund balance. Once resolved, maintain a reserve amount equal to the Present Value of Projected Losses provided by the City’s Self-Insured Pool Administrator (CIPA).

- 1) FY 26-30 - Each year reduce the negative fund balance by at least 20% or more if the General Fund ends the years with excess surplus.
- v. Employee Accrued Liabilities Fund - Maintain a reserve equivalent to the compensated absences due within one-year as reported in the prior year Annual Comprehensive Financial Report (ACFR).
- c. Capital Projects Fund
 - i. Maintain a reserve equivalent to 1-year of pavement management or 5% of the total budget for Infrastructure, whichever is higher.
- d. Enterprise Funds
 - i. Water Fund - maintain reserves equivalent to 25% of annual General Fund expenditure, excluding transfers out, for the respective fiscal year.
 - ii. Sanitation Fund - maintain reserves equivalent to 25% of annual General Fund expenditure, excluding transfers out, for the respective fiscal year.

Budget Control City-Wide

- a. Staff shall provide the City Council with a status report on the budget, as it compares to the adopted budget, including any recommendation and estimated fund balances, at least once during the fiscal year.
- b. Budget revisions are approved as follows:
 - i. The City Manager and/or designee may approve transfers in the same fund to meet operational needs.
 - ii. Interfund transfers, transfers between two different funds, and transfers between two different projects must be approved by the City Council.
- c. Expenditures must be within the appropriation limit or approved budget by the City Council.
- d. All non-personnel expenditures must follow the City's Purchasing Municipal Code.
- e. No full-time equivalent positions may be added without authorization and budget appropriation by the City Council.
- f. All purchase order carryovers and/or continuing appropriations must be approved by the City Council.

Accounting Methodology City-wide

- a. The City uses fund accounting to demonstrate compliance with finance-related legal requirements.
- b. The City has an independent financial audit conducted each fiscal year.

- c. Government-wide funds, including General, Special Revenues and Capital Project Funds, are recorded on a modified accrual basis.
 - i. Revenues are recognized when they are measurable and available.
 - ii. Expenditures are recognized as soon as the liabilities are incurred, except for debt service and capital lease obligations, inventories, and prepaid items.
- d. Proprietary funds, which include enterprise and internal service funds, are budgeted on an accrual basis similar to private-sector businesses.

Pension Funding Policy

- a. A pension funding policy is a separate policy from the FMP and will be submitted annually to the City Council for review and adoption.
- b. This policy was last reviewed and adopted by the City Council per Resolution No. 11528, on February 13, 2024.

Investment Policy

- a. An investment policy is a separate policy from the FMP and will be submitted annually to the City Council for review and adoption.
- b. This policy was last reviewed and adopted by the City Council per Resolution No. 11563, on June 25, 2024.

Debt Issuance and Management Policy

- a. The Debt Issuance and Management Policy is a separate policy from the FMP. This policy was adopted by the City Council and updated per Resolution No. 11245, on June 9, 2020.



Agenda Item

Audit Advisory Committee

Item #: 2.2.

4/3/2025

File #: 25-0193

TO: Chair and Members of the Audit Advisory Committee

FROM: Andrea Pham, Assistant Finance Director

1. SUBJECT

Review of the City's Annual Comprehensive Financial Report (ACFR) and Prop 218 as brought before the City Council

2. SUMMARY

On February 25, 2025, the City Council gave the Audit Advisory Committee direction to review the City's Annual Comprehensive Financial Report (ACFR) from Fiscal Year (FY) 2007-08 through FY 2023-24 and Prop 218 as brought before the City Council and summarize any findings at a future City Council meeting

3. RECOMMENDED ACTION

Discuss and establish a clear scope, including timeline and responsibilities, for the review of the FY 2007-08 through FY 2023-24 ACFRs and Prop 218 as brought before the City Council.

4. DISCUSSION AND BACKGROUND

On February 25, 2025, the City Council gave the Audit Advisory Committee direction to review the City's Annual Comprehensive Financial Report (ACFR) from Fiscal Year (FY) 2007-08 through FY 2023-24 and Prop 218 as brought before the City Council and summarize any findings at a future City Council meeting.

To ensure an efficient and thorough review process, it is recommended that the committee establish a clear scope of work, including a timeline, responsibilities, and a methodology for addressing the large volume of reports.

To facilitate collaborative discussions, no more than three committee members may meet at one time. Staff can coordinate and reserve meeting rooms to support these work sessions. These initial steps will help the committee focus its efforts and ensure that findings are presented in a timely and organized manner.

5. ATTACHMENTS

- None



Agenda Item

Audit Advisory Committee

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FROM: Andrea Pham, Assistant Finance Director

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5. ATTACHMENTS

- None



Agenda Item

Audit Advisory Committee

Item #: 3.1.

4/3/2025

File #: 25-0194

TO: Chair and Members of the Audit Advisory Committee

FROM: Trang Nguyen, Finance Director

1. SUBJECT

FY 2023-24 Audit Results

2. SUMMARY

The FY 2023-24 final audit has been completed with no findings, and the City received a “clean” or unmodified opinion.

3. RECOMMENDED ACTION

Receive and file.

4. ATTACHMENTS

- FY 2023-24 Annual Comprehensive Financial Report



Agenda Item

Audit Advisory Committee

Item #: 3.1.

4/3/2025

File #: 25-0194

TO: Chair and Members of the Audit Advisory Committee

FROM: Trang Nguyen, Finance Director

1. SUBJECT

FY 2023-24 Audit Results

2. SUMMARY

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3. RECOMMENDED ACTION

Receive and file.

4. ATTACHMENTS

- FY 2023-24 Annual Comprehensive Financial Report



City of Orange

C a l i f o r n i a

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

Prepared by:
FINANCE DEPARTMENT

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CITY OF ORANGE, CALIFORNIA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Table of Contents

Page
Number

INTRODUCTORY SECTION:

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

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 Net Position	38
Statement of Cash Flows	39

Fiduciary Funds:

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

Notes to the Basic Financial Statements	47
---	----

Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual - General Fund.....	91
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual - Proposition 172	92
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual - Measure M	93
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual - Federal, State & Local Grants.....	94
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual - Housing Successor	95

CITY OF ORANGE, CALIFORNIA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Table of Contents

	<u>Page Number</u>
OPEB Plan	
Schedule of Changes in Total OPEB Liability and Related Ratios.....	96
Pension Plan	
Miscellaneous Plan:	
Schedule of Changes in the Net Pension Liability and Related Ratios	98
Safety Plan:	
Schedule of Changes in the Net Pension Liability and Related Ratios	100
Schedule of Plan Contributions	102
Notes to Required Supplementary Information	103
Supplementary Schedules:	
Non-Major Governmental Funds:	
Combining Balance Sheet.....	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	114
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Non-major Special Revenue Funds:	
EMT Transport	120
1% PEG Program	121
Certified Access Specialist Program (CASP) Certification & Training	123
Headstart Building Maintenance.....	124
Air Pollution Reduction	124
Gas Tax.....	125
Road Maintenance Rehabilitation Account (RMRA)	126
Transportation System Improvement Program (TSIP).....	127
Landscape Maintenance Assessment Districts	128
Asset Seizure.....	129
SB2- Building Homes and Jobs Act.	130
Housing in-Lieu	131
Schedule of Revenues, Expenditures, and Changes in Fund Balances – 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

CITY OF ORANGE, CALIFORNIA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Table of Contents

Page
Number

Internal Service Funds:

Combining Statement of Net Position	142
Combining Statement of Revenues, Expenses and Changes in Net Position	144
Combining Statement of Cash Flows.....	146

STATISTICAL SECTION:

Net Position by Component - Last Ten Fiscal Years	152
Changes in Net Position - Governmental Activities - Last Ten Fiscal Years	154
Changes in Net Position - Business-type Activities - Last Ten Fiscal Years	156
Fund Balances of Governmental Funds - Last Ten Fiscal Years	158
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	160
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	162
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	164
Principal Property Taxpayers - Current Year and Nine Years Ago	166
Property Tax Levies and Collections - Last Ten Fiscal Years	167
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	168
Direct and Overlapping Property Tax Rate - Last Ten Fiscal Years	171
Legal Debt Margin Information - Last Ten Fiscal Years	172
Pledged-Revenue Coverage - Last Ten Fiscal Years.....	174
Demographic and Economic Statistics - Last Ten Fiscal Years	175
Principal Employers - Current Year and Nine Years Ago	176
Full-Time Equivalents by Function - Last Ten Fiscal Years	177
Operating Indicators by Department - Last Ten Fiscal Years.....	178
Capital Asset Statistics by Department - Last Ten Fiscal Years	180

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Introductory Section



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March 03, 2025

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

The Annual Comprehensive Financial Report (ACFR) of the City of Orange (City) for the fiscal year ended June 30, 2024, is hereby submitted. These statements have been prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

The report consists of management's representations concerning the finances of the City. 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 the 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 City's financial statements have been audited by LSL, LLP, an independent public accounting firm. The auditors have issued an unmodified opinion on the City's financial statements for the year ended June 30, 2024. Their report 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 138,621, 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 Manager is responsible for implementing policies and ordinances approved by the City Council, overseeing the day-to-day operations of the City, and appointing the heads of the various City departments.

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 1st 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 City of Orange, located in the heart of Southern California, boasts a vibrant and diverse economy. With a strategic location in Orange County, Orange offers easy access to major highways, airports, and ports, making it an ideal place for businesses of all sizes and sectors.



Orange is home to several institutions, including UCI Irvine Healthcare, Children’s Hospital of Orange County (CHOC) Children’s Hospital, St. Joseph Hospital, and Chapman University, providing numerous employment opportunities.

The City also features a dynamic retail and automotive market, attracting both local and international businesses. The city's healthcare sector is a significant contributor to the local economy. This concentration of medical facilities supports further healthcare development, as well as retail, dining, and housing development. Old Towne Orange is a hub of antique and collectibles dealers, specialty shops, art galleries, and restaurants.

The local economy in the City of Orange has seen a modest improvement. The City’s General Fund revenues, which include sales tax, property tax, transient occupancy tax, licenses and permits, and fees for services, ended the 2023-24 fiscal year with an overall increase of \$4.1 million, or 2.9%, compared to fiscal year 2022-23.

The top two sources of revenue for the City are sales tax and property tax. Property tax revenue increased by \$1.5 million, or 3.8%, over FY 2022-23, due to increased assessed property values related to the annual inflation adjustment and due to changes in ownership and price appreciation. The City’s sales tax base is primarily generated from three industry groups – fuel and service stations, autos and transportation, and general consumer goods. The City experienced fluctuating sales tax revenue over the last fiscal year. Declines were seen in the three primary industry groups. However, strong performances was noted in building and construction, business and industry, and restaurants and hotels. Overall, sales tax revenue increased by \$1.7 million, or 3.0%, compared to the prior fiscal year. Economic factors such as interest rates, inflation, and consumer spending patterns significantly influenced sales tax revenue, with the Federal Reserve’s actions noted as a key factor affecting future revenue growth. The modest growth in revenues presents fiscal challenges, especially with the rising costs of goods and services. The ongoing uncertainty due to high inflation and interest rates will continue to impact the City’s revenue sources.

FINANCIAL POLICIES

In February 2024, the City Council adopted Resolution No. 11528, establishing a Financial Reserve Policy and 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 the July 2024 CalPERS Annual Valuation Report, there are 373 of the City's 658 active employees (56.7%) 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 (ISFs), which are replenished by annual charges or transfers from the General Fund. ISF allocations include funding for General Liability, Workers Compensation, the Employee Accrued Liability Fund (see below), Equipment Maintenance, Equipment Replacement, Information Systems, and Computer Replacement Funds. These funds are critical for the replacement and maintenance of the City's aging equipment and vehicles. It is also used to fund Workers' Compensation claims, litigation settlements, and insurance premiums. The City strives to maintain adequate reserves for these funds and staff will continue to put forth recommendations for fully funding these reserves into the future.

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 2015-16. In addition, changes in actuarial assumptions based on life expectancy have increased retirement costs for all agencies. In FY 2012-13, City Council established a contingency reserve in the Employee Accrued Liability Fund which set-aside monies to be used to offset future retirement costs. \$7.4 million has been set aside as of June 30, 2024.

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 as of June 30, 2024, is \$257,515,000.

ACKNOWLEDGEMENTS

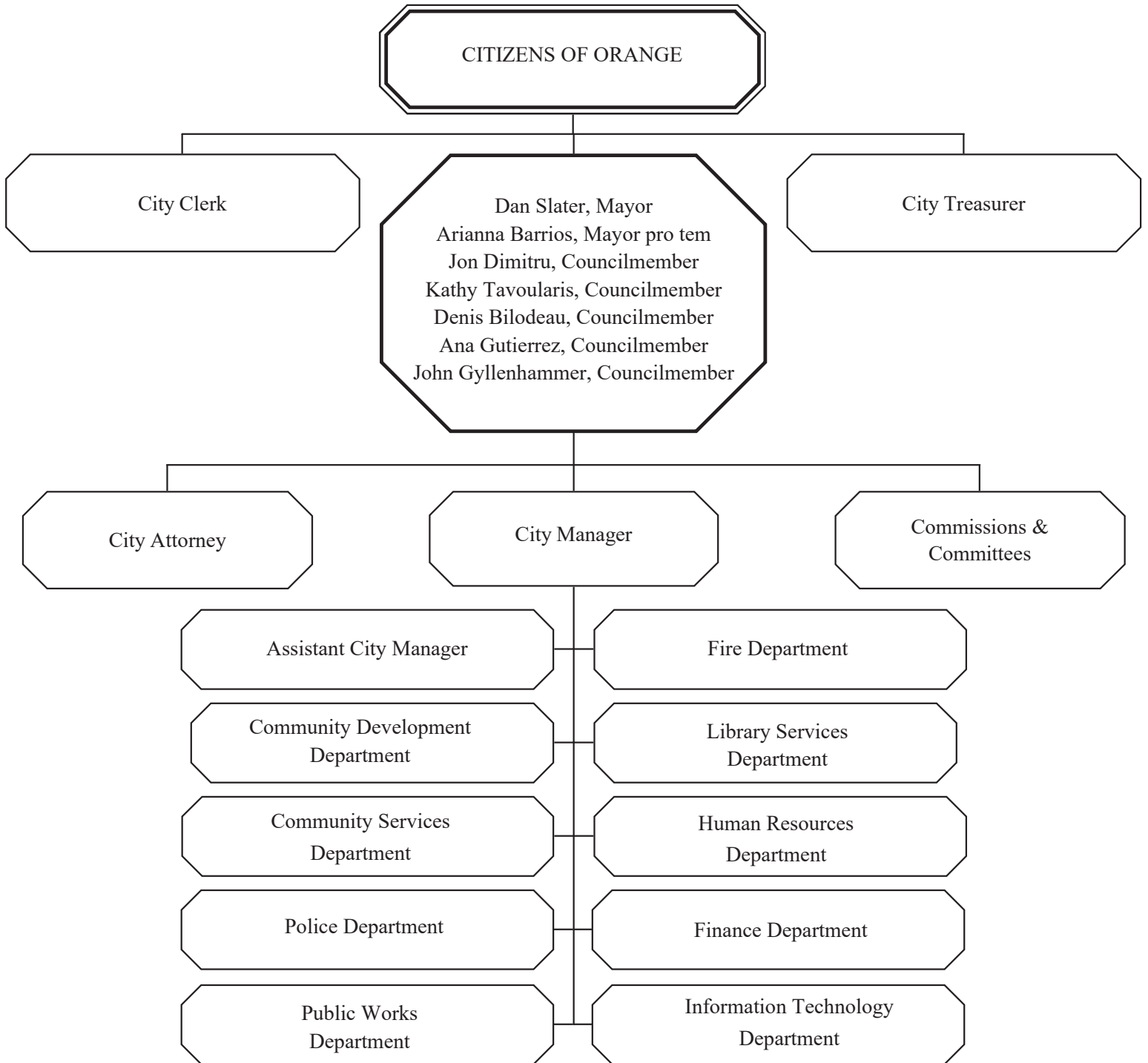
The preparation of the ACFR was accomplished through the ongoing dedication and cooperation of the Finance Department staff and the City's independent auditors, LSL, LLP. Special appreciation is extended to the Accounting division staff who contributed to and participated in the coordination and preparation of the ACFR. Additionally, we 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, 2024





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

AT JUNE 30, 2024

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

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Financial Section



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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, 2024, 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, 2024, 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 Auditors' 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.

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.

Auditors' 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.



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

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 information, and 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.

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.



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

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 03, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
March 03, 2025

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Management's Discussion and Analysis



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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, 2024. 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-v of this report.

Financial Highlights

- The assets of the City exceeded its liabilities, on June 30, 2024, by over \$718.9 million (net position). Of this amount, \$570.6 million or 79.4% is in the governmental funds and \$148.3 million or 20.6% is in the enterprise funds.
- As of June 30, 2024, the City's governmental funds reported combined ending net position of \$570.6 million, an increase of \$13.0 million, or 2.3%, 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. This report also contains other supplementary information in addition to the Basic Financial Statements.

Government-wide Financial Statements. These statements are designed to provide readers with a broad overview of the City's financial position, in a manner similar to a private-sector business. These statements are reported on the full accrual basis of accounting. There are two government-wide financial statements: the Statement of Net Position and the Statement of Activities. Thus, revenues and expenses are reported for some items that will not affect cash flow 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 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 31 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, general liability and dental self-insurance costs.

All 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 142-147.

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 Year Ended June 30, 2024 and 2023
 (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and Other Assets	191,015	170,784	50,587	43,975	241,602	214,759
Capital Assets	736,639	724,213	133,580	128,338	870,219	852,551
Total Assets	927,654	894,997	184,167	172,313	1,111,821	1,067,310
Deferred Outflows of Resources	92,627	100,865	7,835	8,775	100,462	109,640
LIABILITIES						
Current Liabilities	22,643	20,468	8,473	6,646	31,116	27,114
Non-current Liabilities	411,695	404,027	31,972	31,693	443,667	435,720
Total Liabilities	434,338	424,495	40,445	38,339	474,783	462,834
Deferred Inflows of Resources	15,385	13,802	3,219	2,951	18,604	16,753
NET POSITION						
Net Investment Capital Assets	698,636	684,072	132,909	127,758	831,545	811,830
Restricted	66,910	68,868	-	-	66,910	68,868
Unrestricted	(194,988)	(195,375)	15,429	12,040	(179,559)	(183,335)
Total Net Position	570,558	557,565	148,338	139,798	718,896	697,363

Governmental Activities:

The total assets exceeded the total liabilities by \$570.6 million at the close of Fiscal Year 2023-24. The total assets increased by \$32.6 million, or 3.6%, from \$895.0 million to \$927.7 million. This is due to a combination of increases in long-term receivables and capital assets. Total liabilities show a slight increase of \$9.8 million compared to prior year, primarily due to an increase in pension liability.

The unrestricted net position is a negative \$195 million, virtually no change compared to the prior year. The negative unrestricted net position is primarily due to long-term liabilities such as the pension obligation bond. The restricted net position decreased by almost \$2 million, or 1.8%. The restricted net position is stipulated from agreements with external parties.

Business Type Activities:

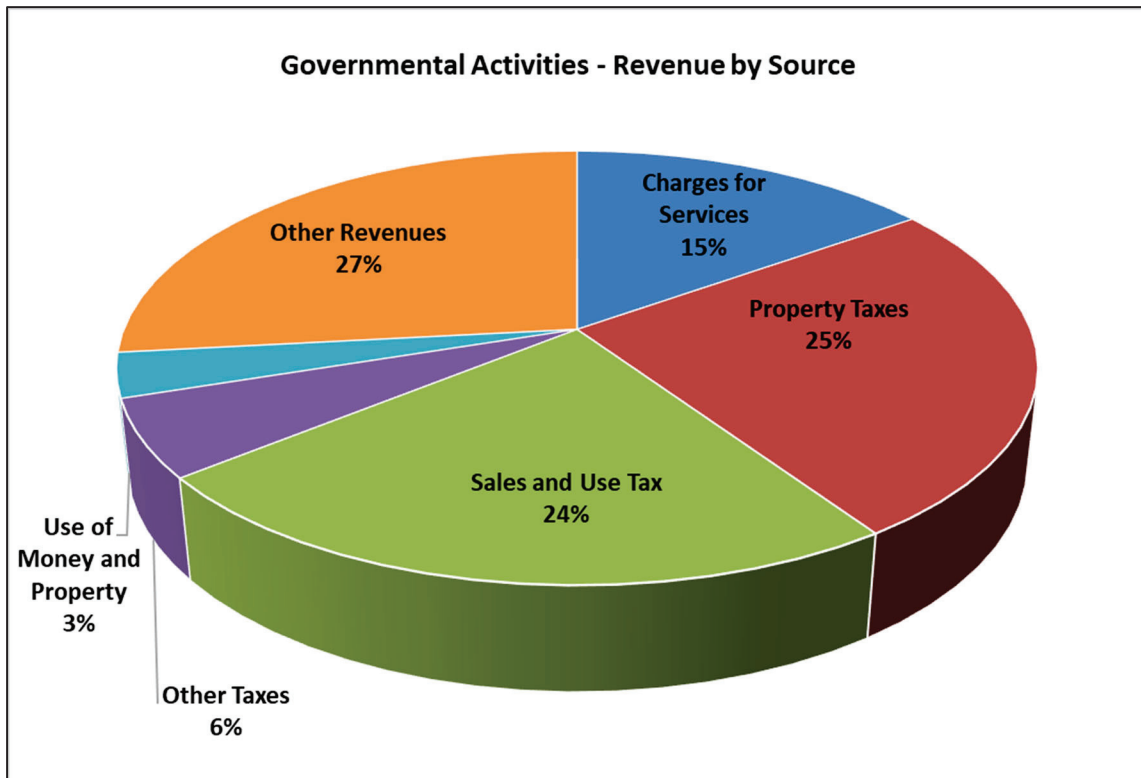
Similar to governmental activities, the total assets exceeded the total liabilities by \$148.3 million at the close of the fiscal year. More than 90%, or over \$133 million, of the net position is invested in capital assets. The remaining 10%, or \$15 million, is unrestricted and is available. The total assets increased approximately \$12 million from last year primarily due to increases in cash and investments and capital assets. Total liabilities increased by about \$2.1 million from the prior year, due primarily to pension liability.

GOVERNMENTAL FUND HIGHLIGHTS AND ANALYSIS

Governmental Fund Revenues:

The graph below shows a summary of Governmental Fund type revenues. This includes revenues from the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds for the Fiscal Year ended June 30, 2024.

- The governmental fund revenues totaled \$217 million, an increase of \$24.4 million, or 12.7%, over the prior year.
- Approximately 64.9% of the governmental fund revenues came from the following categories:
 - Property Tax at \$55.6 million, or 25.6%,
 - Sales and Use Tax at \$51.8 million, or 23.9%, and
 - Charges for Services at \$33.3 million, or 15.4%.

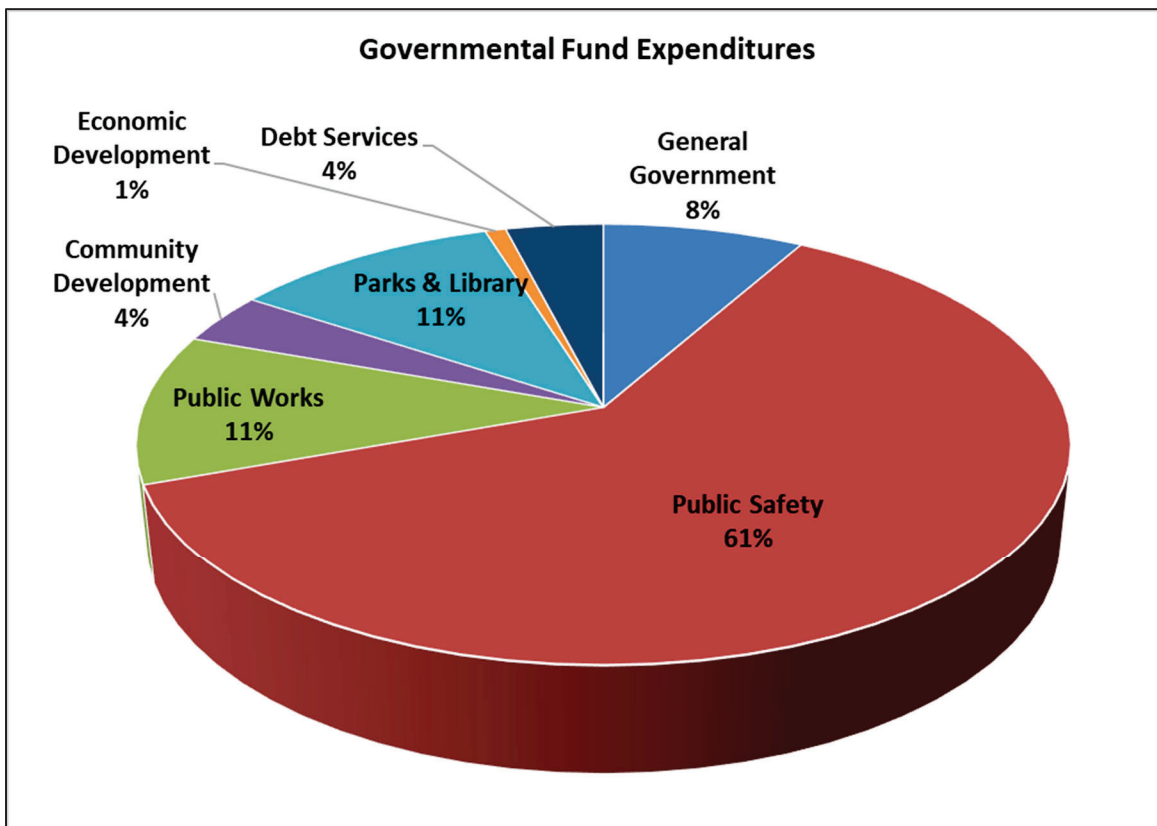


Governmental Fund Expenditures:

The graph below shows a summary of Governmental Fund type expenditures which includes the various departments, such as Public Safety, Public Works, Parks and Library and General Government (e.g. City Manager, City Clerk, Finance, Human Resources, Information Technology, etc.) that are used to provide services to the community.

The governmental fund expenditures ended the 2023-24 fiscal year at \$204 million, an increase of \$10 million, or 5.1%, to prior year.

- \$124 million of 61% is used for Public Safety
- \$22.4 million or 11% is used for Public Works
- \$22.2 Million or 11% is used for Parks and Library
- \$16.7 million or 8% is used for General Government



City of Orange
Summary of Net Position
For Fiscal Year Ended June 30, 2024 and 2023
(in thousands)

	Governmental Activities		Amount
REVENUES:	2024	2023	Increase (Decrease)
Program Revenues:			
Charges for Services	33,304	33,276	28
Operating Grants and Contributions	7,266	6,117	1,149
Capital Grants and Contributions	15,250	8,934	6,316
General Revenues:			
Taxes			
Property Taxes	55,610	53,784	1,826
Sales and Used Taxes	51,892	51,389	503
Transient Occupancy Taxes	6,093	6,080	13
Franchise Taxes	3,201	3,149	52
Other Taxes	3,419	3,897	(478)
Use of Money and Property	7,292	4,287	3,005
Other Revenues	35,888	21,366	14,522
Gain on Sale of Capital Asset	53	-	-
Transfers	(2,310)	153	(2,463)
Total Revenues	216,958	192,432	24,473
EXPENSES:			
Program Activities			
General Government	16,723	24,084	(7,361)
Public Safety	124,980	110,206	14,774
Public Works	22,452	19,716	2,736
Community Development	7,696	4,113	3,583
Parks & Library	22,280	20,277	2,003
Economic Development	1,723	8,311	(6,588)
Debt Services	-	-	-
Interest on Long-term Debts	8,125	7,745	380
Total Expenses	203,979	194,452	9,527
 Changes in Net Position	 12,979	 (2,020)	 14,946

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

The significant variances in revenues compared to prior year were increases in Capital Grants and Contributions by \$6.2 million and Other Revenues by \$14.5 million.

The increase in Capital Grant and Contributions was primarily due to reimbursements for completed street projects and a reimbursement for expenses related to the SB2 Building Homes and Jobs Act. Overall, the net increase in governmental revenues totaled \$24.4 million compared to the prior year. The increase in Other Revenues was mainly attributed to a change in accounting estimates for loan receivables to align with the Generally Accepted Accounting Principles (GAAP).

Overall expenditures increased by almost \$9.5 million, or 4.9%, compared to the prior fiscal year. While we show an increase in Public Safety, Public Works, Community Development and Parks and Library totaling almost \$21.1 million these increases were offset by decreases in General Government and Economic Development of \$14.0 million. The decrease was due to one-time expenses incurred related to a development project and a close out of a fund in FY 2022-23. The increase in Public Safety costs was primarily due to increases in personnel costs.

The FY 2023-24 net position of \$13 million is an increase of almost \$15 million compared to the negative \$2.0 million in the prior year. This change was driven by an increase in revenues of \$24.4 million, or 12.7%, and moderate growth of \$9.5 million, or 4.9%, in expenditures.

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 \$130 million, an increase of \$21 million as compared to the prior fiscal year's fund balances. This increase is primarily due to the change in accounting estimate of the outstanding loans receivable.

The General Fund is the major operating fund of the City and the total fund balance at year end was \$28.5 million, an increase of \$2.7 million over the prior year. This included the Building Record Management Fund.

Other General Fund highlights include:

- Restricted fund balance of \$23.9 million was 16.6% of total General Fund expenditures.
- General Fund revenues increased \$4.1 million over prior year. This increase is mainly due to an increase in Property Tax and Use of Money and Property.
- General Fund operating expenditures totaled \$144.3 million, an increase of \$5.9 million compared to the prior fiscal year due to an increase in Public Safety.
- General Fund made no transfers out in fiscal year 2024.

City of Orange
General Fund Revenues and Other Financing Sources
For Fiscal Year Ended June 30, 2024 and 2023
(in thousands)

	2024	Percent of	2023	Percent of	Increase
	Actuals	Total	Actuals	Total	(Decrease)
Taxes	111,273	76%	108,953	77%	2,320
Franchise Fees	2,981	2%	2,622	2%	359
Licenses and Permits	6,761	5%	6,583	5%	178
Fines and Forfeitures	1,748	1%	2,007	1%	(259)
Use of Money and Property	4,816	3%	2,409	2%	2,407
Intergovernmental Revenues	4,012	3%	1,247	1%	2,765
Charges for Services	11,136	8%	10,900	8%	236
Other Revenues	1,632	1%	5,501	4%	(3,869)
Total Revenues	<u>144,359</u>	98%	<u>140,222</u>	99%	4,137
Other Financing Sources	2,629	2%	2,000	1%	629
Total Revenues & Other Financing Sources	<u><u>146,988</u></u>	<u>100%</u>	<u><u>142,222</u></u>	<u>100%</u>	<u><u>4,766</u></u>

City of Orange
General Fund Expenditures and Other Financing Uses
For Fiscal Year Ended June 30, 2024 and 2023
(in thousands)

	2024	Percent of	2023	Percent of	Increase
	Actuals	Total	Actuals	Total	(Decrease)
General Government	12,488	9%	14,805	9%	(2,317)
Public Safety	96,249	67%	91,458	57%	4,791
Public Works	10,168	7%	9,800	6%	368
Parks and Library	17,055	12%	16,543	10%	512
Community Development	6,252	4%	3,649	2%	2,603
Economic Development	148	0%	138	0%	10
Debt Services	1,782	1%	1,872	1%	(90)
Other Expenses	115	0%	73	0%	42
Total Expenditures	<u>144,257</u>	100%	<u>138,338</u>	86%	5,919
Other Financing Uses	-	0%	23,277	14%	(23,277)
Extraordinary Items	-	0%	-	0%	-
Total Expenditures & Other Financing Sources	<u><u>144,257</u></u>	<u>100%</u>	<u><u>161,615</u></u>	<u>100%</u>	<u><u>(17,358)</u></u>

PROPRIETARY FUND HIGHLIGHTS AND ANALYSIS

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

Enterprise Fund – Revenues and Expenses. Operating revenues increased \$3.9 million, or 8%, and expenditures had a slight increase of \$1.9 million, or 4%. The increase in revenue is due to water rate increases. A 7% rate increase was effective April 2023 and a 6% increase was effective January 2024. The Water Fund shows a slight increase in expenditures due to vacancies in the prior year that have been filled, the Sanitation Fund had an increase of almost \$1 million over the prior year due to pension and depreciation expenses.

Enterprise Fund - Net Position. An increase in revenues and stable expenditures increased the net position over the prior year by \$1.8 million; with the overall net position ending at \$4.2 million for the fiscal year ended June 30, 2024.

City of Orange
Summary of Net Position
Business- Type Activities
For Fiscal Year Ended June 30, 2024 and 2023
(in thousands)

	Business-Type Activities		Amount
REVENUES:	2024	2023	Increase (Decrease)
Program Revenues:			
Charges for Services	50,662	46,762	3,900
General Revenues:			
Taxes			
Sales and Used Taxes	-	-	-
Use of Money and Property	-	324	(324)
Other Revenues	440	478	(38)
Transfers	-	(153)	153
Total Revenues	51,102	47,411	3,691
EXPENSES:			
Program Activities			
Water	37,751	34,894	2,857
Sanitation	9,104	10,062	(958)
Total Expenses	46,855	44,956	1,899
Changes in Net Position	4,247	2,455	1,792

Internal Service Funds - During FY 2023-24, the Internal Service Funds had total revenues of \$21.0 million. This represents a decrease of \$14.8 million over the prior year, mainly due to a one-time in transfers from the General Fund. On the expense side, these funds had a combined decrease of \$2.5 million. This was due to a one-time transfer from the Internal Service Funds to the General Fund and Capital fund which occurred in FY 2022-23. The decrease in operating expenses was due to a decrease in depreciation expense and accrued leave payouts incurred in FY 2022-23

Internal Service Funds - Net Position. Due to the reduction in transfers from the General Fund these funds show a net position decrease of slightly more than \$12.2 million which results in a negative net position of \$768k.

City of Orange
Summary of Net Position
Internal Service Funds
For Fiscal Year Ended June 30, 2024 and 2023
(in thousands)

	Internal Service Activities		Amount
	2024	2023	Increase (Decrease)
REVENUES:			
Operating Revenues	18,344	16,860	1,484
Other Revenues	1,682	2,676	(994)
Transfers	1,000	16,280	(15,280)
Total Revenues	21,026	35,816	(14,790)
EXPENSES:			
Operating Expenses	21,794	23,098	(1,304)
Transfers Out	-	1,250	(1,250)
Total Expenses	21,794	24,348	(2,554)
Changes in Net Position	(768)	11,468	(12,236)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City’s Five-Year Capital Improvement Plan estimates spending \$123.0 million in Fiscal Years 2023-24 through 2027-28. Funding will come from current fund balances, contribution from the General Fund, and projected revenues from grants, and private donations. The following chart shows capital assets at June 30, 2024.

City of Orange
Summary of Capital Assets (Net of Depreciation)
For Fiscal Year Ended June 30, 2024 and 2023
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and Improvements	82,133	80,626	2,647	2,647	84,780	83,273
Projects in Progress	372,227	366,786	11,193	5,116	383,420	371,902
Buildings	108,667	110,578	1,522	791	110,189	111,369
Furniture, Fixture & Equipment	14,455	15,617	7,564	8,100	22,019	23,717
Infrastructures	152,513	142,513	109,848	110,969	262,361	253,482
Lease Assets	111	129	-	-	111	129
Subscription Assets	6,534	7,964	806	715	7,340	8,679
Total Capital Assets	736,640	724,213	133,580	128,338	870,220	852,551

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, 2024:

City of Orange
Summary of Changes in Long-Term Liabilities
(in thousands)

	Balance June 30, 2023	Additions	Reduction	Balance June 30, 2024	Due Within One-Year
Government Activities					
Loans Payable	148	-	70	78	50
Lease Payable	121	84	94	111	55
Subscription Payable	7,075	563	1,072	6,566	812
Lease Revenue Bond	28,860	-	570	28,290	595
Premium on Lease Revenue Bond	3,938	-	146	3,792	-
Pension Obligation Bond	248,970	-	10,337	238,633	10,402
Compensated Absences	9,596	5,983	4,189	11,390	4,972
Claims Payable	15,780	2,864	4,250	14,394	5,270
Total Government Activities	314,488	9,494	20,728	303,254	22,156
Business-type Activities					
Compensated Absences	769	288	159	898	185
Pension Obligation Bond	19,700	-	818	18,882	823
Subscription Payable	579	208	186	601	131
Total Business-type Activities	21,048	496	1,163	20,381	1,139
Total Government-wide	335,536	9,990	21,891	323,635	23,295

More detailed information on the City’s long-term liabilities 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. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Department, City of Orange, 300 East Chapman Avenue, Orange, California 92866.

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***Government-wide
Financial Statements***



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CITY OF ORANGE, CALIFORNIA
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 117,899,881	\$ 40,584,462	\$ 158,484,343
Receivables (net of uncollectibles):			
Accounts	6,859,248	8,888,302	15,747,550
Taxes	11,554,179	-	11,554,179
Accrued interest	928,173	306,023	1,234,196
Due from other governments	516,910	-	516,910
Notes and loans	44,540,325	-	44,540,325
Leases	1,518,118	-	1,518,118
Restricted assets:			
Cash with fiscal agent	5,354,631	-	5,354,631
Inventories	903,122	765,257	1,668,379
Prepaid costs	939,946	43,427	983,373
Capital assets (not being depreciated/amortized)	454,359,839	13,839,941	468,199,780
Capital assets (net of accumulated depreciation/amortization)	282,279,323	119,740,069	402,019,392
Total assets	927,653,695	184,167,481	1,111,821,176
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	86,780,453	6,373,314	93,153,767
OPEB-related	5,847,078	1,461,770	7,308,848
Total deferred outflows of resources	92,627,531	7,835,084	100,462,615
LIABILITIES			
Accounts payable	11,334,364	8,345,704	19,680,068
Pass-through payable	671,111	-	671,111
Accrued liabilities	6,042,296	-	6,042,296
Accrued interest	732,794	-	732,794
Deposits payable	2,825,044	127,074	2,952,118
Unearned revenue	1,037,640	-	1,037,640
Noncurrent liabilities:			
Due within one year:			
Total OPEB liability	472,000	-	472,000
Bonds, loans, leases, subscriptions, claims, and compensated absences	22,155,472	1,138,851	23,294,323
Due in more than one year:			
Net pension liability	82,212,139	5,031,473	87,243,612
Total OPEB liability	25,757,855	6,439,464	32,197,319
Bonds, loans, leases, subscriptions, claims, and compensated absences	281,097,320	19,244,102	300,341,422
Total liabilities	434,338,035	40,326,668	474,664,703
DEFERRED INFLOWS OF RESOURCES			
Pension-related	1,869,883	203,794	2,073,677
OPEB-related	12,061,520	3,015,380	15,076,900
Lease-related	1,453,897	-	1,453,897
Total deferred inflows of resources	15,385,300	3,219,174	18,604,474
NET POSITION			
Net investment in capital assets	697,803,590	132,978,321	830,781,911
Restricted:			
Public safety	3,220,192	-	3,220,192
Federal & state grants	8,472,514	-	8,472,514
Housing	28,615,840	-	28,615,840
Streets/roads/transportation improv.	8,417,893	-	8,417,893
Development related transport improv.	4,208,775	-	4,208,775
Air quality	206,396	-	206,396
Asset forfeiture operations	4,114,987	-	4,114,987
Assessment district landscape maint.	2,161,880	-	2,161,880
Gov. access/local access programming	411,389	-	411,389
Affordable housing units	6,465,622	-	6,465,622
Training/certifying building inspect.	567,013	-	567,013
Unrestricted	(194,108,200)	15,360,402	(178,747,798)
Total net position	\$ 570,557,891	\$ 148,338,723	\$ 718,896,614

See accompanying notes to financial statements.

CITY OF ORANGE, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2024

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 16,723,060	\$ 8,412,017	\$ 4,740,139	\$ -
Public safety	124,980,249	11,657,313	1,193,208	-
Community development	7,696,354	1,976,021	-	257,361
Parks and library	22,279,842	5,081,854	1,333,069	-
Public works	22,436,985	6,176,990	-	14,992,324
Economic development	1,723,275	-	-	-
Interest on long-term debt	8,124,874	-	-	-
Total governmental activities	203,964,639	33,304,195	7,266,416	15,249,685
Business-type activities:				
Sanitation	9,286,085	9,121,934	-	-
Water	38,089,991	41,539,708	721,295	-
Total business-type activities	47,376,076	50,661,642	721,295	-
Total primary government	\$ 251,340,715	\$ 83,965,837	\$ 7,987,711	\$ 15,249,685

General revenues and transfers:

General revenues:

- Property taxes
- Sales taxes
- Transient occupancy taxes
- Franchise taxes
- Other taxes
- Use of money and property
- Other
- Gain on sale of capital asset
- Transfers

Total general revenues and transfers

Change in net position

Net position-beginning

Net position-ending

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

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (3,570,904)	\$ -	\$ (3,570,904)
(112,129,728)	-	(112,129,728)
(5,462,972)	-	(5,462,972)
(15,864,919)	-	(15,864,919)
(1,267,671)	-	(1,267,671)
(1,723,275)	-	(1,723,275)
(8,124,874)	-	(8,124,874)
(148,144,343)	-	(148,144,343)
-	(164,151)	(164,151)
-	4,171,012	4,171,012
-	4,006,861	4,006,861
(148,144,343)	4,006,861	(144,137,482)
55,610,096	-	55,610,096
51,891,628	-	51,891,628
6,092,659	-	6,092,659
3,201,234	-	3,201,234
3,418,634	-	3,418,634
7,292,376	1,782,865	9,075,241
35,888,378	440,327	36,328,705
52,948	-	52,948
(2,310,270)	2,310,270	-
161,137,683	4,533,462	165,671,145
12,993,340	8,540,323	21,533,663
557,564,551	139,798,400	697,362,951
\$ 570,557,891	\$ 148,338,723	\$ 718,896,614

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Fund Financial Statements



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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 & 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 and 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, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Proposition 172</u>	<u>Measure M</u>
ASSETS			
Cash and investments	\$ 29,673,526	\$ 745,632	\$ 6,217,301
Receivables (net of allowance for uncollectible):			
Accounts	2,283,600	-	-
Taxes	10,493,725	98,892	-
Accrued interest	438,390	5,724	47,019
Due from other governments	516,910	-	-
Notes and loans	-	-	-
Leases	1,396,353	-	-
Prepaid expense	165,928	-	-
Due from other funds	838,151	-	-
Inventories	105,756	-	-
Restricted assets:			
Cash and investments with fiscal agents	18,747	-	-
Total assets	<u>\$ 45,931,086</u>	<u>\$ 850,248</u>	<u>\$ 6,264,320</u>
LIABILITIES			
Accounts payable	\$ 6,312,737	\$ 8,455	\$ 914,104
Contracts payable	-	-	131,435
Accrued liabilities	6,014,808	-	-
Deposits payable	2,821,904	-	1,450
Due to other funds	-	-	-
Unearned revenues	134,479	-	-
Total liabilities	<u>15,283,928</u>	<u>8,455</u>	<u>1,046,989</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	858,846	-	-
Lease-related	1,330,754	-	-
Total deferred inflows of resources	<u>2,189,600</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	271,684	-	-
Restricted	-	841,793	5,217,331
Committed	23,891,358	-	-
Assigned	3,568,489	-	-
Unassigned	726,027	-	-
Total fund balances	<u>28,457,558</u>	<u>841,793</u>	<u>5,217,331</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 45,931,086</u>	<u>\$ 850,248</u>	<u>\$ 6,264,320</u>

CITY OF ORANGE, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>
	<u>Federal, State & Local Grants</u>	<u>Housing Successor</u>	<u>Capital Improvement</u>
ASSETS			
Cash and investments	\$ 1,334,198	\$ 946,831	\$ 17,321,033
Receivables (net of allowance for uncollectible):			
Accounts	1,170	2,501	4,404,612
Taxes	-	-	-
Accrued interest	19,575	7,269	158,787
Due from other governments	-	-	-
Notes and loans	7,264,662	28,921,145	3,000,000
Leases	-	-	-
Prepaid expense	-	-	-
Due from other funds	-	-	47,536
Inventories	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	5,335,884
Total assets	\$ 8,619,605	\$ 29,877,746	\$ 30,267,852
LIABILITIES			
Accounts payable	\$ 107,291	\$ 11,906	\$ 1,350,311
Contracts payable	39,800	-	375,072
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Unearned revenues	-	-	442,050
Total liabilities	147,091	11,906	2,167,433
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	1,250,000	5,616,870
Lease-related	-	-	-
Total deferred inflows of resources	-	1,250,000	5,616,870
FUND BALANCES			
Nonspendable	-	-	-
Restricted	8,472,514	28,615,840	-
Committed	-	-	-
Assigned	-	-	22,483,549
Unassigned	-	-	-
Total fund balances	8,472,514	28,615,840	22,483,549
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,619,605	\$ 29,877,746	\$ 30,267,852

CITY OF ORANGE, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

	Capital Projects Fund		
	Park Acquisition, Development and Maintenance	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 9,722,343	\$ 22,933,098	\$ 88,893,962
Receivables (net of allowance for uncollectible):			
Accounts	10,420	58,819	6,761,122
Taxes	-	961,562	11,554,179
Accrued interest	74,636	176,773	928,173
Due from other governments	-	-	516,910
Notes and loans	646,045	4,708,473	44,540,325
Leases	-	121,765	1,518,118
Prepaid expense	-	-	165,928
Due from other funds	-	-	885,687
Inventories	-	-	105,756
Restricted assets:			
Cash and investments with fiscal agents	-	-	5,354,631
Total assets	\$ 10,453,444	\$ 28,960,490	\$ 161,224,791
LIABILITIES			
Accounts payable	\$ 66,563	\$ 1,108,775	\$ 9,880,142
Contracts payable	-	124,804	671,111
Accrued liabilities	-	27,488	6,042,296
Deposits payable	-	1,690	2,825,044
Due to other funds	-	704,443	704,443
Unearned revenues	-	461,111	1,037,640
Total liabilities	66,563	2,428,311	21,160,676
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	646,045	116,454	8,488,215
Lease-related	-	123,143	1,453,897
Total deferred inflows of resources	646,045	239,597	9,942,112
FUND BALANCES			
Nonspendable	-	-	271,684
Restricted	-	23,715,023	66,862,501
Committed	-	-	23,891,358
Assigned	9,740,836	2,578,172	38,371,046
Unassigned	-	(613)	725,414
Total fund balances	9,740,836	26,292,582	130,122,003
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,453,444	\$ 28,960,490	\$ 161,224,791

CITY OF ORANGE, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

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

Total fund balances - governmental funds		\$ 130,122,003
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		711,604,294
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	85,505,790	
Deferred outflows-OPEB related	5,554,724	
Deferred inflows-pension related	(1,829,124)	
Deferred inflows-OPEB related	<u>(11,458,444)</u>	
Total deferred outflows and inflows related to postemployment benefits		77,772,946
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.		8,488,215
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.		28,286,113
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	(263,146,566)	
Loan payable	(77,145)	
Leases and subscriptions payable	(452,924)	
Compensated absences	(11,389,986)	
Accrued interest payable on long-term debt	(732,794)	
Net pension liability	(81,205,844)	
Net OPEB liability	<u>(24,918,362)</u>	
Total long-term liabilities		(381,923,621)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		<u>(3,792,059)</u>
Net position of governmental activities		<u><u>\$ 570,557,891</u></u>

CITY OF ORANGE, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Proposition 172</u>	<u>Measure M</u>
	REVENUES		
Taxes	\$ 111,273,077	\$ 1,281,262	\$ 3,389,302
Franchise fees	2,981,298	-	-
Licenses and permits	6,760,790	-	-
Intergovernmental	4,011,532	-	123,777
Charges for services and fees	11,135,922	-	-
Use of money and property	4,816,261	30,443	321,198
Fines and forfeitures	1,747,537	-	-
Miscellaneous	1,631,796	-	-
Total revenues	144,358,213	1,311,705	3,834,277
EXPENDITURES			
Current:			
General government	12,489,030	28,006	-
Public safety	96,249,747	657,126	-
Community development	6,251,653	-	-
Parks and library	17,054,804	-	404,288
Public works	10,168,341	-	936,415
Economic development	147,731	-	-
Capital outlay	115,047	35,556	3,473,596
Debt service:			
Principal	640,095	-	-
Interest and fiscal charges	1,141,460	-	-
Total expenditures	144,257,908	720,688	4,814,299
Excess (deficiency) of revenues over (under) expenditures	100,305	591,017	(980,022)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,629,049	-	-
Transfers out	-	-	-
Total other financing sources (uses)	2,629,049	-	-
Net change in fund balances	2,729,354	591,017	(980,022)
Fund balances-beginning	25,728,204	250,776	6,197,353
Fund balances-ending	\$ 28,457,558	\$ 841,793	\$ 5,217,331

CITY OF ORANGE, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>
	<u>Federal, State & Local Grants</u>	<u>Housing Successor</u>	<u>Capital Improvement</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Franchise fees	-	-	-
Licenses and permits	-	-	-
Intergovernmental	2,766,999	-	4,748,576
Charges for services and fees	154,800	-	3,253,450
Use of money and property	183,509	242,751	339,475
Fines and forfeitures	-	-	-
Miscellaneous	2,908,212	12,531,973	-
Total revenues	<u>6,013,520</u>	<u>12,774,724</u>	<u>8,341,501</u>
EXPENDITURES			
Current:			
General government	-	27,178	276,981
Public safety	406,214	-	-
Community development	-	151,415	-
Parks and library	-	-	-
Public works	-	-	-
Economic development	1,361,111	30,051	-
Capital outlay	264,455	-	9,407,536
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>2,031,780</u>	<u>208,644</u>	<u>9,684,517</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,981,740</u>	<u>12,566,080</u>	<u>(1,343,016)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(129,049)	-	(5,810,270)
Total other financing sources (uses)	<u>(129,049)</u>	<u>-</u>	<u>(5,810,270)</u>
Net change in fund balances	<u>3,852,691</u>	<u>12,566,080</u>	<u>(7,153,286)</u>
Fund balances-beginning	4,619,823	16,049,760	29,636,835
Fund balances-ending	<u>\$ 8,472,514</u>	<u>\$ 28,615,840</u>	<u>\$ 22,483,549</u>

CITY OF ORANGE, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>Capital Projects Fund</u>		
	<u>Park Acquisition, Development and Maintenance</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ -	\$ 1,289,312	\$ 117,232,953
Franchise fees	-	-	2,981,298
Licenses and permits	-	-	6,760,790
Intergovernmental	-	10,687,297	22,338,181
Charges for services and fees	4,141,103	7,723,918	26,409,193
Use of money and property	462,411	896,328	7,292,376
Fines and forfeitures	-	-	1,747,537
Miscellaneous	13	18,847,586	35,919,580
Total revenues	<u>4,603,527</u>	<u>39,444,441</u>	<u>220,681,908</u>
EXPENDITURES			
Current:			
General government	-	308,160	13,129,355
Public safety	-	3,546,589	100,859,676
Community development	-	64,521	6,467,589
Parks and library	-	889,256	18,348,348
Public works	8,002	4,032,530	15,145,288
Economic development	-	-	1,538,893
Capital outlay	2,037,902	6,514,223	21,848,315
Debt service:			
Principal	-	10,762,933	11,403,028
Interest and fiscal charges	-	6,595,804	7,737,264
Total expenditures	<u>2,045,904</u>	<u>32,714,016</u>	<u>196,477,756</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,557,623</u>	<u>6,730,425</u>	<u>24,204,152</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	2,629,049
Transfers out	-	-	(5,939,319)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,310,270)</u>
Net change in fund balances	<u>2,557,623</u>	<u>6,730,425</u>	<u>20,893,882</u>
Fund balances-beginning	7,183,213	1,310,992	90,976,956
Fund balances-ending	<u>\$ 9,740,836</u>	<u>\$ 26,292,582</u>	<u>\$ 130,122,003</u>

CITY OF ORANGE, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds:	\$ 20,893,882
<p>Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the cost of these assets is 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.</p>	
Capital outlay	22,130,232
Depreciation/amortization expense	<u>(10,036,838)</u>
Total adjustment	12,093,394
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Earned but unavailable grant revenues	<u>(1,466,607)</u>
Total adjustment	(1,466,607)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.</p>	
Loss on disposal of capital assets	<u>(17,319)</u>
Total adjustment	(17,319)
<p>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.</p>	
Amortization of bond premiums and discounts	(300,138)
Principal payments	<u>11,403,028</u>
Total adjustment	11,102,890
<p>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.</p>	
	(767,729)
<p>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.</p>	
Accrued interest on long-term debt	9,256
Compensated absences	(1,794,429)
Changes in pension liabilities and related deferred outflows and inflows of resources	(26,591,186)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(468,812)</u>
Total adjustment	<u>(28,845,171)</u>
Change in net position of governmental activities	<u>\$ 12,993,340</u>

CITY OF ORANGE, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental Activities
	Sanitation	Water	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 11,977,733	\$ 28,606,729	\$ 40,584,462	\$ 29,005,919
Receivables (net of uncollectibles):				
Accounts	877,804	8,010,498	8,888,302	98,126
Accrued interest	91,957	214,066	306,023	-
Prepaid costs	-	43,427	43,427	774,018
Inventories	-	765,257	765,257	797,366
Total current assets	<u>12,947,494</u>	<u>37,639,977</u>	<u>50,587,471</u>	<u>30,675,429</u>
Noncurrent:				
Capital assets, net	61,111,159	72,468,851	133,580,010	25,034,868
Total noncurrent assets	<u>61,111,159</u>	<u>72,468,851</u>	<u>133,580,010</u>	<u>25,034,868</u>
Total assets	<u>74,058,653</u>	<u>110,108,828</u>	<u>184,167,481</u>	<u>55,710,297</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related	1,911,994	4,461,320	6,373,314	1,274,663
OPEB-related	438,531	1,023,239	1,461,770	292,354
Total deferred outflows of resources	<u>2,350,525</u>	<u>5,484,559</u>	<u>7,835,084</u>	<u>1,567,017</u>
LIABILITIES				
Current liabilities:				
Accounts payable	144,834	8,200,870	8,345,704	1,454,222
Deposits payable	-	127,074	127,074	-
Due to other funds	-	-	-	181,244
Compensated absences, due in one year	44,011	141,226	185,237	-
Claims and judgments, due in one year	-	-	-	5,269,580
Subscriptions, due in one year	15,332	115,220	130,552	711,518
Bonds, due in one year	246,919	576,143	823,062	164,612
Total OPEB liability, due in one year	35,400	82,600	118,000	23,600
Total current liabilities	<u>486,496</u>	<u>9,243,133</u>	<u>9,729,629</u>	<u>7,804,776</u>
Noncurrent liabilities:				
Compensated absences	215,671	498,328	713,999	-
Claims and judgments	-	-	-	9,124,682
Subscriptions	182,872	288,265	471,137	5,511,926
Bonds, notes, and loans	5,417,689	12,641,277	18,058,966	3,611,794
Net pension liability	1,509,442	3,522,031	5,031,473	1,006,295
Total OPEB liability	1,931,839	4,507,625	6,439,464	1,287,893
Total noncurrent liabilities	<u>9,257,513</u>	<u>21,457,526</u>	<u>30,715,039</u>	<u>20,542,590</u>
Total liabilities	<u>9,744,009</u>	<u>30,700,659</u>	<u>40,444,668</u>	<u>28,347,366</u>
DEFERRED INFLOWS OF RESOURCES				
Pension-related	61,138	142,656	203,794	40,759
OPEB-related	904,614	2,110,766	3,015,380	603,076
Total deferred inflows of resources	<u>965,752</u>	<u>2,253,422</u>	<u>3,219,174</u>	<u>643,835</u>
NET POSITION				
Net investment in capital assets	60,912,955	72,065,366	132,978,321	18,811,424
Unrestricted	4,786,462	10,573,940	15,360,402	9,474,689
Total net position	<u>\$ 65,699,417</u>	<u>\$ 82,639,306</u>	<u>148,338,723</u>	<u>\$ 28,286,113</u>

See accompanying notes to financial statements.

CITY OF ORANGE, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities		Governmental Activities	
	Sanitation	Water	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Water sales and services	\$ -	\$ 41,416,856	\$ 41,416,856	\$ -
Charges for services and fees	9,121,934	122,852	9,244,786	18,344,034
Other revenues	225,040	215,287	440,327	1,726,011
Total operating revenues	9,346,974	41,754,995	51,101,969	20,070,045
OPERATING EXPENSES				
Salaries and wages	3,576,837	5,456,482	9,033,319	4,252,394
Maintenance and operations	896,716	20,681,969	21,578,685	5,249,076
Contractual services	1,239,678	4,899,662	6,139,340	2,252,803
Interfund charge for administrative services	727,565	2,954,108	3,681,673	-
Insurance claims and charges	-	-	-	7,615,209
Depreciation/amortization	2,663,382	2,502,827	5,166,209	2,424,512
Other expenses	-	1,256,401	1,256,401	-
Total operating expenses	9,104,178	37,751,449	46,855,627	21,793,994
Operating income (loss)	242,796	4,003,546	4,246,342	(1,723,949)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	-	721,295	721,295	-
Use of money and property	595,868	1,186,997	1,782,865	-
Interest expense	(145,088)	(338,542)	(483,630)	(96,728)
Gain (loss) on disposal of capital assets	(36,819)	-	(36,819)	52,948
Total nonoperating revenues (expenses)	413,961	1,569,750	1,983,711	(43,780)
Income (loss) before transfers	656,757	5,573,296	6,230,053	(1,767,729)
Transfers in	1,160,503	1,149,767	2,310,270	1,000,000
Change in net position	1,817,260	6,723,063	8,540,323	(767,729)
Net position-beginning	63,882,157	75,916,243	139,798,400	29,053,842
Net position-ending	\$ 65,699,417	\$ 82,639,306	\$ 148,338,723	\$ 28,286,113

CITY OF ORANGE, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Sanitation	Water	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,194,846	\$ 41,002,645	\$ 50,197,491	\$ -
Receipts from interfund charges	-	-	-	20,061,381
Payments to suppliers and service providers	(5,614,033)	(28,244,468)	(33,858,501)	(11,352,849)
Payments to employees for salaries and benefits	(183,619)	(3,490,252)	(3,673,871)	(581,751)
Other receipts (payments)	-	-	-	(9,000,952)
Net cash provided by (used for) operating activities	3,397,194	9,267,925	12,665,119	(874,171)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	1,160,503	1,149,767	2,310,270	1,000,000
Principal paid on non-capital debt	(245,379)	(572,550)	(817,929)	(163,586)
Interest paid on on-capital debt	(145,088)	-	(145,088)	(96,728)
Payments from other funds on interfund borrowings	-	-	-	170,495
Taxes	1,101	-	1,101	-
Operating grants and contributions	-	721,295	721,295	-
Net cash provided by (used for) noncapital financing activities	771,137	1,298,512	2,069,649	910,181
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(5,129,489)	(5,315,479)	(10,444,968)	(3,321,298)
Principal paid on capital debt	58,981	(36,877)	22,104	(376,217)
Interest paid on capital debt	-	(338,542)	(338,542)	-
Proceeds from sales of assets	-	-	-	599,552
Net cash provided by (used for) capital and related financing activities	(5,070,508)	(5,690,898)	(10,761,406)	(3,097,963)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	567,170	1,082,762	1,649,932	-
Net cash provided by (used for) investing activities	567,170	1,082,762	1,649,932	-
Net increase (decrease) in cash and cash equivalents	(335,007)	5,958,301	5,623,294	(3,061,953)
Cash and cash equivalents-beginning	12,312,740	22,648,428	34,961,168	32,067,872
Cash and cash equivalents-ending	\$ 11,977,733	\$ 28,606,729	\$ 40,584,462	\$ 29,005,919

CITY OF ORANGE, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Sanitation	Water	Totals	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ 242,796	\$ 4,003,546	\$ 4,246,342	\$ (1,723,949)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	2,663,382	2,502,827	5,166,209	2,424,512
(Increase) decrease in accounts receivable	(100,527)	(750,098)	(850,625)	(10,794)
(Increase) decrease in inventories	-	36,794	36,794	(350,186)
(Increase) decrease in prepaid items	-	(43,427)	(43,427)	(732,518)
Increase (decrease) in accounts payable	(35,235)	1,916,010	1,880,775	473,797
Increase (decrease) in deposits payable	(51,601)	(2,252)	(53,853)	-
Increase (decrease) in compensated absences	32,310	97,030	129,340	-
Increase (decrease) in claims and judgments	-	-	-	(1,385,743)
Increase (decrease) in net pension liability	609,058	1,421,135	2,030,193	406,036
Increase (decrease) in net OPEB liability	37,011	86,360	123,371	24,674
Total adjustments	3,154,398	5,264,379	8,418,777	849,778
Net cash provided by (used for) operating activities	\$ 3,397,194	\$ 9,267,925	\$ 12,665,119	\$ (874,171)

CITY OF ORANGE, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Private Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 7,135,999	\$ 3,627,706
Investments:		
Cash and investments with fiscal agent	1,749	1,527,363
Receivables:		
Accounts	6,112	-
Accrued interest	42,094	-
Taxes	-	35,927
Notes and loans	422,063	-
Total assets	7,608,017	5,190,996
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	27,241	-
Total deferred outflows of resources	27,241	-
LIABILITIES		
Accrued interest	351,116	-
Long-term liabilities:		
Due in one year	1,432,564	-
Due in more than one year	23,253,208	-
Total liabilities	25,036,888	-
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	(17,401,630)	5,190,996
Total net position	\$ (17,401,630)	\$ 5,190,996

CITY OF ORANGE, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS		
Investment earnings	258,244	(15,840)
Taxes	2,999,096	3,587,118
Miscellaneous	438,355	-
Total additions	3,695,695	3,571,278
DEDUCTIONS		
Administrative expenses	13,260	24,723
Contractual services	13,989	-
Payments to external parties	749,729	3,995,540
Total deductions	776,978	4,020,263
Net increase (decrease) in fiduciary net position	2,918,717	(448,985)
Net position-beginning	(20,320,347)	5,639,981
Net position-ending	\$ (17,401,630)	\$ 5,190,996

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***Notes to the
Financial Statements***



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CITY OF ORANGE
In Order of Presentation
For the Year Ended June 30, 2024

Note	Description	Page
1	Significant Accounting Policies	47
2	Cash and Investments	57
3	Leases	61
4	Subscription-Based Technology Arrangements	62
5	Capital Assets	63
6	Taxes	65
7	Other Revenues	65
8	Retirement Plan	66
9	Insurance Programs	74
10	Other Post Employment Benefits (OPEB)	75
11	Long- Term Liabilities	77
12	Community Facilities and Assessment Districts and Other Revenue Bond Issues	79
13	Joint Ventures	80
14	Loans Receivable	80
15	Due To/From Other Funds	81
16	Transfers	81
17	Deficit Fund Balance or Net Position	82
18	Governmental Fund Balances	82
19	Contingencies	82
20	Successor Agency Trust for Assets of Former Redevelopment Agency	82
21	Construction and Commitments and Contingencies	85
22	Subsequent Events	85

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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.

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.

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.

Federal, State & 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.

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

Park Acquisition, Development and 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.

D. 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.

E. 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.

F. 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 collectability of these receivables.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. 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, 2024.

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
Subscription and leased assets	Term of arrangement

H. 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, 2022
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

I. 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

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Average Remaining Service Lifetime (EARSL); 3) Differences between expected and actual experience are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans; and 4) Net difference between expected and actual earnings on pension plan investments. Deferred outflows are reported only in the statement of net position, arising under the full accrual basis of accounting.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. The first item, unavailable revenues from various sources: taxes and grant monies, is reported only in the governmental funds balance sheet, and arises under a modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item are deferred inflows related to lease receivables. These are reported on both the governmental funds balance sheet and the statement of net position, and are amortized over the life of the lease using the straight-line method. 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 project and actual earning on pension plan investments.

J. 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.

K. 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.

Net investment 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".

L. 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.

M. 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.

N. Fund Equity

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

Nonspendable includes 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 includes 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 includes 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 includes 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 includes 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.

O. 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)

P. Leases

Lessee: The City is a lessee for a non-cancellable lease of equipment and vehicles. 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 City-owned buildings. 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)

Q. 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.

R. 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, 2024:

1. *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.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS

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

Statement of Net Position	
Cash and investments	\$ 158,484,343
Cash and investments with fiscal agent	5,354,631
Statement of Fiduciary Net Position	
Cash and investments	10,763,705
Cash and investments with fiscal agent	1,529,112
	Total cash and investments
	\$ 176,131,791

Cash and investments at June 30, 2024 consisted of the following:

Petty Cash	\$ 13,000
Bank balances (net of outstanding checks and timing differences)	(1,998,202)
Investments	178,116,993
	Total
	\$ 176,131,791

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).

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

- 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.)
- 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, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

At June 30, 2024, the City Treasury had the following investment maturities:

Investment Type	Total	Investment Maturity (in Years)		
		<1	1 to 2	2 to 5
Asset Backed Securities	\$ 5,150,603	\$ -	\$ 87,916	\$ 5,062,687
Federal Agency Securities	43,692,893	17,019,157	10,011,510	16,662,226
Supranational Bond	3,635,650	-	1,708,568	1,927,082
Medium-Term Notes	26,093,718	274,887	10,671,109	15,147,722
U.S. Treasury Bond	21,211,520	-	-	21,211,520
Local Agency Investment Fund	43,538,889	43,538,889	-	-
Money Market Mutual Funds	27,909,976	27,909,976	-	-
Held by Trustee:				
Money Market Mutual Funds	6,883,744	6,883,744	-	-
Total	\$ 178,116,993	\$ 95,626,653	\$ 22,479,103	\$ 60,011,237

At June 30, 2024, the City Treasury had the following investment ratings:

Investment Type	AAA	AA	A	Not Rated	Total
Asset Backed Securities	\$ 3,703,797	\$ -	\$ -	\$ 1,446,806	\$ 5,150,603
Federal Agency Securities	-	43,692,890	-	-	43,692,890
Medium-Term Corporate Notes	-	4,051,378	22,042,340	-	26,093,718
Money Market Fund	27,909,979	-	-	-	27,909,979
Supranational Bond	3,635,650	-	-	-	3,635,650
US Treasury Securities	-	-	-	21,211,520	21,211,520
State Investment Pool (LAIF)	-	-	-	43,538,889	43,538,889
Held by Trustee:					
Money Market Mutual Fund	6,883,744	-	-	-	6,883,744
	\$ 42,133,170	\$ 47,744,268	\$ 22,042,340	\$ 66,197,215	\$ 178,116,993

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.

At June 30, 2024, the City's credit risks, expressed on a percentage basis, are as follows:

Investment Type	Minimum Rating	S&P Rating	% of Investments
Asset Backed Securities	Not applicable	AA+	2.9%
Federal Agency Securities	Not applicable	AA+	24.5%
Supranational Bond	Not applicable	Not Rated	2.0%
Medium-Term Notes	Various	Various	14.6%
U.S. Treasury Bond	Exempt	AA+	11.9%
Local Agency Investment Fund	Not Rated	Not Rated	24.4%
Money Market Mutual Funds	Not applicable	AAA	15.7%
Held by Trustee:			
Money Market Mutual Funds	Not Applicable	AAA	3.9%
			100.0%

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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 fair 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.

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.

The City has the following recurring fair value measurements as of June 30, 2024:

Investment Type	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Asset Backed Securities	\$ -	\$ 5,150,603	\$ -	\$ 5,150,603
Federal Agency Securities	-	43,692,893	-	43,692,893
Supranational Bond	-	3,635,650	-	3,635,650
Medium-Term Notes	-	26,093,718	-	26,093,718
Total Leveled Investments	\$ -	\$ 78,572,864	\$ -	78,572,864

Not Subject to Categorization:

U.S. Treasury Bond	21,211,520
Local Agency Investment Fund	43,538,889
Money Market Mutual Funds	27,909,976

Held by Trustee:

Money Market Mutual Funds	6,883,744
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Total Investment Portfolio	\$ 178,116,993
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CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 3: LEASES

A. Leases Receivable and Deferred Inflows of Resources

As of June 30, 2024, the City had four active leases as lessor. The leases have receipts that range from \$6,000 to \$102,534 and interest rates that range from 2.09% to 6.75%. As of June 30, 2024, the total combined value of the lease receivable is \$1,518,118, the total combined value of the short-term lease receivable is \$105,993, and the combined value of the deferred inflow of resources is \$1,453,897. There were no variable or other receipts not included in the lease receivable, within 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
2025	\$ 105,994	\$ 41,199	\$ 147,193
2026	112,735	38,232	150,967
2027	119,779	35,033	154,812
2028	124,289	31,635	155,924
2029	128,262	28,062	156,324
2030 - 2034	707,176	80,140	787,316
2035 - 2036	219,883	4,558	224,441
	<u>\$ 1,518,118</u>	<u>\$ 258,859</u>	<u>\$ 1,776,977</u>

Leases Payable and Right to Use Lease Assets

As of June 30, 2024, the City had sixteen active leases as lessee. The leases have payments that range from \$0 to \$10,259 and interest rates that range from 0.02% to 4.44%. As of June 30, 2024, the total combined value of the lease liability is \$110,732, the total combined value of the short-term lease liability is \$55,426. The combined value of the right to use asset, as of June 30, 2024 of \$276,251 with accumulated amortization of \$165,589 is included within the table found below. There were no variable or other receipts not included in the lease liability, within the fiscal year.

Right-to-use leased assets include the following at June 30, 2024:

Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	\$ 28,014	\$ 21,451
Vehicles	248,237	144,138
Total	<u>\$ 276,251</u>	<u>\$ 165,589</u>

Future principal and interest requirements to maturity for each lease liability are included in governmental activities as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	\$ 55,426	\$ 2,434	\$ 57,860
2026	32,980	1,082	34,062
2027	22,326	281	22,607
Total	<u>\$ 110,732</u>	<u>\$ 3,797</u>	<u>\$ 114,529</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 4: SUBSCRIPTION-BASED TECHNOLOGY ARRANGEMENTS

As of June 30, 2024, the City had twenty-three active subscriptions. The subscriptions have payments that range from \$0 to \$629,328 and interest rates that range from 1.71% to 3.31%. As of June 30, 2024, the total combined value of the subscription liability is \$7,167,327, and the total combined value of the short-term subscription liability is \$942,264. The combined value of the right to use asset, as of June 30, 2024, of \$9,747,541 with accumulated amortization of \$2,407,824 is included within the table found below. There were no variable or other receipts not included in the subscription liability, within the fiscal year.

Asset Class	Subscription Asset Value	Accumulated Amortization
Software	\$ 9,747,541	\$ 2,407,824

The future principal and interest subscription payments as of June 30, 2024, were as follows:

Governmental Activities			
Fiscal Year	Principal	Interest	Total
2025	\$ 811,712	\$ 185,676	\$ 997,388
2026	1,174,744	162,812	1,337,556
2027	782,494	129,273	911,767
2028	802,988	107,237	910,225
2029	685,536	84,634	770,170
2030 - 2034	2,308,162	132,133	2,440,295
Total	\$ 6,565,636	\$ 801,765	\$ 7,367,401

Business-type Activities			
Fiscal Year	Principal	Interest	Total
2025	\$ 130,552	\$ 15,489	\$ 146,041
2026	138,945	12,303	151,248
2027	36,619	8,909	45,528
2028	39,877	7,927	47,804
2029	43,336	6,858	50,194
2030 - 2034	212,360	14,793	227,153
Total	\$ 601,689	\$ 66,279	\$ 667,968

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Transfers of CIP	Increases	Decreases	Balance June 30, 2024
Governmental activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 80,625,726	\$ -	\$ 1,507,400	\$ -	\$ 82,133,126
Rights of way	347,258,096	-	-	-	347,258,096
Construction-in-progress	19,527,723	-	14,198,197	(8,757,303)	24,968,617
Total capital assets, not being depreciated/amortized	<u>447,411,545</u>	<u>-</u>	<u>15,705,597</u>	<u>(8,757,303)</u>	<u>454,359,839</u>
Capital assets, being depreciated/amortized					
Infrastructure	242,795,367	-	14,543,049	(1,274,204)	256,064,212
Structures and improvements	159,948,758	-	1,764,717	(70,044)	161,643,431
Furniture, fixtures and equipment	51,419,649	-	2,195,470	(1,258,042)	52,357,077
Lease asset	217,780	-	58,471	-	276,251
Subscription asset	9,533,710	-	123,111	(994,167)	8,662,654
Total capital assets, being depreciated/amortized	<u>463,915,264</u>	<u>-</u>	<u>18,684,818</u>	<u>(3,596,457)</u>	<u>479,003,625</u>
Less accumulated depreciation/amortization					
Infrastructure	100,282,085	-	4,319,860	(1,050,484)	103,551,461
Structures and improvements	49,370,400	-	3,676,464	(70,044)	52,976,820
Furniture, fixtures and equipment	35,802,754	-	2,835,178	(736,257)	37,901,675
Lease asset	89,271	-	76,318	-	165,589
Subscription asset	1,569,394	-	1,553,530	(994,167)	2,128,757
Total accumulated depreciation/amortization	<u>187,113,904</u>	<u>-</u>	<u>12,461,350</u>	<u>(2,850,952)</u>	<u>196,724,302</u>
Total capital assets, being depreciated/amortized, net	<u>276,801,360</u>	<u>-</u>	<u>6,223,468</u>	<u>(745,505)</u>	<u>282,279,323</u>
Total governmental activities capital assets	<u>\$ 724,212,905</u>	<u>\$ -</u>	<u>\$ 21,929,065</u>	<u>\$ (9,502,808)</u>	<u>\$ 736,639,162</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 5: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2023	Transfers	Increase	Decrease	Balance June 30, 2024
Business-type activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 2,646,932	\$ -	\$ -	\$ -	\$ 2,646,932
Construction-in-progress	5,116,132	-	6,714,341	(637,464)	11,193,009
Total capital assets, not being depreciated/amortized	<u>7,763,064</u>	<u>-</u>	<u>6,714,341</u>	<u>(637,464)</u>	<u>13,839,941</u>
Capital assets, being depreciated/amortized					
Buildings and structures	2,928,522	-	854,194	-	3,782,716
Improvements other than buildings					
Wells	10,600,614	-	-	-	10,600,614
Water tank	16,572,565	-	-	-	16,572,565
Water lines	108,147,607	-	-	-	108,147,607
Sewer	74,711,455	-	2,513,295	(173,049)	77,051,701
Storm drains	112,751,143	-	727,075	-	113,478,218
Machinery and equipment	12,245,973	-	21,523	-	12,267,496
Subscription asset	841,280	-	246,145	(2,538)	1,084,887
Total capital assets, being depreciated/amortized	<u>338,799,159</u>	<u>-</u>	<u>4,362,232</u>	<u>(175,587)</u>	<u>342,985,804</u>
Less accumulated depreciation/amortization					
Buildings and structures	2,137,388	-	123,179	-	2,260,567
Improvements other than buildings					
Wells	4,031,611	-	254,736	-	4,286,347
Water tank	9,013,774	-	258,752	-	9,272,526
Water lines	69,457,440	-	1,187,337	-	70,644,777
Sewer	46,659,829	-	900,620	(136,229)	47,424,220
Storm drains	82,651,357	-	1,723,831	-	84,375,188
Machinery and equipment	4,146,171	-	556,872	-	4,703,043
Subscription asset	126,583	-	155,022	(2,538)	279,067
Total accumulated depreciation/amortization	<u>218,224,153</u>	<u>-</u>	<u>5,160,349</u>	<u>(138,767)</u>	<u>223,245,735</u>
Total capital assets, being depreciated/amortized, net	<u>120,575,006</u>	<u>-</u>	<u>(798,117)</u>	<u>(36,820)</u>	<u>119,740,069</u>
Total business-type activities capital assets	<u>\$ 128,338,070</u>	<u>\$ -</u>	<u>\$ 5,916,224</u>	<u>\$ (674,284)</u>	<u>\$ 133,580,010</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 5: CAPITAL ASSETS (CONTINUED)

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

	Governmental Activities	Business-Type Activities
General government	\$ 1,336,570	\$ -
Public safety	1,866,094	-
Public works	5,056,251	-
Parks and library	1,655,173	-
Economic development	122,750	-
Internal service funds	2,424,512	-
Water	-	2,502,827
Sanitation	-	2,663,382
Total	<u>\$ 12,461,350</u>	<u>\$ 5,166,209</u>

*Business-Type activities depreciation does not agree to the additions of capital assets due to a \$5,860 adjustment when the City moved to Debtbook to track subscriptions.

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.

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, 2024, the City abated sales taxes totaling \$9,239,654.

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, 2022 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, 2024 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
Retirement Age	50 - 67	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% - 2.7%	1.0% - 2.5%
Required Employee Contribution Rates	8%	7.75%
Required Employer Contribution Rates:		
Normal Cost Rate	12.68%	12.68%

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

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
Retirement Age	50 - 55	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.00%	2.0% - 2.7%
Required Employee Contribution Rates	9%	12.75%
Required Employer Contribution Rates:		
Normal Cost Rate	21.36%	21.36%

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

	Misc.	Safety
Inactive employees or beneficiaries currently receiving benefits	730	498
Inactive employees entitled to but not yet receiving benefits	587	131
Active employees	391	267
Total	1,708	896

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.

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, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 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, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost 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 2.3% until Purchasing Power Protection Allowance Floor

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 ¹	New Strategic Allocation	Real Return ^{1, 2}
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%	

¹ An expected price inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

F. 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, 2024

NOTE 8: RETIREMENT PLAN (CONTINUED)

G. 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, 2022	\$ 402,930,185	\$ 387,123,170	\$ 15,807,015
Changes recognized for the measurement period:			
Service cost	6,124,048	-	6,124,048
Interest on total pension liability	27,585,423	-	27,585,423
Changes of assumptions	459,186	-	459,186
Differences between expected and actual experience	4,733,966	-	4,733,966
Contributions from the employer	-	4,123,707	(4,123,707)
Contributions from the employees	-	2,357,110	(2,357,110)
Net investment income	-	23,356,128	(23,356,128)
Benefit payments, including refunds of employee contributions	(22,793,273)	(22,793,273)	-
Administrative expense	-	(284,672)	284,672
Net changes during 2022-23	16,109,350	6,759,000	9,350,350
Balance at June 30, 2023	\$ 419,039,535	\$ 393,882,170	\$ 25,157,365

H. 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)	\$ 79,077,376	\$ 25,157,365	\$ (19,328,419)

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: RETIREMENT PLAN (CONTINUED)

I. 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)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2022	\$ 645,022,369	\$ 598,056,526	\$ 46,965,843
Changes recognized for the measurement period:			
Service cost	10,646,420	-	10,646,420
Interest on total pension liability	44,229,279	-	44,229,279
Changes of assumptions	260,657	-	260,657
Differences between expected and actual experience	7,299,176	-	7,299,176
Contributions from the employer	-	7,904,822	(7,904,822)
Contributions from the employees	-	3,670,921	(3,670,921)
Net investment income	-	36,179,168	(36,179,168)
Benefit payments, including refunds of employee contributions	(33,802,706)	(33,802,706)	-
Administrative expense	-	(439,783)	439,783
Net changes during 2022-23	28,632,826	13,512,422	15,120,404
Balance at June 30, 2023	\$ 673,655,195	\$ 611,568,948	\$ 62,086,247

J. 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)	\$ 153,722,030	\$ 62,086,247	\$ (12,914,583)

K. 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, 2024

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 2022-23 measurement period is 2.5 years, which was obtained by dividing the total service years of 4,135 (the sum of remaining service lifetimes of the active employees) by 1,644 (the total number of participants: active, inactive, and retired).

The EARSL for the Safety Plan for the 2022-23 measurement period is 3.8 years, which was obtained by dividing the total service years of 3,270 (the sum of remaining service lifetimes of the active employees) by 870 (the total number of participants: active, inactive, and retired).

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

For the measurement period ending June 30, 2023 (the measurement date), the City of Orange incurred a pension expense of \$15,152,477 for the Miscellaneous Plan and \$28,431,897 for the Safety Plan, allocated as follows:

	Governmental Activities	Business-Type Activities	Total
Miscellaneous Plan	\$ 12,121,982	3,030,495	\$ 15,152,477
Safety Plan	28,431,897	-	28,431,897
Total Pension Expense	<u>\$ 40,553,879</u>	<u>\$ 3,030,495</u>	<u>\$ 43,584,374</u>

As of the end of the measurement period (June 30, 2023) and as presented in the June 30, 2024 Statement of Net Position, the net pension liability is \$25,157,365 for the Miscellaneous Plan and \$62,086,247 for the Safety Plan, allocated as follows:

	Governmental Activities	Business-Type Activities	Total
Miscellaneous Plan	\$ 20,125,892	\$ 5,031,473	\$ 25,157,365
Safety Plan	62,086,247	-	62,086,247
Total Net Pension Liability	<u>\$ 82,212,139</u>	<u>\$ 5,031,473</u>	<u>\$ 87,243,612</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: RETIREMENT PLAN (CONTINUED)

As of the fiscal year ended June 30, 2024, the City reports 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	\$ 4,517,941	\$ -
Changes of assumptions	2,157,519	-
Differences between expected and actual experience	2,840,380	1,018,971
Net difference between projected and actual earnings on pension plan investments	22,350,733	-
Total	\$ 31,866,573	\$ 1,018,971

Safety Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date		
Current year pension contributions	\$ 8,644,337	\$ -
Changes of assumptions	10,471,406	-
Differences between expected and actual experience	6,833,128	1,054,706
Net difference between projected and actual earnings on pension plan investments	35,338,323	-
Total	\$ 61,287,194	\$ 1,054,706

The \$13,162,278 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, 2025.

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
2025	\$ 8,043,137	\$ 16,426,237
2026	4,847,470	12,852,403
2027	12,887,218	21,449,245
2028	551,836	860,266
Total	\$ 26,329,661	\$ 51,588,151

At June 30, 2024, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

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 years ended June 30, 2023 and June 30, 2024 are outlined below.

	General Liability	Workers' Compensation	Total Claims
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, 2022	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	<u>903,836</u>	<u>9,545,244</u>	<u>10,449,080</u>
Liability - June 30, 2023	1,773,420	14,006,585	15,780,005
Claims incurred	747,855	2,116,634	2,864,489
Claims payments	(493,982)	(3,756,250)	(4,250,232)
Unpaid Claims - June 30, 2024	2,027,293	12,366,969	14,394,262
Less current portion of unpaid claims	(876,603)	(4,392,977)	(5,269,580)
Noncurrent unpaid claims - June 30, 2024	<u>\$ 1,150,690</u>	<u>\$ 7,973,992</u>	<u>\$ 9,124,682</u>

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/Memorandums 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, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	466
Active employees	662
Total	1,128

C. Total OPEB Liability

The City's OPEB liability of \$32,787,319 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023.

D. Actuarial Assumptions and Other Inputs

The total OPEB liability as of the June 30, 2023, 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, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal, Level % of Salary
Actuarial Assumptions:	
Discount Rate	3.86%
Inflation	2.30%
Projected Salary Increase	2.80%, Additional merit based increases based on CalPERS Merit Salary Increase Table
Health Care Cost Trend Rates	7.4% (Pre-Medicare)/4.2% (Medicare) in first year, trending down to 4.14% over 52 years
Pre-retirement Turnover	Derived from CalPERS Pension Assumption Model, effective November 17, 2021
Mortality Rate	Derived from CalPERS Pension Assumption Model, effective November 17, 2021

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

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

The discount rate used to measure the total OPEB liability is 3.86%. 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, 2022 (Measurement Date)	\$ 37,411,365
Changes in the Year:	
Service Cost	1,552,104
Interest on the Total OPEB Liability	1,410,255
Difference Between Expected and Actual Experience	(2,398,558)
Changes in Assumptions	(3,697,487)
Contribution - Employer	(581,215)
Implicit Subsidy Fulfilled	(909,145)
Net Changes	<u>(4,624,046)</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 32,787,319</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 one percentage point lower or 1 percentage rate higher than the current rate:

	Discount Rate -1 Percent (2.86%)	Current Discount Rate (3.86%)	Discount Rate +1 Percent (4.86%)
Total OPEB Liability	<u>\$ 36,963,621</u>	<u>\$ 32,787,319</u>	<u>\$ 29,304,402</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 one percentage point lower or 1 percentage rate higher than the current healthcare cost trend rates:

	1% Decrease Decreasing to 3.14%	Current Healthcare Cost Trend Rates 7.40%	1% Increase Decreasing to 5.14%
Total OPEB Liability	<u>\$ 31,268,700</u>	<u>\$ 32,787,319</u>	<u>\$ 34,576,518</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

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	\$ 860,758	\$ 5,265,099
Changes in assumptions	4,922,716	9,811,801
Contributions subsequent to measurement date	1,525,374	-
Total Deferred Outflows	<u>\$ 7,308,848</u>	<u>\$ 15,076,900</u>

The \$1,525,374 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, 2025. 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
2025	\$ (820,128)
2026	(815,424)
2027	(1,053,893)
2028	(1,664,780)
2029	(1,949,372)
Thereafter	(2,989,829)
Total	<u>\$ (9,293,426)</u>

NOTE 11: LONG-TERM LIABILITIES

Following is a reconciliation of long-term liabilities for the year ended June 30, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year	Amount Due Beyond One Year
Governmental activities						
Direct borrowing:						
Loans payable	\$ 147,240	\$ -	\$ 70,095	\$ 77,145	\$ 49,772	\$ 27,373
Leases payable	121,036	83,690	93,994	110,732	55,426	55,306
Subscription payable	7,075,011	563,094	1,072,469	6,565,636	811,712	5,753,924
Lease revenue bonds	28,860,000	-	570,000	28,290,000	595,000	27,695,000
Premium on lease revenue bonds	3,937,907	-	145,848	3,792,059	-	3,792,059
Pension obligation bonds	248,970,043	-	10,337,072	238,632,971	10,401,938	228,231,033
Other liabilities:						
Compensated absences	9,595,557	5,983,155	4,188,725	11,389,987	4,972,044	6,417,943
Claims payable	15,780,005	2,864,489	4,250,232	14,394,262	5,269,580	9,124,682
Total governmental activities	<u>314,486,799</u>	<u>9,494,428</u>	<u>20,728,435</u>	<u>303,252,792</u>	<u>22,155,472</u>	<u>281,097,320</u>
Business-type activities:						
Compensated absences	769,896	287,933	158,593	899,236	185,237	713,999
Pension obligation bonds	19,699,957	-	817,929	18,882,028	823,062	18,058,966
Subscription liability	579,585	207,695	185,591	601,689	130,552	471,137
Total business activities	<u>21,049,438</u>	<u>495,628</u>	<u>1,162,113</u>	<u>20,382,953</u>	<u>1,138,851</u>	<u>19,244,102</u>
Total	<u>\$ 335,536,237</u>	<u>\$ 9,990,056</u>	<u>\$ 21,890,548</u>	<u>\$ 323,635,745</u>	<u>\$ 23,294,323</u>	<u>\$ 300,341,422</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024 is \$77,145.

The annual payments are as follows:

Year Ending June 30,	Principal
2024-25	\$ 49,772
2025-26	27,373
Total	<u>\$ 77,145</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
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	695,000	1,016,500	145,848
2030-2034	3,935,000	4,632,100	729,242
2035-2039	4,805,000	3,761,100	729,242
2040-2044	5,865,000	2,697,500	729,242
2045-2049	7,165,000	1,398,500	729,242
2050-2051	3,295,000	133,100	145,851
Total	<u>\$ 28,290,000</u>	<u>\$ 17,967,800</u>	<u>\$ 3,792,059</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

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
2025	\$ 10,401,938	\$ 6,051,495
2026	10,499,239	5,950,180
2027	10,628,974	5,821,670
2028	10,795,776	5,652,988
2029	10,990,387	5,460,067
2030-2034	58,746,626	23,504,788
2035-2039	66,623,372	15,303,580
2040-2044	59,946,659	5,110,465
Total	<u>\$ 238,632,971</u>	<u>\$ 72,855,233</u>

Business Type Activity		
Year Ending June 30,	Principal	Interest
2025	\$ 823,062	\$ 478,829
2026	830,761	470,813
2027	841,026	460,644
2028	854,224	447,297
2029	869,622	432,032
2030-2034	4,648,374	1,859,835
2035-2039	5,271,628	1,210,908
2040-2044	4,743,331	404,370
Total	<u>\$ 18,882,028</u>	<u>\$ 5,764,728</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, 2024 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, 2024 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, 2024, the outstanding amount for these loans was \$378,668. 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 loan balance at June 30, 2024 is \$4,294,711.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 14: LOANS RECEIVABLE (CONITNUED)

On December 21, 2022, the City entered into Financing Agreements that provided the Developer of the Villa St. Joseph Affordable Housing Project for the acquisition and development of forty-nine (49) affordable rental housing units for Extremely Low Income, Very Low Income, Low Income Senior Citizen Households, and one (1) manager’s unit located at 480 South Batavia Street in the City of Orange, while maintaining compliance with the affordable housing requirements. The Financing Agreements provided for City loans from the House In-Lieu Fund in the amount of \$372,756, from the HOME Fund in the amount of \$651,244, and from the Housing Successor Fund in the amount of \$576,000. The loan balances at June 30, 2024 are \$297,309 for the House In-Lieu Fund, \$586,119 for the HOME Fund, and \$458,696 for the Housing Sessor Fund.

On January 23, 2024, the City entered into a Financing Agreement that provided the Developer of 1800 E. La Veta Avenue in the City of Orange for the development and operation of one hundred sixty-four (164) affordable rental housing units for Extremely Low Income and Low Income Senior Citizen Households, and two (2) manager’s units. The Financing Agreement provided for a City loan from the Housing Successor Fund in the amount of \$2,200,000. The loan balance is \$1,980,000 at June 30, 2024.

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 estimated uncollectible amounts, for these housing loans at June 30, 2024 are comprised of the following:

	Total
Housing successor loans	\$ 28,921,146
In-lieu loans	4,592,019
HOME loans	10,648,492
CDBG loans	378,668
Total Loans	<u>\$ 44,540,325</u>

NOTE 15: DUE TO/FROM OTHER FUNDS

Short-term loans 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 \$181,244 to cover deficit cash balances as of June 30, 2024. Short-term loans of cash were also made from the Capital Improvement fund to the Air Pollution Reduction fund to cover costs.

NOTE 16: TRANSFERS

Transfers Out	Transfers In				Total
	General	Sanitation	Water	Internal Service	
Capital Improvement ^{1,3}	\$ 2,500,000	\$ 1,160,503	\$ 1,149,767	\$ 1,000,000	\$ 5,810,270
Federal, State & Local Grants ²	129,049	-	-	-	129,049
Total	<u>\$ 2,629,049</u>	<u>\$ 1,160,503</u>	<u>\$ 1,149,767</u>	<u>\$ 1,000,000</u>	<u>\$ 5,939,319</u>

¹The above Capital Improvement transfers were for \$2,500,000 to the general fund for general services and \$1,000,000 to the internal service fund to fund the self insurance liability.

²The Transfer from the Federal, State & Local Grants fund to the general fund is for the HUB OC eligible expenses.

³The Transfer from the Capital Improvement fund for \$2,310,270 to the Enterprise funds is for contributed CIP paid for by the Capital Improvement fund.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 17: DEFICIT FUND BALANCE OR NET POSITION

In the non-major Special Revenue funds, the Opioid Settlement fund ended the fiscal year in a deficit fund balance of \$613. This deficit is due to the negative use of money and property and unearned revenues yet to be recognized into fund balance.

In the Internal Service funds, the Equipment Maintenance fund had a deficit net position of \$4.6 million, due to the GASB 68 journal entry, which requires the recording of the fund's unfunded net pension liability and GASB 75, which requires the recording of the fund's total Other Post-Employment Benefits liability. The Workers' Compensation Fund and the Liability Fund had deficit net positions of \$7.9 million and \$691,138, 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 18: GOVERNMENTAL FUND BALANCES

	General	Proposition 172	Measure M	Federal, State & Local Grants	Housing Successor	Capital Improvement	Park Acquisition, Development and	Other Governmental	Total
Nonspendable	\$ 271,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,684
Restricted for:									
Public safety	-	841,793	-	-	-	-	-	2,378,398	3,220,191
Federal, state & local grants	-	-	-	8,472,514	-	-	-	-	8,472,514
Housing	-	-	-	-	28,615,840	-	-	-	28,615,840
Streets/roads/transportation improv.	-	-	5,217,331	-	-	-	-	3,200,563	8,417,894
Development related transportation improv.	-	-	-	-	-	-	-	4,208,776	4,208,776
Air quality	-	-	-	-	-	-	-	253,932	253,932
Asset forfeiture operations	-	-	-	-	-	-	-	4,114,990	4,114,990
Assessment district landscape maint.	-	-	-	-	-	-	-	2,161,880	2,161,880
Govt access/local access programming	-	-	-	-	-	-	-	411,389	411,389
Affordable housing units	-	-	-	-	-	-	-	6,465,618	6,465,618
Training/certifying building inspectors	-	-	-	-	-	-	-	567,013	567,013
Total restricted	-	841,793	5,217,331	8,472,514	28,615,840	-	-	23,762,559	66,910,037
Committed	23,891,358	-	-	-	-	-	-	-	23,891,358
Assigned	3,568,489	-	-	-	-	22,436,013	9,740,836	2,578,172	38,323,510
Unassigned	726,027	-	-	-	-	-	-	(613)	725,414
Total fund balances	\$ 28,457,558	\$ 841,793	\$ 5,217,331	\$ 8,472,514	\$ 28,615,840	\$ 22,436,013	\$ 9,740,836	\$ 26,340,118	\$ 130,122,003

NOTE 19: 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 20: 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	\$ 7,135,999
Cash and investments with fiscal agent	1,749
Total Cash	<u>\$ 7,137,748</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 2% to 3% per annum and are to be repaid in installments over an established time period, if not fully or partially forgiven.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 20: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

The majority of loans are repaid in monthly or yearly installments. In addition, loans were issued under the Small Business Assistance (SBA) Programs. The programs are intended to promote and encourage property owners and tenants to rehabilitate commercial, retail and/or industrial properties located within the former Orange Merged and Amended Redevelopment Project Area. The SBA Programs are comprised of seven loan programs designed to provide incentives to property owners and tenants to upgrade signage, enhance landscaping, improve exterior facades, and other property improvements.

The seven SBA programs are as follows:

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

The outstanding balance of these loans, net of allowances for forgiveness and doubtful accounts, at June 30, 2024 is \$422,063.

C. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2024, follows:

	Beginning Balance	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Other debt:					
Tax allocation bonds	\$ 27,010,000	\$ (4,335,000)	\$ 22,675,000	\$ 1,265,000	\$ 21,410,000
Unamortized bond premium	2,364,512	(353,740)	2,010,772	167,564	1,843,208
Total	<u>\$ 29,374,512</u>	<u>\$ (4,688,740)</u>	<u>\$ 24,685,772</u>	<u>\$ 1,432,564</u>	<u>\$ 23,253,208</u>

D. 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, 2024 were \$2,300,000.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 20: 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 2024. 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 final principal payment of \$3,845,000 was completed during fiscal year 2024.

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, 2024 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, 2024 are shown below:

Year Ending June 30,	Tax Allocation Bonds	
	Principal	Interest
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	1,565,000	735,275
2030-2034	9,100,000	2,398,775
2035-2037	6,530,000	398,800
Total	<u>\$ 22,675,000</u>	<u>\$ 7,218,160</u>

The Successor Agency of the former RDA is covered by insurance policies of the City of Orange as of June 30, 2024.

NOTE 21: CONSTRUCTION COMMITMENTS AND CONTINGENCIES

The City has active construction projects as of June 30, 2024. The significant projects include the following:

Project	Remaining Commitment
Pipeline Renewal	\$ 5,841,667
Corp Yard Renovations	4,476,809
Pavement Management Program	4,277,256
Hart Park Pickleball & Fitness Circuit	2,509,177
Sewer Line Maintenance/Replacement	2,488,568
Walnut Avenue Storm Drain	2,078,469
Well 29 Construction	1,600,462
Citywide Storm Drain Improvements	1,327,258
Katella Signal Network Extension	1,315,286

NOTE 22: SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through March 03, 2025, the date the financial statements were available to be issued. No other events or transactions were identified that required recognition or disclosure.

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***Required Supplementary
Information***



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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 services 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 other.

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.

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CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 110,813,201	\$ 110,813,201	\$ 111,273,077	\$ 459,876
Franchise fees	2,852,060	2,852,060	2,981,298	129,238
Licenses and permits	6,380,474	6,404,011	6,760,790	356,779
Intergovernmental	1,718,000	3,020,176	4,011,532	991,356
Charges for services and fees	9,894,086	10,086,377	11,135,922	1,049,545
Use of money and property	1,466,491	1,470,316	4,816,261	3,345,945
Fines and forfeitures	1,899,000	1,899,000	1,747,537	(151,463)
Miscellaneous	1,298,590	1,840,154	1,631,796	(208,358)
Total revenues	136,321,902	138,385,295	144,358,213	5,972,918
EXPENDITURES				
Current:				
General government	8,885,989	9,346,639	12,489,030	(3,142,391)
Public safety	94,119,358	95,898,077	96,249,747	(351,670)
Community development	6,161,677	7,014,613	6,251,653	762,960
Parks and library	17,866,864	18,687,723	17,054,804	1,632,919
Public works	10,419,911	11,313,657	10,168,341	1,145,316
Economic development	161,452	161,452	147,731	13,721
Capital outlay	134,992	521,570	115,047	406,523
Debt service:				
Principal	570,000	570,000	640,095	(70,095)
Interest and fiscal charges	1,143,000	1,143,000	1,141,460	1,540
Total expenditures	139,463,243	144,656,731	144,257,908	398,823
Excess (deficiency) of revenues over (under) expenditures	(3,141,341)	(6,271,436)	100,305	6,371,741
OTHER FINANCING SOURCES (USES)				
Transfers in	3,863,281	3,992,330	2,629,049	(1,363,281)
Transfers out	(1,363,281)	(1,363,281)	-	1,363,281
Total other financing sources (uses)	2,500,000	2,629,049	2,629,049	-
Net change in fund balances	\$ (641,341)	\$ (3,642,387)	2,729,354	\$ 6,371,741
Fund balances-beginning			25,728,204	
Fund balances-ending			\$ 28,457,558	

CITY OF ORANGE, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Proposition 172
 For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,312,156	\$ 1,312,156	\$ 1,281,262	\$ (30,894)
Use of money and property	-	-	30,443	30,443
Total revenues	1,312,156	1,312,156	1,311,705	(451)
EXPENDITURES				
Current:				
General government	28,006	28,006	28,006	-
Public safety	1,137,024	1,137,024	657,126	479,898
Capital outlay	41,600	41,600	35,556	6,044
Total expenditures	1,206,630	1,206,630	720,688	485,942
Net change in fund balances	\$ 105,526	\$ 105,526	591,017	\$ 485,491
Fund balances-beginning			250,776	
Fund balances-ending			\$ 841,793	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Measure M
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,186,844	\$ 4,186,844	\$ 3,389,302	\$ (797,542)
Intergovernmental	193,516	193,516	123,777	(69,739)
Use of money and property	37,189	37,189	321,198	284,009
Total revenues	4,417,549	4,417,549	3,834,277	(583,272)
EXPENDITURES				
Current:				
Parks and library	412,627	857,386	404,288	453,098
Public works	701,221	761,461	936,415	(174,954)
Capital outlay	2,825,000	7,723,309	3,473,596	4,249,713
Total expenditures	3,938,848	9,342,156	4,814,299	4,527,857
Net change in fund balances	\$ 478,701	\$ (4,924,607)	(980,022)	\$ 3,944,585
Fund balances-beginning			6,197,353	
Fund balances-ending			\$ 5,217,331	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Federal, State & Local Grants
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,828,638	\$ 1,841,522	\$ 2,766,999	\$ 925,477
Charges for services and fees	140,000	140,000	154,800	14,800
Use of money and property	225	225	183,509	183,284
Miscellaneous	12,094	12,094	2,908,212	2,896,118
Total revenues	1,980,957	1,993,841	6,013,520	4,019,679
EXPENDITURES				
Current:				
Public safety	437,612	437,612	406,214	31,398
Economic development	410,692	1,311,607	1,361,111	(49,504)
Capital outlay	1,099,398	3,133,147	264,455	2,868,692
Total expenditures	1,947,702	4,882,366	2,031,780	2,850,586
Excess (deficiency) of revenues over (under) expenditures	33,255	(2,888,525)	3,981,740	6,870,265
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(129,049)	(129,049)	-
Total other financing sources (uses)	-	(129,049)	(129,049)	-
Net change in fund balances	\$ 33,255	\$ (3,017,574)	3,852,691	\$ 6,870,265
Fund balances-beginning			4,619,823	
Fund balances-ending			\$ 8,472,514	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Housing Successor
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 85,341	\$ 85,341	\$ 242,751	\$ 157,410
Miscellaneous	-	-	12,531,973	12,531,973
Total revenues	85,341	85,341	12,774,724	12,689,383
EXPENDITURES				
Current:				
General government	27,458	27,458	27,178	280
Community development	52,955	181,660	151,415	30,245
Economic development	32,242	2,808,242	30,051	2,778,191
Total expenditures	112,655	3,017,360	208,644	2,808,716
Net change in fund balances	\$ (27,314)	\$ (2,932,019)	12,566,080	\$ 15,498,099
Fund balances-beginning			16,049,760	
Fund balances-ending			\$ 28,615,840	

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

	2024	2023	2022
Measurement Date	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
TOTAL OPEB LIABILITY			
Service cost	\$ 1,552,104	\$ 2,229,321	\$ 2,020,586
Interest on total pension liability	1,410,255	880,729	1,112,493
Changes of assumptions	(3,697,487)	(8,604,291)	3,582,060
Difference between expected and actual experience	(2,398,558)	(24,560)	(4,973,808)
Benefit payments, including refunds of employee contributions	(581,215)	(537,370)	(503,530)
Implicit subsidy fulfilled	<u>(909,145)</u>	<u>(886,427)</u>	<u>(1,045,784)</u>
Net change in total OPEB liability	(4,624,046)	(6,942,598)	192,017
Total OPEB liability-beginning	<u>37,411,365</u>	<u>44,353,963</u>	<u>44,161,946</u>
Total OPEB liability-ending	<u>\$ 32,787,319</u>	<u>\$ 37,411,365</u>	<u>\$ 44,353,963</u>
Covered-employee payroll	\$ 61,844,646	\$ 61,715,879	\$ 58,599,662
Plan net OPEB liability/(asset) as a percentage of covered-employee payroll	53.0%	60.6%	75.7%

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

Benefit Changes: None

Changes of Assumptions: For the fiscal year ended June 30, 2024, the City's actuary updated assumptions in determining the total OPEB liability for: healthcare trends; mortality tables; merit salary increase tables; retirement, termination and disability rates; decrement timing; spousal rate; and the discount rate. See Note 10 to the financial statements for details on the actuarial methods and assumptions. For changes in the preceding years, refer to those years' respective annual comprehensive financial reports.

¹ Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only seven years are shown.

2021	2020	2019	2018
<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
\$ 1,679,816	\$ 1,358,445	\$ 1,360,032	\$ 1,322,024
1,252,988	1,201,679	1,119,120	1,087,864
3,630,272	2,818,825	(371,560)	-
(25,507)	2,516,073	-	-
(486,947)	(1,305,875)	(1,207,876)	(1,148,907)
(967,848)	-	-	-
5,082,774	6,589,147	899,716	1,260,981
39,079,172	32,490,025	31,590,309	30,329,328
\$ 44,161,946	\$ 39,079,172	\$ 32,490,025	\$ 31,590,309
\$ 52,413,430	\$ 49,778,287	\$ 59,649,993	\$ 58,053,521
84.3%	78.5%	54.5%	54.4%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
TOTAL PENSION LIABILITY					
Service cost	\$ 6,124,048	\$ 5,836,901	\$ 5,435,892	\$ 5,189,996	\$ 5,067,666
Interest on total pension liability	27,585,423	26,520,235	26,300,226	25,659,248	24,866,459
Changes of benefit terms	459,186	-	-	-	-
Changes of assumptions	-	10,787,597	-	-	-
Difference between expected and actual experience	4,733,966	(5,094,851)	(1,615,823)	753,998	315,824
Benefit payments, including refunds of employee contributions	(22,793,273)	(21,719,479)	(20,507,418)	(20,275,870)	(19,046,828)
Net change in total pension liability	16,109,350	16,330,403	9,612,877	11,327,372	11,203,121
Total pension liability-beginning	402,930,185	386,599,782	376,986,905	365,659,533	354,456,412
Total pension liability-ending (a)	419,039,535	402,930,185	386,599,782	376,986,905	365,659,533
PLAN FIDUCIARY NET POSITION					
Contributions-employer	4,123,707	3,462,240	115,571,257	10,335,791	8,895,425
Contributions-employee	2,357,110	2,358,367	2,208,136	2,175,496	2,344,603
Net investment income	23,356,128	(32,211,334)	67,731,016	13,126,364	16,762,810
Benefit payments, including refunds of employee contributions	(22,793,273)	(21,719,479)	(20,507,418)	(20,275,870)	(19,046,828)
Net plan to plan resource movement	-	-	-	-	-
Administrative expense	(284,672)	(271,293)	(270,485)	(374,692)	(183,409)
Other miscellaneous income/(expense)	-	-	-	-	599
Net change in fiduciary net position	6,759,000	(48,381,499)	164,732,506	4,987,089	8,773,200
Plan fiduciary net position-beginning	387,123,170	435,504,669	270,772,163	265,785,074	257,011,874
Plan fiduciary net position-ending (b)	393,882,170	387,123,170	435,504,669	270,772,163	265,785,074
Net pension liability/(asset) (a) - (b)	\$ 25,157,365	\$ 15,807,015	\$ (48,904,887)	\$ 106,214,742	\$ 99,874,459
Plan fiduciary net position as a percentage of the total pension liability	94.0%	96.1%	112.7%	71.8%	72.7%
Covered payroll	\$ 30,789,582	\$ 29,053,762	\$ 29,494,804	\$ 27,858,270	\$ 26,357,030
Plan net pension liability/(asset) as a percentage of covered payroll	81.7%	54.4%	-165.8%	381.3%	378.9%

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. In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2024. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

2019	2018	2017	2016	2015
<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	23,117,281	22,231,987	21,813,800
-	-	-	-	-
(1,376,690)	18,989,623	-	(5,284,506)	-
(1,306,394)	(5,876,562)	(131,466)	(7,188,831)	-
<u>(17,701,058)</u>	<u>(16,066,665)</u>	<u>(15,554,542)</u>	<u>(14,720,766)</u>	<u>(13,890,809)</u>
8,950,565	25,642,719	12,104,174	(415,837)	12,834,447
<u>345,505,847</u>	<u>319,863,128</u>	<u>307,758,954</u>	<u>308,174,791</u>	<u>295,340,344</u>
354,456,412	345,505,847	319,863,128	307,758,954	308,174,791
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	5,258,066	35,349,001
(17,701,058)	(16,066,665)	(15,554,542)	(14,720,766)	(13,890,809)
(599)	32,777	26	(4,435)	-
(381,953)	(334,215)	(141,662)	(275,403)	-
(725,336)	-	-	-	-
11,899,136	18,746,356	(6,076,531)	(1,871,103)	28,337,312
<u>245,112,738</u>	<u>226,366,382</u>	<u>232,442,913</u>	<u>234,314,016</u>	<u>205,976,704</u>
257,011,874	245,112,738	226,366,382	232,442,913	234,314,016
\$ 97,444,538	\$ 100,393,109	\$ 93,496,746	\$ 75,316,041	\$ 73,860,775
72.5%	70.9%	70.8%	75.5%	76.0%
\$ 27,290,727	\$ 26,413,315	\$ 26,369,288	\$ 25,364,199	\$ 26,155,370
357.1%	380.1%	354.6%	296.9%	282.4%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
TOTAL PENSION LIABILITY					
Service cost	\$ 10,646,420	\$ 10,563,736	\$ 9,602,667	\$ 9,008,558	\$ 8,940,979
Interest on total pension liability	44,229,279	42,323,381	41,044,660	39,162,098	37,812,758
Changes of benefit terms	260,657	-	-	-	-
Changes of assumptions	-	21,493,940	6,910,237	(876,533)	628,915
Difference between expected and actual experience	7,299,176	(2,164,924)	-	-	-
Benefit payments, including refunds of employee contributions	(33,802,706)	(31,930,430)	(30,321,036)	(27,775,755)	(26,302,494)
Net change in total pension liability	28,632,826	40,285,703	27,236,528	19,518,368	21,080,158
Total pension liability-beginning	645,022,369	604,736,666	577,500,138	557,981,770	536,901,612
Total pension liability-ending (a)	673,655,195	645,022,369	604,736,666	577,500,138	557,981,770
PLAN FIDUCIARY NET POSITION					
Contributions-employer	7,904,822	6,930,384	198,675,791	16,809,199	14,629,767
Contributions-employee	3,670,921	3,579,796	3,429,542	3,158,214	2,962,476
Net investment income	36,179,168	(49,811,030)	101,688,630	19,165,432	24,251,336
Benefit payments, including refunds of employee contributions	(33,802,706)	(31,930,430)	(30,321,036)	(27,775,755)	(26,302,494)
Net plan to plan resource movement	-	-	-	-	-
Administrative expense	(439,783)	(417,186)	(396,207)	(543,905)	(264,424)
Other miscellaneous income/(expense)	-	-	-	-	864
Net change in fiduciary net position	13,512,422	(71,648,466)	273,076,720	10,813,185	15,277,525
Plan fiduciary net position-beginning	598,056,526	669,704,992	396,628,272	385,815,087	370,537,562
Plan fiduciary net position-ending (b)	611,568,948	598,056,526	669,704,992	396,628,272	385,815,087
Net pension liability/(asset) (a) - (b)	\$ 62,086,247	\$ 46,965,843	\$ (64,968,326)	\$ 180,871,866	\$ 172,166,683
Plan fiduciary net position as a percentage of the total pension liability	90.8%	92.7%	110.7%	68.7%	69.1%
Covered payroll	\$ 34,690,193	\$ 34,142,651	\$ 33,812,207	\$ 31,421,550	\$ 31,077,439
Plan net pension liability/(asset) as a percentage of covered payroll	179.0%	137.6%	-192.1%	575.6%	554.0%

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. In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2024. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

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

2019	2018	2017	2016	2015
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 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)	-
(25,095,404)	(23,809,456)	(22,545,119)	(21,218,801)	(20,071,826)
20,368,211	44,948,549	18,847,483	4,383,779	19,897,426
516,533,401	471,584,852	452,737,369	448,353,590	428,456,164
536,901,612	516,533,401	471,584,852	452,737,369	448,353,590
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
(25,095,404)	(23,809,456)	(22,545,119)	(21,218,801)	(20,071,826)
(864)	1,111	-	-	-
(548,398)	(479,361)	-	-	-
(1,041,417)	-	-	-	-
18,611,515	27,250,791	(7,908,263)	(2,140,105)	41,442,073
351,926,047	324,675,256	332,583,519	334,723,624	293,281,551
370,537,562	351,926,047	324,675,256	332,583,519	334,723,624
\$ 166,364,050	\$ 164,607,354	\$ 146,909,596	\$ 120,153,850	\$ 113,629,966
69.0%	68.1%	68.8%	73.5%	74.7%
\$ 30,016,442	\$ 29,388,167	\$ 29,062,548	\$ 28,144,568	\$ 29,790,653
554.2%	560.1%	505.5%	426.9%	381.4%

CITY OF ORANGE, CALIFORNIA
Schedules of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
<u>Miscellaneous Agent, Multiple-Employer Pension Plan</u>					
2024	\$ 4,276,337	\$ 4,517,941	\$ (241,604)	\$ 35,679,085	12.7%
2023	3,640,116	3,640,116	-	30,789,582	11.8%
2022	3,460,554	3,460,554	-	29,053,762	11.9%
2021	11,230,178	115,573,579	(104,343,401)	29,494,804	391.8%
2020	10,331,501	10,331,501	-	27,858,270	37.1%
2019	8,889,983	8,889,983	-	26,357,030	33.7%
2018	7,865,000	7,865,000	-	27,290,727	28.8%
2017	7,496,129	7,496,129	-	26,413,315	28.4%
2016	6,420,229	6,420,229	-	26,369,288	24.3%
2015	5,766,795	5,766,795	-	25,364,199	22.7%
<u>Safety Agent, Multiple-Employer Pension Plan</u>					
2024	\$ 7,952,294	\$ 8,644,337	\$ (692,043)	\$ 40,469,735	21.4%
2023	6,993,732	6,993,732	-	34,690,193	20.2%
2022	6,931,080	6,931,080	-	34,142,651	20.3%
2021	18,409,102	198,674,869	(180,265,767)	33,812,207	587.6%
2020	16,811,365	16,811,365	-	31,421,550	53.5%
2019	14,630,050	14,630,050	-	31,077,439	47.1%
2018	12,903,531	12,903,531	-	30,016,442	43.0%
2017	12,302,440	12,302,440	-	29,388,167	41.9%
2016	10,451,464	10,451,464	-	29,062,548	36.0%
2015	9,399,041	9,399,041	-	28,144,568	33.4%

Notes to Schedules of Plan Contributions

The actuarial methods and assumption used to set the actuarially determined contributions for fiscal year ended June 30, 2024 were derived from the June 30, 2021 funding valuation report publicly available on CalPERS' website.

Actuarial Cost Method: Entry Age Normal

Amortization Method/Period: For details, see June 30, 2021 Funding Valuation Report

Asset Valuation Method: Fair value of assets; for details, see June 30, 2021 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 administrative expenses)

Retirement Age: For details, see June 30, 2021 Funding Valuation Report

Mortality: For details, see June 30, 2021 Funding Valuation Report

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 \$790,327 in the General Fund, \$20,000,532 in the Special Revenue Funds, and \$38,453,992 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.

The City did not adopt a budget in the current fiscal year for the Opioid Settlement Fund or the City Debt Service Fund.

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Supplementary Schedules



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Non-Major Special Revenue Funds

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

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.

Opioid Settlement Fund - National settlements were reached to resolve all opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors and the manufacturer. These National Settlements have been finalized, and payments have already begun. This fund is established to account for the proceeds that are restricted for specific use.

CITY OF ORANGE, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

	<u>EMT Transport</u>	<u>1% PEG Program</u>	<u>CASP Certification & Training</u>
ASSETS			
Cash and investments	\$ 2,427,097	\$ 401,723	\$ 367,055
Receivables (net of allowance for uncollectible):			
Accounts	1,701	51,582	-
Taxes	-	-	-
Accrued interest	18,632	3,084	2,818
Notes and loans	-	-	-
Leases	-	-	-
Total assets	<u>\$ 2,447,430</u>	<u>\$ 456,389</u>	<u>\$ 369,873</u>
LIABILITIES			
Accounts payable	\$ 69,031	\$ 45,000	\$ -
Contracts payable	-	-	-
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Unearned revenues	-	-	-
Total liabilities	<u>69,031</u>	<u>45,000</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	-
Lease-related	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	2,378,399	411,389	369,873
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>2,378,399</u>	<u>411,389</u>	<u>369,873</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,447,430</u>	<u>\$ 456,389</u>	<u>\$ 369,873</u>

Special Revenue Funds

	<u>Headstart Building Maintenance</u>	<u>Air Pollution Reduction</u>	<u>Gas Tax</u>
ASSETS			
Cash and investments	\$ 195,418	\$ 279,015	\$ 228,173
Receivables (net of allowance for uncollectible):			
Accounts	1,600	485	1,786
Taxes	-	-	330,530
Accrued interest	1,500	2,142	3,733
Notes and loans	-	-	-
Leases	121,765	-	-
Total assets	<u>\$ 320,283</u>	<u>\$ 281,642</u>	<u>\$ 564,222</u>
LIABILITIES			
Accounts payable	\$ -	\$ 27,710	\$ 19,343
Contracts payable	-	-	-
Accrued liabilities	-	-	-
Deposits payable	-	-	1,690
Due to other funds	-	47,536	-
Unearned revenues	-	-	-
Total liabilities	<u>-</u>	<u>75,246</u>	<u>21,033</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	-
Lease-related	123,143	-	-
Total deferred inflows of resources	<u>123,143</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	197,140	206,396	543,189
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>197,140</u>	<u>206,396</u>	<u>543,189</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 320,283</u>	<u>\$ 281,642</u>	<u>\$ 564,222</u>

CITY OF ORANGE, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

	RMRA Road Maintenance	Transportation System Improvement Program	Landscape Maintenance Assessment Districts
ASSETS			
Cash and investments	\$ 2,823,828	\$ 4,275,751	\$ 2,220,032
Receivables (net of allowance for uncollectible):			
Accounts	-	981	-
Taxes	627,819	-	3,213
Accrued interest	21,678	32,824	17,049
Notes and loans	-	24,300	-
Leases	-	-	-
Total assets	\$ 3,473,325	\$ 4,333,856	\$ 2,240,294
LIABILITIES			
Accounts payable	\$ 711,101	\$ 80,827	\$ 78,414
Contracts payable	104,851	19,953	-
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Unearned revenues	-	-	-
Total liabilities	815,952	100,780	78,414
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	24,301	-
Lease-related	-	-	-
Total deferred inflows of resources	-	24,301	-
FUND BALANCES			
Restricted	2,657,373	4,208,775	2,161,880
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	2,657,373	4,208,775	2,161,880
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,473,325	\$ 4,333,856	\$ 2,240,294

	Special Revenue Funds			
	Asset Seizure	SB2 Building Home & Jobs Act	Housing In- Lieu	Opioid Settlement Fund
ASSETS				
Cash and investments	\$ 4,123,637	\$ 2,265,118	\$ 306,818	\$ 456,990
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	30,389	17,389	2,355	3,508
Notes and loans	-	-	4,592,019	-
Leases	-	-	-	-
Total assets	\$ 4,154,026	\$ 2,282,507	\$ 4,901,192	\$ 460,498
LIABILITIES				
Accounts payable	\$ 11,551	\$ 61,170	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued liabilities	27,488	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	656,907	-	-
Unearned revenues	-	-	-	461,111
Total liabilities	39,039	718,077	-	461,111
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Lease-related	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted	4,114,987	1,564,430	4,901,192	-
Assigned	-	-	-	-
Unassigned	-	-	-	(613)
Total fund balances	4,114,987	1,564,430	4,901,192	(613)
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,154,026	\$ 2,282,507	\$ 4,901,192	\$ 460,498

CITY OF ORANGE, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Capital Projects Funds

	Drainage District	Fire Facilities Fees	Police Facilities Fees
ASSETS			
Cash and investments	\$ 4,239	\$ 940,847	\$ 866,293
Receivables (net of allowance for uncollectible):			
Accounts	-	-	-
Taxes	-	-	-
Accrued interest	33	7,223	6,650
Notes and loans	-	38,936	18,791
Leases	-	-	-
Total assets	\$ 4,272	\$ 987,006	\$ 891,734
LIABILITIES			
Accounts payable	\$ -	\$ 4,628	\$ -
Contracts payable	-	-	-
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Unearned revenues	-	-	-
Total liabilities	-	4,628	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	38,935	18,791
Lease-related	-	-	-
Total deferred inflows of resources	-	38,935	18,791
FUND BALANCES			
Restricted	-	-	-
Assigned	4,272	943,443	872,943
Unassigned	-	-	-
Total fund balances	4,272	943,443	872,943
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,272	\$ 987,006	\$ 891,734

CITY OF ORANGE, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	
	<u>Library Facilities Fees</u>	<u>City Debt Service</u>	<u>Total Nonmajor Funds</u>
ASSETS			
Cash and investments	\$ 751,064	\$ -	\$ 22,933,098
Receivables (net of allowance for uncollectible):			
Accounts	684	-	58,819
Taxes	-	-	961,562
Accrued interest	5,766	-	176,773
Notes and loans	34,427	-	4,708,473
Leases	-	-	121,765
Total assets	\$ 791,941	\$ -	\$ 28,960,490
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 1,108,775
Contracts payable	-	-	124,804
Accrued liabilities	-	-	27,488
Deposits payable	-	-	1,690
Due to other funds	-	-	704,443
Unearned revenues	-	-	461,111
Total liabilities	-	-	2,428,311
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	34,427	-	116,454
Lease-related	-	-	123,143
Total deferred inflows of resources	34,427	-	239,597
FUND BALANCES			
Restricted	-	-	23,715,023
Assigned	757,514	-	2,578,172
Unassigned	-	-	(613)
Total fund balances	757,514	-	26,292,582
Total liabilities, deferred inflows of resources, and fund balances	\$ 791,941	\$ -	\$ 28,960,490

CITY OF ORANGE, CALIFORNIA
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2024

Special Revenue Funds

	<u>EMT Transport</u>	<u>1% PEG Program</u>	<u>CASP Certification & Training</u>
REVENUES			
Taxes	\$ -	\$ 219,936	\$ -
Intergovernmental	-	-	-
Charges for services and fees	4,591,187	-	-
Use of money and property	39,700	16,955	14,457
Miscellaneous	-	-	64,628
Total revenues	4,630,887	236,891	79,085
EXPENDITURES			
Current:			
General government	-	241,189	-
Public safety	3,293,226	-	-
Community development	-	-	124
Parks and library	-	-	-
Public works	-	-	-
Economic development	-	-	-
Capital outlay	-	44,364	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	3,293,226	285,553	124
Net change in fund balances	1,337,661	(48,662)	78,961
Fund balances-beginning	1,040,738	460,051	290,912
Fund balances-ending	\$ 2,378,399	\$ 411,389	\$ 369,873

CITY OF ORANGE, CALIFORNIA
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2024

(Continued)

Special Revenue Funds

	<u>Headstart Building Maintenance</u>	<u>Air Pollution Reduction</u>	<u>Gas Tax</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	186,188	3,817,166
Charges for services and fees	-	-	6,728
Use of money and property	26,651	8,675	45,944
Miscellaneous	-	-	141
Total revenues	26,651	194,863	3,869,979
EXPENDITURES			
Current:			
General government	-	60,918	5,550
Public safety	-	9,288	-
Community development	-	-	-
Parks and library	-	-	-
Public works	1,763	-	3,819,619
Economic development	-	-	-
Capital outlay	-	84,217	99,287
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	1,763	154,423	3,924,456
Net change in fund balances	24,888	40,440	(54,477)
Fund balances-beginning	172,252	165,956	597,666
Fund balances-ending	\$ 197,140	\$ 206,396	\$ 543,189

CITY OF ORANGE, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Special Revenue Funds

	<u>RMRA Road Maintenance</u>	<u>Transportation System Improvement Program</u>	<u>Landscape Maintenance Assessment Districts</u>
REVENUES			
Taxes	\$ -	\$ -	\$ 1,069,376
Intergovernmental	3,602,396	-	-
Charges for services and fees	-	1,900,992	-
Use of money and property	179,933	174,732	93,694
Miscellaneous	-	-	-
Total revenues	<u>3,782,329</u>	<u>2,075,724</u>	<u>1,163,070</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Parks and library	-	-	883,712
Public works	46,043	165,105	-
Economic development	-	-	-
Capital outlay	5,211,929	739,276	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>5,257,972</u>	<u>904,381</u>	<u>883,712</u>
Net change in fund balances	(1,475,643)	1,171,343	279,358
Fund balances-beginning	4,133,016	3,037,432	1,882,522
Fund balances-ending	<u>\$ 2,657,373</u>	<u>\$ 4,208,775</u>	<u>\$ 2,161,880</u>

CITY OF ORANGE, CALIFORNIA
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2024

(Continued)

	<u>Special Revenue Funds</u>			
	<u>Asset Seizure</u>	<u>SB2 Building Home & Jobs Act</u>	<u>Housing In- Lieu</u>	<u>Opioid Settlement Fund</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	3,081,547	-	-
Charges for services and fees	-	-	-	-
Use of money and property	99,894	18,699	97,621	(613)
Miscellaneous	296,756	-	1,127,324	-
Total revenues	396,650	3,100,246	1,224,945	(613)
EXPENDITURES				
Current:				
General government	-	503	-	-
Public safety	243,795	-	-	-
Community development	-	64,397	-	-
Parks and library	-	-	-	-
Public works	-	-	-	-
Economic development	-	-	-	-
Capital outlay	75,165	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	318,960	64,900	-	-
Net change in fund balances	77,690	3,035,346	1,224,945	(613)
Fund balances-beginning	4,037,297	(1,470,916)	3,676,247	-
Fund balances-ending	\$ 4,114,987	\$ 1,564,430	\$ 4,901,192	\$ (613)

CITY OF ORANGE, CALIFORNIA
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2024

Capital Projects Funds

	<u>Drainage District</u>	<u>Fire Facilities Fees</u>	<u>Police Facilities Fees</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services and fees	-	624,180	237,135
Use of money and property	198	28,998	31,583
Miscellaneous	-	-	-
Total revenues	198	653,178	268,718
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	280	-
Community development	-	-	-
Parks and library	-	-	-
Public works	-	-	-
Economic development	-	-	-
Capital outlay	-	221,920	35,433
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	-	222,200	35,433
Net change in fund balances	198	430,978	233,285
Fund balances-beginning	4,074	512,465	639,658
Fund balances-ending	\$ 4,272	\$ 943,443	\$ 872,943

CITY OF ORANGE, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	
	<u>Library Facilities Fees</u>	<u>City Debt Service</u>	<u>Total Nonmajor Funds</u>
REVENUES			
Taxes	\$ -	\$ -	\$ 1,289,312
Intergovernmental	-	-	10,687,297
Charges for services and fees	363,696	-	7,723,918
Use of money and property	19,207	-	896,328
Miscellaneous	-	17,358,737	18,847,586
Total revenues	382,903	17,358,737	39,444,441
EXPENDITURES			
Current:			
General government	-	-	308,160
Public safety	-	-	3,546,589
Community development	-	-	64,521
Parks and library	5,544	-	889,256
Public works	-	-	4,032,530
Economic development	-	-	-
Capital outlay	2,632	-	6,514,223
Debt service:			
Principal	-	10,762,933	10,762,933
Interest and fiscal charges	-	6,595,804	6,595,804
Total expenditures	8,176	17,358,737	32,714,016
Net change in fund balances	374,727	-	6,730,425
Fund balances-beginning	382,787	-	1,310,992
Fund balances-ending	\$ 757,514	\$ -	\$ 26,292,582

CITY OF ORANGE, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 EMT Transport
 For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services and fees	\$ 2,890,000	\$ 2,890,000	\$ 4,591,187	\$ 1,701,187
Use of money and property	-	-	39,700	39,700
Total revenues	2,890,000	2,890,000	4,630,887	1,740,887
EXPENDITURES				
Current:				
Public safety	3,406,035	3,536,775	3,293,226	243,549
Total expenditures	3,406,035	3,536,775	3,293,226	243,549
Net change in fund balances	\$ (516,035)	\$ (646,775)	1,337,661	\$ 1,984,436
Fund balances-beginning			1,040,738	
Fund balances-ending			\$ 2,378,399	

CITY OF ORANGE, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 1% PEG Program
 For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 251,900	\$ 251,900	\$ 219,936	\$ (31,964)
Use of money and property	-	-	16,955	16,955
Total revenues	251,900	251,900	236,891	(15,009)
EXPENDITURES				
Current:				
General government	244,736	244,736	241,189	3,547
Capital outlay	67,500	67,500	44,364	23,136
Total expenditures	312,236	312,236	285,553	26,683
Net change in fund balances	\$ (60,336)	\$ (60,336)	(48,662)	\$ 11,674
Fund balances-beginning			460,051	
Fund balances-ending			\$ 411,389	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
CASP Certification & Training
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)
Use of money and property	1,157	1,157	14,457	13,300
Miscellaneous	-	-	64,628	64,628
Total revenues	41,157	41,157	79,085	37,928
EXPENDITURES				
Current:				
Community development	145,124	145,124	124	145,000
Total expenditures	145,124	145,124	124	145,000
Net change in fund balances	\$ (103,967)	\$ (103,967)	78,961	\$ 182,928
Fund balances-beginning			290,912	
Fund balances-ending			\$ 369,873	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Headstart Building Maintenance
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 15,581	\$ 15,581	\$ 26,651	\$ 11,070
Total revenues	15,581	15,581	26,651	11,070
EXPENDITURES				
Current:				
Public works	10,627	10,627	1,763	8,864
Total expenditures	10,627	54,333	1,763	52,570
Net change in fund balances	\$ 4,954	\$ (38,752)	24,888	\$ 63,640
Fund balances-beginning			172,252	
Fund balances-ending			\$ 197,140	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Air Pollution Reduction
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 182,000	\$ 182,000	\$ 186,188	\$ 4,188
Use of money and property	478	478	8,675	8,197
Total revenues	182,478	182,478	194,863	12,385
EXPENDITURES				
Current:				
General government	64,380	64,380	60,918	3,462
Public safety	10,000	10,000	9,288	712
Capital outlay	86,000	178,860	84,217	94,643
Total expenditures	160,380	253,240	154,423	98,817
Net change in fund balances	\$ 22,098	\$ (70,762)	40,440	\$ 111,202
Fund balances-beginning			165,956	
Fund balances-ending			\$ 206,396	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Gas Tax
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,980,878	\$ 3,980,878	\$ 3,817,166	\$ (163,712)
Charges for services and fees	-	-	6,728	6,728
Use of money and property	4,687	4,687	45,944	41,257
Miscellaneous	-	-	141	141
Total revenues	3,985,565	3,985,565	3,869,979	(115,586)
EXPENDITURES				
Current:				
General government	12,900	12,900	5,550	7,350
Public works	4,018,791	4,068,021	3,819,619	248,402
Capital outlay	100,000	516,611	99,287	417,324
Total expenditures	4,131,691	4,597,532	3,924,456	673,076
Net change in fund balances	\$ (146,126)	\$ (611,967)	(54,477)	\$ 557,490
Fund balances-beginning			597,666	
Fund balances-ending			\$ 543,189	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
RMRA Road Maintenance
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 3,450,822	\$ 3,450,822	\$ 3,602,396	\$ 151,574
Use of money and property	9,112	9,112	179,933	170,821
Total revenues	<u>3,459,934</u>	<u>3,459,934</u>	<u>3,782,329</u>	<u>322,395</u>
EXPENDITURES				
Current:				
Public works	-	-	46,043	(46,043)
Capital outlay	3,000,000	6,963,862	5,211,929	1,751,933
Total expenditures	<u>3,000,000</u>	<u>6,963,862</u>	<u>5,257,972</u>	<u>1,705,890</u>
Net change in fund balances	<u>\$ 459,934</u>	<u>\$ (3,503,928)</u>	<u>(1,475,643)</u>	<u>\$ 2,028,285</u>
Fund balances-beginning			<u>4,133,016</u>	
Fund balances-ending			<u>\$ 2,657,373</u>	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Transportation System Improvement Program
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services and fees	\$ -	\$ -	\$ 1,900,992	\$ 1,900,992
Use of money and property	73,083	73,083	174,732	101,649
Total revenues	73,083	73,083	2,075,724	2,002,641
EXPENDITURES				
Current:				
Public works	104,640	104,640	165,105	(60,465)
Capital outlay	-	3,354,693	739,276	2,615,417
Total expenditures	104,640	3,459,333	904,381	2,554,952
Net change in fund balances	\$ (31,557)	\$ (3,386,250)	1,171,343	\$ 4,557,593
Fund balances-beginning			3,037,432	
Fund balances-ending			\$ 4,208,775	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Landscape Maintenance Assessment Districts
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,038,175	\$ 1,038,175	\$ 1,069,376	\$ 31,201
Use of money and property	5,537	5,537	93,694	88,157
Total revenues	1,043,712	1,043,712	1,163,070	119,358
EXPENDITURES				
Current:				
Parks and library	1,106,730	1,146,730	883,712	263,018
Capital outlay	-	430,285	-	430,285
Total expenditures	1,106,730	1,577,015	883,712	693,303
Net change in fund balances	\$ (63,018)	\$ (533,303)	279,358	\$ 812,661
Fund balances-beginning			1,882,522	
Fund balances-ending			\$ 2,161,880	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Asset Seizure
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 12,192	\$ 12,192	\$ 99,894	\$ 87,702
Miscellaneous	64,000	64,000	296,756	232,756
Total revenues	76,192	76,192	396,650	320,458
EXPENDITURES				
Current:				
Public safety	339,780	385,929	243,795	142,134
Capital outlay	222,800	268,113	75,165	192,948
Total expenditures	562,580	654,042	318,960	335,082
Net change in fund balances	\$ (486,388)	\$ (577,850)	77,690	\$ 655,540
Fund balances-beginning			4,037,297	
Fund balances-ending			\$ 4,114,987	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
SB2 Building Home & Jobs Act
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 78,500	\$ 3,078,500	\$ 3,081,547	\$ 3,047
Use of money and property	-	-	18,699	18,699
Total revenues	78,500	3,078,500	3,100,246	21,746
EXPENDITURES				
Current:				
General government	-	22,844	503	22,341
Community development	-	3,005,124	64,397	2,940,727
Total expenditures	-	3,027,968	64,900	2,963,068
Net change in fund balances	\$ 78,500	\$ 50,532	3,035,346	\$ 2,984,814
Fund balances-beginning			(1,470,916)	
Fund balances-ending			\$ 1,564,430	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Housing In-Lieu
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 12,289	\$ 12,289	\$ 97,621	\$ 85,332
Miscellaneous	-	-	1,127,324	1,127,324
Total revenues	12,289	12,289	1,224,945	1,212,656
EXPENDITURES				
Capital outlay	-	372,756	-	372,756
Total expenditures	-	372,756	-	372,756
Net change in fund balances	\$ 12,289	\$ (360,467)	1,224,945	\$ 1,585,412
Fund balances-beginning			3,676,247	
Fund balances-ending			\$ 4,901,192	

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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, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Capital Improvement
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,441,570	\$ 4,877,570	\$ 4,748,576	\$ (128,994)
Charges for services and fees	3,700	3,700	3,253,450	3,249,750
Use of money and property	26,467	26,467	339,475	313,008
Total revenues	4,471,737	4,907,737	8,341,501	3,433,764
EXPENDITURES				
Current:				
General government	300,000	300,000	276,981	23,019
Capital outlay	10,978,775	34,074,455	9,407,536	24,666,919
Total expenditures	11,278,775	34,374,455	9,684,517	24,689,938
Excess (deficiency) of revenues over (under) expenditures	(6,807,038)	(29,466,718)	(1,343,016)	28,123,702
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,500,000)	(3,500,000)	(5,810,270)	(2,310,270)
Total other financing sources (uses)	(3,500,000)	(3,500,000)	(5,810,270)	(2,310,270)
Net change in fund balances	\$ (10,307,038)	\$ (32,966,718)	(7,153,286)	\$ 25,813,432
Fund balances-beginning			29,636,835	
Fund balances-ending			\$ 22,483,549	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Park Acquisition, Development and Maintenance
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services and fees	\$ -	\$ -	\$ 4,141,103	\$ 4,141,103
Use of money and property	126,829	126,829	462,411	335,582
Miscellaneous	-	-	13	13
Total revenues	126,829	126,829	4,603,527	4,476,698
EXPENDITURES				
Current:				
Public works	-	-	8,002	(8,002)
Capital outlay	445,000	4,559,965	2,037,902	2,522,063
Total expenditures	445,000	4,559,965	2,045,904	2,514,061
Net change in fund balances	\$ (318,171)	\$ (4,433,136)	2,557,623	\$ 6,990,759
Fund balances-beginning			7,183,213	
Fund balances-ending			\$ 9,740,836	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Drainage District
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 16	\$ 16	\$ 198	\$ 182
Total revenues	<u>16</u>	<u>16</u>	<u>198</u>	<u>182</u>
Net change in fund balances	<u>\$ 16</u>	<u>\$ 16</u>	<u>198</u>	<u>\$ 182</u>
Fund balances-beginning			<u>4,074</u>	
Fund balances-ending			<u>\$ 4,272</u>	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Fire Facilities Fees
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services and fees	\$ -	\$ -	\$ 624,180	\$ 624,180
Use of money and property	5,973	5,973	28,998	23,025
Total revenues	5,973	5,973	653,178	647,205
EXPENDITURES				
Current:				
Public safety	-	-	280	(280)
Capital outlay	-	398,842	221,920	176,922
Total expenditures	-	398,842	222,200	176,642
Net change in fund balances	\$ 5,973	\$ (392,869)	430,978	\$ 823,847
Fund balances-beginning			512,465	
Fund balances-ending			\$ 943,443	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Police Facilities Fees
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services and fees	\$ -	\$ -	\$ 237,135	\$ 237,135
Use of money and property	2,206	2,206	31,583	29,377
Total revenues	2,206	2,206	268,718	266,512
EXPENDITURES				
Current:				
Public safety	20,000	50,000	-	50,000
Capital outlay	-	291,453	35,433	256,020
Total expenditures	20,000	341,453	35,433	306,020
Net change in fund balances	\$ (17,794)	\$ (339,247)	233,285	\$ 572,532
Fund balances-beginning			639,658	
Fund balances-ending			\$ 872,943	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Library Facilities Fees
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services and fees	\$ -	\$ -	\$ 363,696	\$ 363,696
Use of money and property	3,450	3,450	19,207	15,757
Total revenues	3,450	3,450	382,903	379,453
EXPENDITURES				
Current:				
Parks and library	-	-	5,544	(5,544)
Capital outlay	-	325,488	2,632	322,856
Total expenditures	-	325,488	8,176	317,312
Net change in fund balances	\$ 3,450	\$ (322,038)	374,727	\$ 696,765
Fund balances-beginning			382,787	
Fund balances-ending			\$ 757,514	

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Internal Service Funds

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

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

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

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

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

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

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

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

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

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

CITY OF ORANGE, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Equipment Maintenance	Equipment Replacement	Major Building Improvements	Self Insurance Worker's Compensation	Self Insurance Liability
ASSETS					
Current assets:					
Cash and investments	\$ -	\$ 4,979,757	\$ 192,728	\$ 4,481,279	\$ 1,375,543
Receivables (net of uncollectibles):					
Accounts	393	2,052	-	87,343	8,338
Prepaid costs	-	-	-	-	-
Inventories	797,366	-	-	-	-
Total current assets	797,759	4,981,809	192,728	4,568,622	1,383,881
Noncurrent:					
Capital assets, net	108,200	18,757,197	-	-	-
Total noncurrent assets	108,200	18,757,197	-	-	-
Total assets	905,959	23,739,006	192,728	4,568,622	1,383,881
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related	1,274,663	-	-	-	-
OPEB-related	292,354	-	-	-	-
Total deferred outflows of resources	1,567,017	-	-	-	-
LIABILITIES					
Current liabilities:					
Accounts payable	172,315	60,484	16,400	105,210	47,726
Due to other funds	181,244	-	-	-	-
Claims and judgments, due in one year	-	-	-	4,392,977	876,603
Subscriptions, due in one year	-	-	-	-	-
Bonds, due in one year	164,612	-	-	-	-
Total OPEB liability, due in one year	23,600	-	-	-	-
Total current liabilities	541,771	60,484	16,400	4,498,187	924,329
Noncurrent liabilities:					
Claims and judgments	-	-	-	7,973,992	1,150,690
Subscriptions	-	-	-	-	-
Bonds, notes, and loans	3,611,794	-	-	-	-
Net pension liability	1,006,295	-	-	-	-
Net OPEB liability	1,287,893	-	-	-	-
Total noncurrent liabilities	5,905,982	-	-	7,973,992	1,150,690
Total liabilities	6,447,753	60,484	16,400	12,472,179	2,075,019
DEFERRED INFLOWS OF RESOURCES					
Pension-related	40,759	-	-	-	-
OPEB-related	603,076	-	-	-	-
Total deferred inflows of resources	643,835	-	-	-	-
NET POSITION					
Net investment in capital assets	108,200	18,757,197	-	-	-
Unrestricted	(4,726,812)	4,921,325	176,328	(7,903,557)	(691,138)
Total net position	\$ (4,618,612)	\$ 23,678,522	\$ 176,328	\$ (7,903,557)	\$ (691,138)

CITY OF ORANGE, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	<u>Self Insurance Dental</u>	<u>Employee Accrued Liability</u>	<u>Information Systems Operations</u>	<u>Computer Replacement</u>	<u>Total Internal Service Funds</u>
ASSETS					
Current assets:					
Cash and investments	\$ 575,908	\$ 7,385,370	\$ 1,337,023	\$ 8,678,311	\$ 29,005,919
Receivables (net of uncollectibles):					
Accounts	-	-	-	-	98,126
Prepaid costs	41,500	-	494,917	237,601	774,018
Inventories	-	-	-	-	797,366
Total current assets	<u>617,408</u>	<u>7,385,370</u>	<u>1,831,940</u>	<u>8,915,912</u>	<u>30,675,429</u>
Noncurrent:					
Capital assets, net	-	-	874,899	5,294,572	25,034,868
Total noncurrent assets	-	-	874,899	5,294,572	25,034,868
Total assets	<u>617,408</u>	<u>7,385,370</u>	<u>2,706,839</u>	<u>14,210,484</u>	<u>55,710,297</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related	-	-	-	-	1,274,663
OPEB-related	-	-	-	-	292,354
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,567,017</u>
LIABILITIES					
Current liabilities:					
Accounts payable	41,394	1,884	686,590	322,219	1,454,222
Due to other funds	-	-	-	-	181,244
Claims and judgments, due in one year	-	-	-	-	5,269,580
Subscriptions, due in one year	-	-	245,329	466,189	711,518
Bonds, due in one year	-	-	-	-	164,612
Total OPEB liability, due in one year	-	-	-	-	23,600
Total current liabilities	<u>41,394</u>	<u>1,884</u>	<u>931,919</u>	<u>788,408</u>	<u>7,804,776</u>
Noncurrent liabilities:					
Claims and judgments	-	-	-	-	9,124,682
Subscriptions	-	-	453,957	5,057,969	5,511,926
Bonds, notes, and loans	-	-	-	-	3,611,794
Net pension liability	-	-	-	-	1,006,295
Net OPEB liability	-	-	-	-	1,287,893
Total noncurrent liabilities	-	-	453,957	5,057,969	20,542,590
Total liabilities	<u>41,394</u>	<u>1,884</u>	<u>1,385,876</u>	<u>5,846,377</u>	<u>28,347,366</u>
DEFERRED INFLOWS OF RESOURCES					
Pension-related	-	-	-	-	40,759
OPEB-related	-	-	-	-	603,076
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>643,835</u>
NET POSITION					
Net investment in capital assets	-	-	175,613	(229,586)	18,811,424
Unrestricted	576,014	7,383,486	1,145,350	8,593,693	9,474,689
Total net position	<u>\$ 576,014</u>	<u>\$ 7,383,486</u>	<u>\$ 1,320,963</u>	<u>\$ 8,364,107</u>	<u>\$ 28,286,113</u>

CITY OF ORANGE, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Equipment Maintenance	Equipment Replacement	Major Building Improvements	Self Insurance Worker's Compensation	Self Insurance Liability
OPERATING REVENUES					
Charges for services and fees	\$ 3,653,031	\$ -	\$ -	\$ 4,313,713	\$ 3,648,315
Other revenues	5,567	352,118	-	1,302,169	66,157
Total operating revenues	3,658,598	352,118	-	5,615,882	3,714,472
OPERATING EXPENSES					
Salaries and wages	1,066,526	-	-	271,867	403,651
Maintenance and operations	2,498,541	-	25,801	193,606	227,916
Contractual services	84,478	-	-	14,444	264,979
Insurance claims and charges	-	-	-	3,414,535	3,676,511
Depreciation/amortization	31,908	1,730,783	-	-	-
Total operating expenses	3,681,453	1,730,783	25,801	3,894,452	4,573,057
Operating income (loss)	(22,855)	(1,378,665)	(25,801)	1,721,430	(858,585)
NONOPERATING REVENUES (EXPENSES)					
Interest expense	(96,728)	-	-	-	-
Gain (loss) on disposal of capital assets	-	52,948	-	-	-
Total nonoperating revenues (expenses)	(96,728)	52,948	-	-	-
Income (loss) before transfers	(119,583)	(1,325,717)	(25,801)	1,721,430	(858,585)
Transfers in	-	-	-	-	1,000,000
Change in net position	(119,583)	(1,325,717)	(25,801)	1,721,430	141,415
Net position-beginning	(4,499,029)	25,004,239	202,129	(9,624,987)	(832,553)
Net position-ending	\$ (4,618,612)	\$ 23,678,522	\$ 176,328	\$ (7,903,557)	\$ (691,138)

CITY OF ORANGE, CALIFORNIA
Combining Statement of Revenues, Expense
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Self Insurance Dental	Employee Accrued Liability	Information Systems Operations	Computer Replacement	Total Internal Service Funds
OPERATING REVENUES					
Charges for services and fees	\$ 546,132	\$ 1,951,853	\$ 3,833,950	\$ 397,040	\$ 18,344,034
Other revenues	-	-	-	-	1,726,011
Total operating revenues	546,132	1,951,853	3,833,950	397,040	20,070,045
OPERATING EXPENSES					
Salaries and wages	-	1,222,078	1,288,272	-	4,252,394
Maintenance and operations	10,926	79,545	391,498	1,821,243	5,249,076
Contractual services	-	-	1,881,118	7,784	2,252,803
Insurance claims and charges	495,845	28,318	-	-	7,615,209
Depreciation/amortization	-	-	-	661,821	2,424,512
Total operating expenses	506,771	1,329,941	3,560,888	2,490,848	21,793,994
Operating income (loss)	39,361	621,912	273,062	(2,093,808)	(1,723,949)
NONOPERATING REVENUES (EXPENSES)					
Interest expense	-	-	-	-	(96,728)
Gain (loss) on disposal of capital assets	-	-	-	-	52,948
Total nonoperating revenues (expenses)	-	-	-	-	(43,780)
Income (loss) before transfers	39,361	621,912	273,062	(2,093,808)	(1,767,729)
Transfers in	-	-	-	-	1,000,000
Change in net position	39,361	621,912	273,062	(2,093,808)	(767,729)
Net position-beginning	536,653	6,761,574	1,047,901	10,457,915	29,053,842
Net position-ending	\$ 576,014	\$ 7,383,486	\$ 1,320,963	\$ 8,364,107	\$ 28,286,113

CITY OF ORANGE, CALIFORNIA
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Equipment Maintenance	Equipment Replacement	Major Building Improvements	Self Insurance Worker's Compensation	Self Insurance Liability
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund charges	\$ 3,658,765	\$ 360,506	\$ -	\$ 5,607,001	\$ 3,706,134
Payments to suppliers and service providers	(2,987,362)	-	(16,565)	(529,498)	(973,894)
Payments to employees for salaries and benefits	(581,751)	-	-	-	-
Other receipts (payments)	-	-	-	(5,054,151)	(3,422,638)
Net cash provided by (used for) operating activities	89,652	360,506	(16,565)	23,352	(690,398)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	-	-	1,000,000
Principal paid on noncapital debt	(163,586)	-	-	-	-
Interest paid on noncapital debt	(96,728)	-	-	-	-
Payments from other funds on interfund borrowings	170,495	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(89,819)	-	-	-	1,000,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	(3,321,298)	-	-	-
Principal paid on capital debt	-	-	-	-	-
Proceeds from sales of assets	-	52,948	-	-	-
Net cash provided by (used for) capital and related financing activities	-	(3,268,350)	-	-	-
Net increase (decrease) in cash and cash equivalents	(167)	(2,907,844)	(16,565)	23,352	309,602
Cash and cash equivalents-beginning	167	7,887,601	209,293	4,457,927	1,065,941
Cash and cash equivalents-ending	\$ -	\$ 4,979,757	\$ 192,728	\$ 4,481,279	\$ 1,375,543
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (22,855)	\$ (1,378,665)	\$ (25,801)	\$ 1,721,430	\$ (858,585)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	31,908	1,730,783	-	-	-
(Increase) decrease in accounts receivable	167	6,258	-	(8,881)	(8,338)
(Increase) decrease in inventories	(350,186)	-	-	-	-
(Increase) decrease in prepaid items	-	-	-	-	-
Increase (decrease) in accounts payable	(92)	2,130	9,236	(49,581)	(77,348)
Increase (decrease) in claims and judgments	-	-	-	(1,639,616)	253,873
Increase (decrease) in pension and related items	406,036	-	-	-	-
Increase (decrease) in OPEB and related items	24,674	-	-	-	-
Total adjustments	112,507	1,739,171	9,236	(1,698,078)	168,187
Net cash provided by (used for) operating activities	\$ 89,652	\$ 360,506	\$ (16,565)	\$ 23,352	\$ (690,398)

CITY OF ORANGE, CALIFORNIA
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Self Insurance Dental	Employee Accrued Liability	Information Systems Operations	Computer Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund charges	\$ 546,132	\$ 1,951,853	\$ 3,833,950	\$ 397,040	\$ 20,061,381
Payments to suppliers and service providers	(10,380)	(1,310,810)	(3,727,331)	(1,797,009)	(11,352,849)
Payments to employees for salaries and benefits	-	-	-	-	(581,751)
Other receipts (payments)	(495,845)	(28,318)	-	-	(9,000,952)
Net cash provided by (used for) operating activities	39,907	612,725	106,619	(1,399,969)	(874,171)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	-	-	1,000,000
Principal paid on noncapital debt	-	-	-	-	(163,586)
Interest paid on noncapital debt	-	-	-	-	(96,728)
Payments from other funds on interfund borrowings	-	-	-	-	170,495
Net cash provided by (used for) noncapital financing activities	-	-	-	-	910,181
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	-	-	-	(3,321,298)
Principal paid on capital debt	-	-	(384,267)	8,050	(376,217)
Proceeds from sales of assets	-	-	546,604	-	599,552
Net cash provided by (used for) capital and related financing activities	-	-	162,337	8,050	(3,097,963)
Net increase (decrease) in cash and cash equivalents	39,907	612,725	268,956	(1,391,919)	(3,061,953)
Cash and cash equivalents-beginning	536,001	6,772,645	1,068,067	10,070,230	32,067,872
Cash and cash equivalents-ending	\$ 575,908	\$ 7,385,370	\$ 1,337,023	\$ 8,678,311	\$ 29,005,919
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ 39,361	\$ 621,912	\$ 273,062	\$ (2,093,808)	\$ (1,723,949)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	-	-	-	661,821	2,424,512
(Increase) decrease in accounts receivable	-	-	-	-	(10,794)
(Increase) decrease in inventories	-	-	-	-	(350,186)
(Increase) decrease in prepaid items	-	-	(494,917)	(237,601)	(732,518)
Increase (decrease) in accounts payable	546	(9,187)	328,474	269,619	473,797
Increase (decrease) in claims and judgments	-	-	-	-	(1,385,743)
Increase (decrease) in pension and related items	-	-	-	-	406,036
Increase (decrease) in OPEB and related items	-	-	-	-	24,674
Total adjustments	546	(9,187)	(166,443)	693,839	\$ 849,778
Net cash provided by (used for) operating activities	\$ 39,907	\$ 612,725	\$ 106,619	\$ (1,399,969)	\$ (874,171)

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Statistical Section



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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	152
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	162
These schedules contain information to help the reader assess the City's most significant revenue source, property tax.	
Debt Capacity	168
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	175
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	178
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 annual comprehensive financial reports for the relevant year.

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

	Fiscal Year			
	2024	2023	2022	2021
Governmental activities:				
Net investment in capital assets	\$ 697,803,590	\$ 684,071,711	683,891,043	\$ 685,927,045
Restricted for:				
Specific projects and programs	66,862,501	68,868,022	50,065,919	44,321,446
Unrestricted	(194,108,200)	(195,375,182)	(174,372,427)	(186,982,262)
Total governmental act.net position	<u>\$ 570,557,891</u>	<u>\$ 557,564,551</u>	<u>559,584,535</u>	<u>\$ 543,266,229</u>
Business-type activities:				
Net investment in capital assets	132,978,321	127,758,485	131,949,626	131,443,618
Unrestricted	15,360,402	12,039,915	5,392,793	1,639,357
Total business-type act. net position	<u>\$ 148,338,723</u>	<u>\$ 139,798,400</u>	<u>137,342,419</u>	<u>\$ 133,082,975</u>
Primary government:				
Net investment in capital assets	\$ 830,781,911	\$ 811,830,196	\$ 815,840,669	\$ 817,370,663
Restricted for:				
Specific projects and programs	66,862,501	68,868,022	50,065,919	44,321,446
Unrestricted	(178,747,798)	(183,335,267)	(168,979,634)	(185,342,905)
Total primary gov't net position	<u>\$ 718,896,614</u>	<u>\$ 697,362,951</u>	<u>696,926,954</u>	<u>\$ 676,349,204</u>

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

Fiscal Year					
2020	2019	2018	2017	2016 ⁽¹⁾	2015
674,673,211	668,898,000	658,706,056	643,259,170	632,246,033	691,177,418
42,194,380	40,509,831	40,833,934	43,175,076	50,288,584	56,695,286
(183,258,010)	(160,066,933)	(147,206,248)	(103,909,743)	(104,017,007)	(115,036,341)
<u>533,609,581</u>	<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>
129,356,837	130,464,008	132,924,641	134,136,742.0	137,600,598	66,354,962
622,689	(833,151)	(3,721,768)	2,174,136.0	2,606,432.0	3,876,072
<u>129,979,526</u>	<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>
804,030,048	799,362,008	791,630,697	777,395,912	769,846,631	757,532,380
42,194,380	40,509,831	40,833,934	43,175,076	50,288,584	56,695,286
(182,635,321)	(160,900,084)	(150,928,016)	(101,735,607)	(101,410,575)	(111,160,269)
<u>663,589,107</u>	<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>

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

	Fiscal Year				
	2024	2023	2022	2021	2020
Expenses:					
General government	\$ 16,723,060	\$ 24,083,824	13,171,835	\$ 18,961,388	19,426,844
Public safety	124,980,249	110,206,495	91,321,077	102,189,315	106,839,054
Public works	22,436,985	19,715,973	22,820,124	25,264,533	14,683,383
Community development	7,696,354	4,112,664	3,304,024	5,280,546	5,174,978
Parks and library	22,279,842	20,276,823	17,810,698	17,161,257	17,048,393
Economic development	1,723,275	8,310,619	4,562,019	465,809	849,150
Health and sanitation	-	-	-	-	-
Interest on long-term debt	8,124,874	7,745,269	7,850,113	5,097,209	-
Cost of issuance	-	-	677,074	-	-
Total governmental activities expenses	<u>203,964,639</u>	<u>194,451,667</u>	<u>161,516,964</u>	<u>174,420,057</u>	<u>164,021,802</u>
Program revenues:					
Charges for services:					
Public safety	11,657,313	9,973,692	8,229,685	7,233,973	8,444,493
Community development	1,976,021	4,141,083	3,655,955	2,973,252	3,105,770
Sanitation	-	-	-	-	-
Other activities	19,670,861	19,161,183	10,233,437	8,100,014	14,732,822
Operating grants and contributions	7,266,416	6,116,512	19,559,089	19,358,516	5,650,779
Capital grants and contributions	15,249,685	8,934,066	7,934,114	12,631,485	8,026,570
Total governmental activities program revenues	<u>55,820,296</u>	<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>(148,144,343)</u>	<u>(146,125,131)</u>	<u>(111,904,684)</u>	<u>(124,122,817)</u>	<u>(124,061,368)</u>
General revenues and other changes in net position:					
Taxes:					
Property taxes	55,610,096	53,784,303	50,960,121	48,272,714	46,274,506
Sales tax	51,891,628	51,389,099	54,702,920	56,577,610	47,215,228
Transient occupancy taxes	6,092,659	6,080,399	5,253,351	1,834,447	3,990,266
Franchise taxes	3,201,234	3,148,573	2,871,612	2,791,170	2,819,979
Other taxes	3,418,634	3,897,046	26,039	30,466	23,361
Use of money and property	7,292,376	4,287,125	(2,755,656)	1,534,758	4,158,758
State motor vehicle in lieu (unrestricted)	-	-	-	-	-
Other general revenues	35,941,326	21,365,548	32,636,552	4,478,646	3,847,953
Transfers	(2,310,270)	153,054	-	-	-
Extraordinary items	-	-	4,030,000	-	-
Total general revenues and other changes in net position	<u>161,137,683</u>	<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>\$ 12,993,340</u>	<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 ⁽¹⁾	2015
16,046,573	12,469,911	12,901,270	11,523,233	11,043,299
91,261,509	91,221,804	74,753,184	68,091,154	68,074,704
18,465,238	18,449,207	21,174,647	15,343,879	18,432,374
5,280,071	5,419,811	4,753,861	3,651,913	3,760,037
17,791,196	18,243,140	15,632,111	12,867,558	14,226,553
1,195,781	2,667,779	2,371,172	2,615,785	2,026,364
-	-	-	-	4,677,346
-	-	-	-	-
-	-	-	-	-
<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>
6,578,160	7,412,945	7,115,563	7,227,522	6,594,312
8,438,051	2,250,135	2,476,758	2,825,885	2,144,006
-	-	-	-	4,642,609
8,812,877	7,727,691	7,310,803	10,687,277	5,889,501
3,340,401	4,562,365	4,161,061	4,397,657	5,110,904
7,881,907	4,388,460	5,726,683	3,845,044	3,355,657
<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>(114,988,972)</u>	<u>(122,130,056)</u>	<u>(104,795,377)</u>	<u>(85,110,137)</u>	<u>(94,503,688)</u>
44,237,113	42,385,253	39,907,869	26,733,026	24,378,818
52,300,499	45,082,151	46,102,329	45,789,026	43,928,900
5,399,992	5,476,167	5,413,495	5,211,752	4,545,827
2,821,430	2,831,378	2,755,030	3,076,891	3,157,617
31,682	31,440	39,235	58,043	37,067
5,077,128	1,753,319	1,572,433	2,248,055	1,629,390
-	-	-	11,951,577	11,313,325
4,118,151	5,075,459	11,510,192	5,274,621	3,160,624
-	-	1,501,687	7,900,901	15,605,368
<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>(1,002,977)</u>	<u>(19,494,889)</u>	<u>4,006,893</u>	<u>23,133,755</u>	<u>13,253,248</u>

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

	Fiscal Year				
	2024	2023	2022	2021	2020
Expenses:					
Water	\$ 38,089,991	\$ 34,893,589	36,818,407	\$ 35,983,197	35,010,074
Sanitation	9,286,085	10,061,616	6,670,133	7,860,697	8,486,309
Total Expenses	<u>47,376,076</u>	<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	41,539,708	38,461,941	40,369,251	38,899,703	35,425,788
Sanitation	9,121,934	8,300,397	8,318,717	8,012,849	7,754,294
Operating grants and contributions	721,295	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total program revenues	<u>51,382,937</u>	<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>4,006,861</u>	<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	1,782,865	324,028	(939,984)	34,791	664,970
Others	440,327	477,874	-	-	-
Transfers	2,310,270	(153,054)	-	-	-
Total general revenues and other	<u>4,533,462</u>	<u>648,848</u>	<u>(939,984)</u>	<u>34,791</u>	<u>664,970</u>
Changes in net position - business-type activities	<u><u>8,540,323</u></u>	<u><u>2,455,981</u></u>	<u><u>4,259,444</u></u>	<u><u>\$ 3,103,449</u></u>	<u><u>348,669</u></u>

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

Fiscal Year				
2019	2018	2017	2016 ⁽¹⁾	2015
33,532,078	33,413,891	29,293,848	25,302,258	28,440,276
8,153,404	7,926,974	7,761,578	7,591,850	-
41,685,482	41,340,865	37,055,426	32,894,108	28,440,276
33,358,746	32,419,133	28,192,880	25,733,212	28,795,052
7,866,374	7,838,429	4,408,670	4,353,379	-
-	-	72,327	-	-
180,500	-	-	462,951	385,000
41,405,620	40,257,562	32,673,877	30,549,542	29,180,052
(279,862)	(1,083,303)	(4,381,549)	(2,344,566)	739,776
707,846	41,164	92,860	240,646	156,077
-	-	392,537	-	-
-	-	-	-	-
707,846	41,164	485,397	240,646	156,077
427,984	(1,042,139)	(3,896,152)	(2,103,920)	895,853

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

	Fiscal Year			
	2024	2023	2022	2021
General fund:				
Nonspendable	271,684	130,663	102,858	101,737
Restricted	-	22,506,997	20,667,960	18,259,654
Committed	23,891,358	630,545	-	-
Assigned	3,568,489	1,546,660	3,115,614	2,928,780
Unassigned	726,027	913,339	21,234,508	25,568,686
Total general fund	<u>28,457,558</u>	<u>25,728,204</u>	<u>45,120,940</u>	<u>46,858,857</u>
All other governmental funds:				
Nonspendable	-	-	-	-
Restricted	66,862,501	46,361,025	49,810,179	44,321,446
Committed	-	250,776	255,740	4,740,268
Assigned	34,802,557	38,359,032	40,371,444	52,871,901
Unassigned	(613)	(1,470,916)	(1,608,382)	(1,856,633)
Total all other governmental funds	<u>101,664,445</u>	<u>83,499,917</u>	<u>88,828,981</u>	<u>100,076,982</u>

Fiscal Year					
2020	2019	2018	2017	2016 ⁽¹⁾	2015
87,818	160,760	95,178	88,269	88,354	109,731
-	-	-	-	-	-
-	-	-	-	-	-
32,313,009	38,610,758	34,763,378	35,810,692	34,732,497	31,493,563
<u>32,400,827</u>	<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>
-	-	-	-	-	-
42,194,380	40,509,831	40,833,934	43,175,076	50,288,584	56,695,286
5,269,093	6,154,780	7,398,168	7,737,725	7,886,387	13,486,748
31,184,214	29,603,940	29,224,001	39,584,296	34,414,429	31,626,222
(2,053,907)	(1,593,498)	(1,989,867)	-	-	-
<u>76,593,780</u>	<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>

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

	Fiscal Year			
	2024	2023	2022	2021
Revenues:				
Taxes	\$ 117,232,953	\$ 115,150,847	110,942,447	\$ 106,715,236
Franchise fees	2,981,298	3,148,573	2,871,611	2,791,170
Licenses and permits	6,760,790	6,591,296	6,669,254	5,550,237
Intergovernmental	22,338,181	12,356,695	27,482,163	33,085,279
Charges for services and fees	26,409,193	16,557,655	13,515,236	11,243,519
Use of money and property	7,292,376	4,287,125	(2,775,150)	1,533,906
Fines and forfeitures	1,747,537	2,006,648	1,942,715	1,485,230
Gas tax exchange	-	-	-	-
Other revenues	35,919,580	23,939,387	20,252,480	4,483,183
Total Revenues	<u>220,681,908</u>	<u>184,038,226</u>	<u>180,900,756</u>	<u>166,887,760</u>
Expenditures:				
Current:				
General government	13,129,355	16,509,249	11,134,810	15,518,693
Public safety	100,859,676	95,857,843	90,723,202	88,567,963
Community development	6,467,589	3,910,804	3,404,436	4,844,971
Parks and library	18,348,348	18,141,773	16,188,815	14,581,024
Public works	15,145,288	15,824,350	13,033,667	10,901,569
Economic development	1,538,893	8,265,884	4,457,229	420,264
Health and sanitation	-	-	-	-
Gas tax exchange	-	-	-	-
Capital outlay	21,848,315	16,745,964	32,146,704	24,762,286
Debt service:				
Principal	11,403,028	10,826,439	8,452,778	237,778
Interest	7,737,264	7,800,774	9,250,095	947,783
Cost of issuance	-	-	-	-
Pass-through payments	-	-	-	-
Total expenditures	<u>196,477,756</u>	<u>193,883,080</u>	<u>188,791,736</u>	<u>160,782,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,204,152</u>	<u>(9,844,854)</u>	<u>(7,890,980)</u>	<u>6,105,429</u>
Other Financing sources (uses):				
Loan proceeds	-	-	-	-
Lease proceeds	-	-	118,528	-
Gain on sale of property	-	-	4,030,000	-
Transfers in	2,629,049	9,400,000	7,300,000	5,847,783
Transfers out	(5,939,319)	(24,276,946)	(16,587,500)	(8,027,783)
Bond proceeds	-	-	-	295,582,983
Payment to pension liability	-	-	-	(259,566,751)
Cost of issuance	-	-	-	(2,000,429)
Total other financing sources (uses)	<u>(3,310,270)</u>	<u>(14,876,946)</u>	<u>(5,138,972)</u>	<u>31,835,803</u>
Extraordinary gain/(loss)	-	-	-	-
Net change in fund balances	<u>\$ 20,893,882</u>	<u>\$ (24,721,800)</u>	<u>(13,029,952)</u>	<u>\$ 37,941,232</u>
Debt service as a percentage of noncapital expenditures	12.31%	11.75%	12.74%	0.88%

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

Fiscal Year					
2020	2019	2018	2017	2016 ⁽¹⁾	2015
97,503,362	101,969,285	\$ 92,975,011	91,462,928	77,791,847	72,890,611
2,819,979	2,821,431	2,831,378	2,755,030	3,076,891	3,157,618
5,780,011	5,846,046	4,846,681	4,966,017	5,443,388	4,080,299
13,638,969	11,584,134	9,016,736	9,727,861	20,125,635	20,574,583
18,699,180	15,924,806	10,703,009	10,978,973	14,311,067	13,740,393
4,121,085	5,077,127	1,753,319	1,572,433	2,248,055	1,629,390
1,772,867	2,194,948	1,852,674	1,706,291	1,725,785	2,190,664
-	-	-	-	-	-
3,661,149	4,108,287	4,783,149	11,495,612	4,732,645	2,640,918
147,996,602	149,526,064	128,761,957	134,665,145	129,455,313	120,904,476
16,680,796	13,460,308	11,488,962	11,369,206	11,059,999	9,750,112
85,168,745	80,275,211	75,704,854	72,292,753	70,304,539	65,620,597
4,842,271	4,538,371	4,545,422	4,651,614	4,086,895	3,735,548
14,763,471	14,840,900	14,575,737	13,835,002	12,464,990	12,796,867
11,062,997	11,209,853	10,351,948	10,099,229	9,732,287	9,942,108
435,243	1,037,149	2,354,318	2,115,151	2,519,124	557,096
-	-	-	-	-	4,595,026
-	-	-	-	-	-
17,107,265	18,370,773	23,596,982	18,601,383	12,103,521	11,654,340
237,778	92,339	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
150,298,566	143,824,904	142,618,223	132,964,338	122,271,355	118,651,694
(2,301,964)	5,701,160	(13,856,266)	1,700,807	7,183,958	2,252,782
-	570,619	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,000,000	1,042,261	3,765,260	1,500,000	3,025,395
(2,150,000)	(5,150,000)	(3,257,261)	(6,480,260)	(2,952,143)	(7,069,316)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(2,150,000)	(2,579,381)	(2,215,000)	(2,715,000)	(1,452,143)	(4,043,921)
-	-	-	-	31,406	14,548,779
(4,451,964)	3,121,779	\$ (16,071,266)	(1,014,193)	5,763,221	12,757,640
0.18%	0.07%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year Ended June 30	City			Total Direct Tax Rate
	Secured	Unsecured	Taxable Assessed Value	
2015	17,047,541,092	900,737,944	17,948,279,036	0.132%
2016	18,044,868,280	923,910,674	18,968,778,954	0.125%
2017	18,745,544,867	820,730,838	19,566,275,705	0.132%
2018	19,781,317,411	816,774,617	20,598,092,028	0.129%
2019	20,805,169,196	864,502,376	21,669,671,572	0.131%
2020	21,855,913,285	988,437,454	22,844,350,739	0.129%
2021	22,722,807,195	923,182,436	23,645,989,631	0.137%
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%
2024	26,220,108,841	1,044,183,594	27,264,292,435	0.137%

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

Former Redevelopment Agency				Total for Primary Government
Secured	Unsecured	Taxable Assessed Value	Total Direct Tax Rate	Total Direct Tax Rate
-	-	-	-	0.132%
-	-	-	-	0.125%
-	-	-	-	0.132%
-	-	-	-	0.129%
-	-	-	-	0.131%
-	-	-	-	0.129%
-	-	-	-	0.137%
-	-	-	-	0.138%
-	-	-	-	0.135%
-	-	-	-	0.137%

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

	Fiscal Year			
	2024	2023	2022	2021
Basic levy	1.0000	1.0000	1.0000	1.0000
Overlapping Rates:				
School Services:				
Anaheim Elementary School District	0.04644	0.04667	0.06321	0.06595
Anaheim High School District	0.03164	0.03016	0.03804	0.03971
North Orange County Community College District	0.01715	0.02778	0.02877	0.03198
No. OC Comm. College Dist. 2002 Bond	0.02533	-	-	-
Orange USD Elementary 2016 Series 2022	-	0.00946	-	-
Orange USD Series 2018 2016	-	0.01609	0.01656	0.01664
Rancho Santiago Community College District	0.04555	0.04691	0.02652	0.02768
Santa Ana Unified School District	0.05893	0.06976	-	-
Tustin Unified School District SFID No. 2002-1	0.05856	0.06647	0.06523	0.07102
Total School Services	<u>0.28360</u>	<u>0.31330</u>	<u>0.23833</u>	<u>0.25298</u>
Irvine Ranch Water District	0.05001	0.05001	0.05001	0.05001
Metropolitan Water District	<u>0.00350</u>	<u>0.00350</u>	<u>0.00350</u>	<u>0.00350</u>
Total Direct Rate	<u><u>1.33711</u></u>	<u><u>1.36681</u></u>	<u><u>1.29184</u></u>	<u><u>1.30649</u></u>

Notes:

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

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

Source: HdL Coren & Cone

Fiscal Year					
2020	2019	2018	2017	2016	2015
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.05943	0.05059	0.04502	0.04461	0.04227	0.02867
0.03968	0.04244	0.02211	0.04259	0.04948	0.02412
0.02409	0.02828	0.02927	0.02885	0.03043	0.01704
-	0.00001	-	-	-	-
-	-	-	-	-	-
0.02288	0.02685	-	-	-	-
0.02818	0.02875	0.03013	0.04945	0.03063	0.02878
-	-	-	0.06377	-	-
0.06376	0.06687	0.06873	0.07001	0.07751	0.06955
0.23802	0.24379	0.19526	0.29928	0.23032	0.16816
0.06901	0.06901	0.06901	0.02803	0.02803	0.02803
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
1.31053	1.31630	1.26777	1.33081	1.26185	1.19969

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

Taxpayer	2024		2015	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	(1) Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Orange City Mills LP	\$ 246,705,040 *	0.90%	\$ 149,589,704	0.83%
St Joseph Hospital of Orange	169,984,481	0.62%	97,396,142	0.54%
Gateway Apartments I	167,024,357	0.61%	-	0.00%
Bex Portfolio Inc	145,161,308	0.53%	-	0.00%
City Tower Properties LLC	139,594,422	0.51%	-	0.00%
WaterFord Property	136,839,200	0.50%	-	0.00%
OC OET Owner LLC	127,834,407 *	0.47%	-	0.00%
AWH Anaheim Hotel LLC	118,698,111	0.44%	-	0.00%
RexFord Industrial Realty LP	113,854,158	0.42%	-	0.00%
Mainstay Main Place LP	105,075,805	0.39%	-	0.00%
Children's Hospital of Orange County	-	0.00%	131,046,853	0.73%
Irvine Company LLC	-	0.00%	149,146,386	0.83%
Passco TVO-S LLC	-	0.00%	118,183,377	0.66%
Bre Properties Inc	-	0.00%	100,227,954	0.56%
3091 Chapman Ave Apts Investors	-	0.00%	68,894,374	0.38%
Mullock Executive Land	-	0.00%	75,022,721	0.42%
Orange County Realty Investors LLC	-	0.00%	73,000,000	0.41%
	<u>\$ 1,470,771,289</u>	<u>5.39%</u>	<u>\$ 1,032,265,688</u>	<u>5.75%</u>

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

* Pending appeals on parcels

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
2015	44,363,564	25,762,104	58.07%	218,294	(232,532)	25,747,866	58.04%
2016	45,251,635	26,539,570	58.65%	204,687	(154,193)	26,590,064	58.76%
2017	38,241,617	28,362,047	74.17%	194,368	(156,033)	28,400,382	74.27%
2018	40,644,711	29,514,238	72.62%	174,216	(112,829)	29,575,625	72.77%
2019	42,770,704	29,572,421	69.14%	170,111	(166,907)	29,575,625	69.15%
2020	44,635,001	30,747,643	68.89%	180,209	(101,066)	30,826,786	69.06%
2021	41,994,760	32,699,503	77.87%	243,898	(611,668)	32,331,733	76.99%
2022	48,623,035	34,141,966	70.22%	245,581	(142,219)	34,245,328	70.43%
2023	47,783,174	35,948,954	75.23%	252,228	(284,750)	35,916,432	75.17%
2024	48,954,690	37,235,698	76.06%	243,129	(179,884)	37,298,943	76.19%

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
http://acweb1.ocgov.com/acledger/report_eGov.asp

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

Fiscal Year Ended June 30	Governmental Activities			Business-type Activities	
	Pension Obligation Bonds	Lease Revenue Bonds	Total Governmental Activities	Pension Obligation Bonds	Total Business-type Activities
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	265,478,776	34,159,604	299,638,380	21,006,224	21,006,224
2022	258,348,004	29,410,000	287,758,004	20,441,996	20,441,996
2023	248,970,043	28,860,000	277,830,043	19,699,957	19,699,957
2024	238,632,971	28,290,000	266,922,971	18,882,028	18,882,028

Notes:

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

¹ 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).

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

<u>Total Total Primary Government</u>	<u>Percentage of Personal Income ¹</u>	<u>Debt Per Capita ²</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
320,644,604	3.25%	2,303
308,200,000	2.90%	2,218
297,530,000	2.62%	2,143
285,804,999	2.52%	2,062

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

2023-2024 Assessed Valuation: \$27,264,292.435

	Total Debt	% Applicable (1)	City's Share of
	6/30/2024	(1)	Debt 6/30/24
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 18,210,000	0.704%	\$ 128,198
Irvine Ranch Water District, Improvement District No. 125	157,134,762	0.879	1,381,215
Irvine Ranch Water District, Improvement District No. 225	230,261,626	0.008	18,421
Irvine Ranch Water District, Improvement District No. 153-253	18,210,043	0.047	8,559
North Orange County Joint Community College District	291,560,678	0.121	352,788
Rancho Santiago Community College District	154,276,441	27.535	42,480,018
Rancho Santiago Community College District School Facilities Improvement District No. 1	144,765,000	0.0001	145
Anaheim Union High School District	229,078,955	0.345	790,322
Anaheim School District	345,875,685	0.587	2,030,290
Tustin Unified School District School Facilities Improvement District No. 2002-1	36,420,000	0.047	17,117
Tustin Unified School District School Facilities Improvement District No. 2008-1	73,030,000	0.048	35,054
Tustin Unified School District School Facilities Improvement District No. 2012-1	47,005,000	0.035	16,452
Orange Unified School District	276,295,000	59.493	164,376,184
Orange Unified School District Community Facilities District No. 2005-1	5,090,000	100	5,090,000
Orange Unified School District Community Facilities District No. 2005-2	4,730,000	100	4,730,000
Santa Ana Unified School District	409,228,633	0.0001	409
City of Orange Community Facilities District No. 91-2	14,545,000	100	14,545,000
City of Orange Community Facilities District No. 06-1	20,115,000	100	20,115,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 256,115,172.00
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$ 440,385,000	3.541%	\$ 15,594,033.00
Orange County Board of Education Certificates of Participation	10,030,000	3.541	355,162
North Orange County Regional Occupation Program Certificates of Participation	7,350,000	0.124	9,114
Orange Unified School District Certificates of Participation and Benefit Obligations	64,700,000	59.493	38,491,971
Santa Ana Unified School District General Fund Obligations	42,399,216	0.000	42
Anaheim Union High School District Certificates of Participation	28,320,000	0.345	97,704
City of Orange General Fund Obligations	28,290,000	100	28,290,000
City of Orange Pension Obligation Bonds	257,515,000	100	257,515,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 340,353,026
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	\$ 22,675,000	100%	\$ 22,675,000
TOTAL DIRECT DEBT			\$ 285,805,000
TOTAL OVERLAPPING DEBT			\$ 333,338,198
COMBINED TOTAL DEBT (2)			\$ 619,143,198 (2)

(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 2023-2024 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.94%
Total Direct Debt (\$285,805,000)	1.05%
Combined Total Debt	2.27%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$5,504,353,461):

Total Overlapping Tax increment Debt	0.41%
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CITY OF ORANGE
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year			
	2024	2023	2022	2021
Assessed valuation	\$ 27,264,292,435	\$ 26,631,838,417	24,783,277,745	23,645,989,631
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	6,816,073,109	6,657,959,604	6,195,819,436	5,911,497,408
Debt limit percentage	15%	15%	15%	15%
Debt limit	1,022,410,966	998,693,941	929,372,915	886,724,611
Total net debt applicable to limit	-	-	-	-
Legal debt margin	1,022,410,966	998,693,941	929,372,915	886,724,611
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 22,844,350,739	21,669,671,572	\$20,598,092,028	19,566,275,705	18,968,778,954	17,948,279,036
25%	25%	25%	25%	25%	25%
5,711,087,685	5,417,417,893	5,149,523,007	4,891,568,926	4,742,194,739	4,487,069,759
15%	15%	15%	15%	15%	15%
856,663,153	812,612,684	772,428,451	733,735,339	711,329,211	673,060,464
-	-	-	-	-	-
<u>856,663,153</u>	<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>
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				Coverage
	Property Tax Increment	Debt Service			
		Principal	Interest		
2015	-	-	-	-	
2016	-	-	-	-	
2017	-	-	-	-	
2018	-	-	-	-	
2019	-	-	-	-	
2020	-	-	-	-	
2021	-	-	-	-	
2022	-	-	-	-	
2023	-	-	-	-	
2024	-	-	-	-	

CITY OF ORANGE
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population ^{1,5}	Personal Income (expressed in thousands) ^{2,5}	Per Capita Personal Income ^{2,5}	Public School Enrollment ^{3,6}	Unemployment Rate ^{4,5}
2015	140,094	183,052,341	59,242	14,982	4.4%
2016	140,761	196,920,661	61,188	14,581	4.3%
2017	140,882	208,653,019	63,513	14,256	3.6%
2018	141,952	220,684,684	66,058	14,072	3.3%
2019	141,691	221,803,099	69,590	13,958	2.9%
2020	140,693	236,303,451	75,572	13,852	12.0%
2021	139,229	256,700,438	81,567	13,105	6.5%
2022	138,944	263,290,135	81,505	13,187	3.2%
2023	138,842	264,973,116	84,109	12,850	3.7%
2024	138,621	278,760,587	88,897	12,981	4.1%

Sources:

¹ State of California, Department of Finance

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

³ Orange Unified School District region

⁴ State of California, Employment Development Department

⁵ In fiscal year 2023-2024, information was revised to improve accuracy

⁶ 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	2024		2015	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
UCI Irvine Healthcare	4,995	7.09%	4,000	15.75%
CHOC Children's Hospital	3,938	5.59%	2,900	11.42%
St. Joseph Hospital of Orange	3,500	4.96%	4,850 ⁽¹⁾	19.09%
Chapman University	1,300	1.84%	1,235	4.86%
Santiago Canyon College	950	1.35%	913	3.59%
CalOptima Health Plans	930	1.32%	900	3.54%
City of Orange	800	1.13%	753	2.96%
Chapman Medical Center	700	0.99%	460	1.81%
MS International	548	0.78%	266	1.05%
OCTA	500	0.71%	500	1.97%
Hilton Hotel Fera	477	0.68%	-	0.00%
AECOM Technology Corp	454	0.64%	-	0.00%
Orange County Sheriff's Dept Theo Lacy J	450	0.64%	-	0.00%
Alignment Healthcare LLC	430	0.61%	-	0.00%
SA Recycling, LLC	410	0.58%	-	0.00%
Letner Roofing Company	380	0.54%	-	0.00%
GGG Demolition Inc	300	0.43%	-	0.00%
Coca-Cola Distribution Center	300	0.43%	-	0.00%
NOV Rig Systems (formerly National Oilwell Varco)	-	0.00%	900	3.54%
Western Dental Services, Inc. (formerly Sybron Dental Specialists)	-	0.00%	700	2.76%
California Choice	250	0.35%	490	1.93%
American Advisors Group (AAG)	-	0.00%	800	3.15%
AECOM Technology Corp	454	0.64%	450	1.77%

Notes:

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

¹ 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									
	2024	2023	2022	2021	2020	2019	2018*	2017*	2016*	2015*
Governmental Activities:										
General Government (2)	93	71	55	60	59	61	71	72	72	75
Public Safety	401	414	407	386	388	386	410	412	412	412
Public Works	96	78	87	73	71	66	68	67	67	67
Community Development	40	25	24	33	33	32	36	36	36	36
Parks and Library	107	106	113	105	105	106	109	109	111	109
Economic Development	1	1	1	1	1	3	-	-	-	-
Sanitation (1)	-	-	-	-	-	-	-	-	-	21
Subtotal governmental activities	738	695	687	658	657	654	694	696	698	720
Business-Type Activities:										
Water	48	46	46	51	51	53	45	45	45	45
Sanitation (1)	41	22	18	18	18	22	21	21	21	
Subtotal business-type activities	89	68	64	69	69	75	66	66	66	45
Total activities	827	763	751	727	726	729	760	762	764	765

* 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			
	2024	2023	2022	2021
City Attorney:				
Number of claims/cases handled	537	467	453	234
Number of resolutions/ordinances/agreements	410	315	342	396
City Clerk:				
Number of passports processed ^(1,3)	1,375	1,000	1,634	1,106
Number of documents scanned ⁽⁴⁾	-	-	-	2,423
Number of public records requested ⁽⁴⁾	934	810	1,203	669
Finance:				
Number of business licenses issued	19,526	20,385	20,678	20,849
Number of water accounts billed	35,547	35,513	35,492	36,508
Human Resources:				
Number of recruitments held	114	128	123	83
Number of applications processed	6,836	7,851	7,622	7,051
Library:				
Number of items checked out ^(2,5)	654,713	602,683	462,847	266,537
Total library cards ⁽⁵⁾	6,981	6,664	5,354	61,107
Number of patrons/visitors	311,012	258,478	217,211	76,152
Fire:				
Number of calls:				
Medical	14,993	14,467	13,014	11,789
Fire	731	806	845	729
Other	2,443	2,457	2,496	2,291
Number of inspections performed	5,466	5,949	4,864	3,421
Police:				
Number of calls for service	97,836	94,091	91,179	88,853
Number of arrests	5,969	5,335	5,339	5,715
Public Works:				
Lane miles of streets resurfaced	42	30	27	22
Miles of streets swept	40,872	40,872	39,664	39,664
Water Division:				
Number of active water connections	36,593	36,536	36,508	36,508
Million gallons of daily average distribution	21	20	24	24
Sanitation Division:				
Number of active sewer connections	33,460	33,667	33,667	33,662
Number of catch basins inspected	1,983	1,983	1,985	1,985
Community Development:				
Number of permits issued	3,572	4,151	3,676	3,576
Combined construction valuation	\$ 151,134,837	\$ 408,001,641	\$ 192,982,847	\$ 158,963,749
Community Services:				
Number of contract classes held ⁽³⁾	500	521	611	278
Total participants at all activities/events ⁽³⁾	856,677	804,521	878,457	32,039

Notes:

¹ In Fiscal Year 2015-16, information was revised to improve accuracy.

² In Fiscal Year 2016-17, information was revised to improve accuracy.

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

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

In Fiscal Year 2021-22, information was revised to improve accuracy. Effective in 21-22 we changed the reporting to the number of library cards issued,

⁵ rather than the total number of library cards

Source: City of Orange

Fiscal Year					
2020	2019	2018	2017	2016	2015
413	534	414	428	441	486
312	292	288	240	288	269
1,726	2,686	2,611	3,183	2,669	1,837
5,890	7,168	4,658	2,544	2,184	2,220
439	374	230	N/A	N/A	N/A
20,771	20,659	20,659	20,487	20,721	20,190
36,456	36,490	35,216	35,388	35,380	35,174
68	100	81	87	60	60
5,725	10,744	7,193	7,590	8,968	6,717
402,449	418,033	536,202	541,270	616,388	643,791
60,209	56,992	55,644	57,078	59,162	59,316
339,659	422,142	413,582	426,861	469,700	502,276
13,426	12,592	12,463	12,048	12,327	9,416
709	692	688	664	622	355
2,348	2,218	2,457	2,336	3,022	1,843
4,004	5,612	4,999	6,868	6,866	5,970
92,730	108,371	109,192	100,876	99,728	103,793
4,589	5,353	5,667	4,568	4,771	4,683
22	23	24	37	35	28
39,664	39,664	37,617	40,766	39,850	40,180
36,485	36,435	36,431	36,391	36,372	36,347
24	24	25	23	21	26
33,647	33,950	33,956	33,951	33,950	33,943
1,985	1,985	1,910	1,983	1,983	1,952
3,406	3,396	3,552	4,229	4,153	3,803
\$ 174,844,204	\$ 156,630,767	\$ 132,814,044	\$ 114,940,690	\$ 235,315,312	\$ 106,328,212
863	1,201	1,188	1,044	1,148	1,212
622,373	1,000,000	1,060,872	1,060,893	918,805	934,188

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

	Fiscal Year				
	2024	2023	2022	2021	2020
Library:					
Number of libraries	3.00	3.00	3	3	3
Number of books & other items held ¹	161,221.00	170,539.00	168,012	202,641	192,927
Fire:					
Number of fire stations	8.00	8.00	8	8	8
Number of vehicles in fleet	63.00	62.00	62	62	59
Police:					
Number of stations/sub-stations	2.00	2.00	2	2	2
Number of vehicles in fleet	132.00	136.00	133	131	132
Public Works:					
Streets (in miles)	322.00	322.00	324	324	324
Number of streetlights	7,896.00	7,842.00	7,842	7,842	7,836
Number of traffic signals	158.00	158.00	158	158	157
Number of street trees	2,500.00	23,000.00	20,000	20,000	19,716
Water Division:					
Number of wells	10.00	12.00	12	12	12
Water mains (in miles)	463.00	462.00	445	445	446
Number of hydrants	4,502.00	4,475.00	4,434	4,431	4,450
Sanitation Division:					
Miles of sewer lines/storm drains	422.00	422.00	422	422	422
Facilities Maintenance Division:					
Number of city buildings owned	82.00	82.00	82	82	82
Square feet of city buildings ²	533,384.00	533,384.00	533,384	533,384	533,384
Number of other city vehicles	269.00	270.00	277	275	275
Community Services:					
Number of parks	22.00	22.00	22	22	22
Acres of parkland ¹	278.00	267.00	267	267	260
Number of community pools	2.00	2.00	2	2	2

Notes:

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

² In Fiscal Year 2017, information was revised to improve accuracy.

2019	Fiscal Year			
	2018	2017	2016	2015
3	3	3	3	3
196,198	218,688	231,715	223,161	212,373
8	8	8	8	8
58	58	58	58	58
2	2	2	2	2
133	132	132	132	132
324	324	324	331	328
7,836	7,836	3,182	3,182	3,125
157	157	157	157	157
22,000	22,000	22,000	22,000	20,430
12	12	14	17	16
446	462	462	452	452
4,439	4,434	4,389	4,417	4,410
436	436	436	436	436
82	82	82	82	82
533,384	512,000	512,000	529,995	529,995
274	272	271	271	236
22	22	22	22	22
260	258	258	258	258
2	2	2	2	2



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