

CITY OF ORANGE, CALIFORNIA
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
FISCAL YEAR ENDED JUNE 30, 2025





City of Orange

California

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

Prepared by:
Finance Department

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Dan Slater
Mayor



Denis Bilodeau
Mayor pro tem
District 4



Arianna Barrios
Councilmember
District 1



Jon Dumitru
Councilmember
District 2



Kathy Tavoularis
Councilmember
District 3



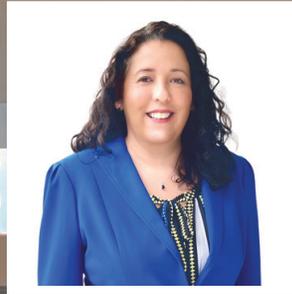
Ana Gutierrez
Councilmember
District 5



John Gyllenhammer
Councilmember
District 6



Garrett Smith
City Treasurer



Pamela Coleman
City Clerk

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INTRODUCTORY SECTION



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January 26, 2026

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, 2025, 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, 2025. 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 139,724, 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 funds, 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 2024-25 fiscal year with an overall increase of \$14 million, or 9.7%, compared to fiscal year 2023-24.

The top two sources of revenue for the City are sales tax and property tax. Property tax revenue increased by \$3.1 million, or 5.54%, over FY 2023-24, 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 \$1.2 million decrease in revenue or -2.3% compared to the prior year. This was primarily due to fluctuating fuel prices that continue to lag behind FY 2024 resulting in a decline in overall revenue from fuel and service stations. Additionally, general consumer goods reported sluggish sales as consumer spending shifted focus to services and value. Business closures also had a negative impact on receipts from food and drugs. Overall, economic factors such as interest rates, inflation, and consumer spending patterns continue to influence sales tax revenue, with the Federal Reserve's actions noted as a key factor affecting future revenue growth. The ongoing uncertainty due to high inflation and interest rates will continue to impact the City's revenue sources.

FINANCIAL POLICIES

In August 2025, the City Council adopted Resolution No. 11628, establishing a Financial Management 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 2025 CalPERS Annual Valuation Report, there are 400 of the City's 676 active employees (59.1%) 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. \$1.5 million has been set aside as of June 30, 2025. The current fund balance is \$1.5 million, the reduction in fund balance reflecting higher leave payouts associated with employee retirements and separations, as well as increased employer contributions to CalPERS. Fiscal year 2025 was the first year since issuance of the Pension Obligation Bond that additional payments were required to be made toward the unfunded pension liability.

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%



City of Orange

Finance Department
300 E. Chapman Ave.
Orange, CA 92866

interest/discount rate, coupled with increasing annual contributions to reduce the overall balance. The balance of the outstanding bonds as of June 30, 2025 is \$246,289,999.

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,

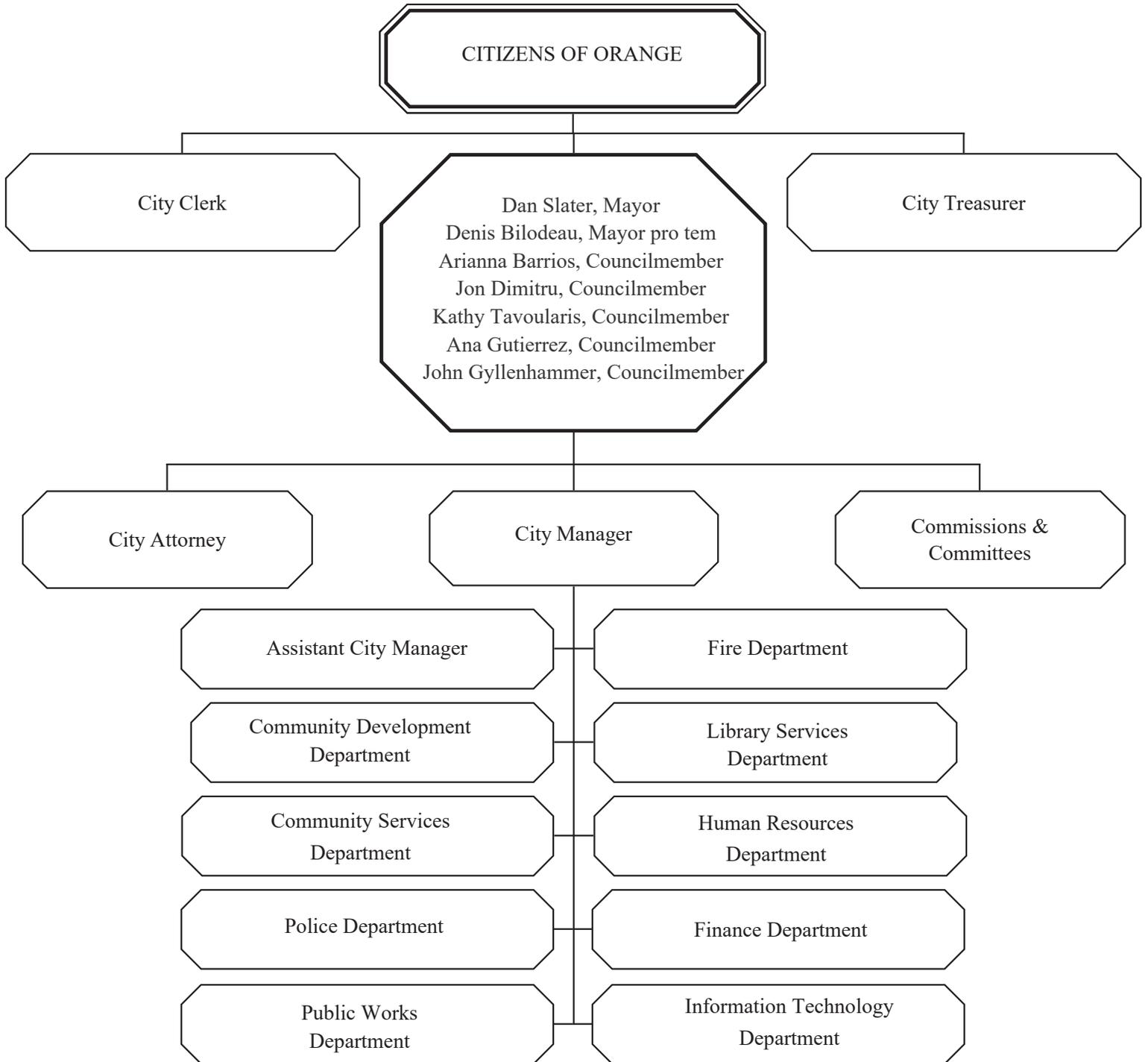
Trang Nguyen
Finance Director

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CITY OF ORANGE

Organization Chart at June 30, 2025



AT JUNE 30, 2025

ELECTED POSITIONS

Dan Slater.....Mayor
Denis Bilodeau.....Mayor Pro Tem
Arianna Barrios.....Council Member District 1
Jon Dumitru.....Council Member District 2
Kathy Tavoularis.....Council Member District 3
Ana Gutierrez.....Council Member District 5
John Gyllenhammer.....Council Member District 6
Garrett Smith.....City Treasurer
Pamela Coleman.....City Clerk

ADMINISTRATIVE PERSONNEL

Tom Kisela.....City Manager
Mike Viglitotta.....City Attorney
Trang Nguyen.....Finance Director
Leslie Hardy.....Community Services and Library Services Director
Adam Jevic.....Police Chief
Christopher Cash.....Public Works Director
Sean Demetropolis.....Fire Chief
Russell Bunim.....Community Development Director
Monica Espinoza.....Human Resources Director

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, (hereafter, the City) as of and for the year ended June 30, 2025, 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, 2025, 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note 22 to the financial statements, in 2025, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 January 26, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
January 26, 2026

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MANAGEMENT'S DISCUSSION & ANALYSIS



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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Orange, we present this Management's Discussion and Analysis (MD&A) to provide readers with a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2025. This discussion is intended to assist readers in understanding the City's financial position, results of operations, and changes in financial condition. The MD&A should be read in conjunction with the City's basic financial statements, notes to the financial statements, and the letter of transmittal, which can be found on pages i–v of this report.

Overall, the City experienced relatively flat revenue growth during fiscal year 2025 and maintained a stable financial position despite inflationary pressures and rising pension-related costs.

Financial Highlights

- At June 30, 2025, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$704.6 million, net position. Of this amount, \$556.6 million or 79.0% is attributable to governmental activities and \$148.0 million or 21.0% to business-type activities.
- Governmental activities reported a net position of \$556.6 million, a decrease of \$14.0 million, or -2.4%, from the prior year. The decrease reflects expenditure growth exceeding revenue growth.
- Unrestricted net position for governmental activities declined by \$30.5 million to a negative \$224.6 million, primarily due to pension-related liabilities and other long-term obligations.
- Business-type activities ended the year with a net position of \$148.0 million, of which approximately 89.4% is invested in capital assets.
- General Fund revenues totaled \$158.4 million, representing 99.4% of the final amended budget. Property tax revenues exceeded projections, partially offset by declines in sales and use taxes.
- General Fund expenditures totaled \$161.2 million, or 94.7% of the final amended budget, resulting in \$9.1 million of unspent appropriations due primarily to staff vacancies, delayed expenditures, and the timing of grant- and donation-funded activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements consist of (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other information such as supplemental information and statistical section. Together, these statements provide both long-term and short-term perspectives of the City's financial position and accountability.

Government-wide Financial Statements

The government-wide financial statements present a broad overview of the City's financial position in a manner similar to a private-sector business. These statements are prepared using the full accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources. The difference between these elements is reported as net position.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. This statement demonstrates the extent to which governmental functions are supported by program revenues versus general revenues. Public Safety continued to represent the largest governmental function, accounting for approximately 58.8% of total governmental expenses.

Governmental activities are primarily supported by taxes and intergovernmental revenues, while business-type activities are supported largely by user fees and charges. During fiscal year 2025, governmental activities accounted for approximately 77.3% of total City revenues.

Fund Financial Statements

Fund financial statements provide detailed information about the City's funds. A fund is a grouping of related accounts used to maintain control over resources segregated for specific purposes. The City uses fund accounting to demonstrate compliance with finance-related legal requirements.

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 33 and 37.

Proprietary Funds are Enterprise and Internal Service Funds. The City uses Enterprise Funds for financial information reported as business-type activities in the government-wide statements, 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

Governmental Activities

At June 30, 2025, governmental activities reported net position of \$556.6 million, a decrease of \$14.0 million, or -2.4%, from the prior year. Total assets increased by \$2.4 million, primarily due to increases in long-term receivables. Total liabilities decreased by \$31.0 million, largely attributable to reductions in certain long-term obligations.

Despite the decrease in net position, the City continued to meet its current obligations and maintain adequate liquidity.

Unrestricted net position declined from a negative \$194.1 million to a negative \$224.6 million, an increase in the deficit of \$30.5 million, or 15.7%. This negative balance is primarily attributable to long-term liabilities, including pension obligation bonds, net pension liabilities, claims liabilities, leases and subscription obligations, and compensated absences.

The City's unrestricted net position has been negative since fiscal year 2014–15, following implementation of GASB Statement No. 68 related to pension liability reporting.

Restricted net position increased by \$6.3 million, or 9.4%, reflecting growth in resources restricted by external parties or enabling legislation.

Business Type Activities

Business-type activities reported net position of \$148.0 million at June 30, 2025. Approximately \$132.3 million is invested in capital assets, while \$15.7 million remains unrestricted. Total assets increased by \$3.4 million, primarily due to increases in cash, investments, and capital assets. Total liabilities increased by \$0.7 million, largely due to increase in accounts payable.

City of Orange						
Summary of Net Position						
For Fiscal Year Ended June 30, 2025 and 2024						
<i>(in thousands)</i>						
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and Other Assets	187,652	191,015	54,802	50,587	242,454	241,602
Capital Assets	742,367	736,639	132,736	133,580	875,104	870,219
Total Assets	930,019	927,654	187,538	184,167	1,117,557	1,111,821
Deferred Outflows of Resources	49,171	92,627	4,246	7,835	53,417	100,462
LIABILITIES						
Current Liabilities	17,720	22,643	11,104	8,473	28,824	31,116
Non-current Liabilities	385,615	411,695	30,028	31,972	415,643	443,667
Total Liabilities	403,335	434,338	41,132	40,445	444,467	474,783
Deferred Inflows of Resources	19,255	15,385	2,685	3,219	21,940	18,604
NET POSITION						
Net Investment Capital Assets	708,071	697,804	132,265	132,978	840,336	830,782
Restricted	73,170	66,863	-	-	73,170	66,863
Unrestricted	(224,641)	(194,108)	15,702	15,360	(208,940)	(178,748)
Total Net Position	556,600	570,558	147,967	148,339	704,567	718,897

GOVERNMENTAL FUND HIGHLIGHTS AND ANALYSIS

Governmental fund revenues totaled \$215.2 million for the fiscal year ended June 30, 2025, an decrease of \$1.7 million, or -0.8%, from the prior year. Major revenue sources included property taxes of \$58.7 million, sales and use taxes of \$50.7 million, and charges for services of \$43.2 million.

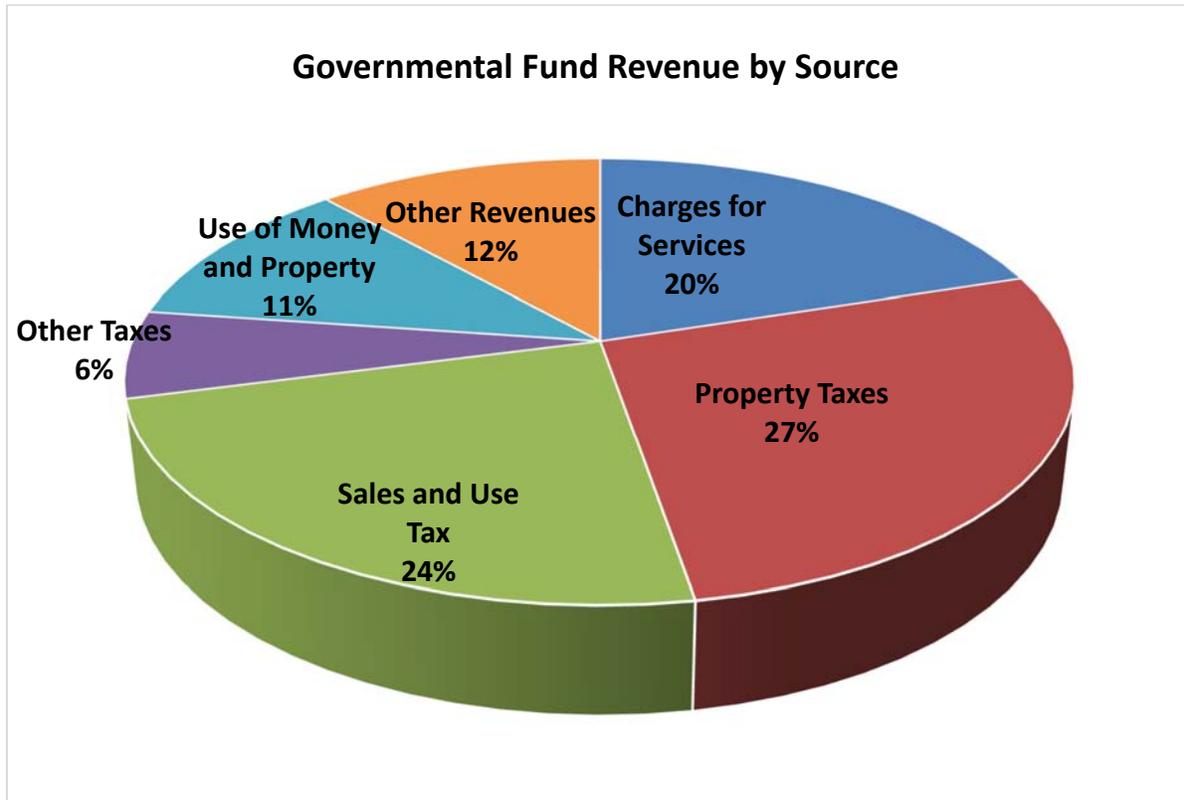
Governmental fund expenditures totaled \$224.6 million, an increase of \$20.6 million, or 10.1%, compared to the prior year. Public Safety remained the largest expenditure category, accounting for approximately 58.8% of total governmental fund expenditures.

Governmental Fund Revenues:

The graph on the next page shows a summary of Governmental Fund revenue by source which includes the taxes, charges for services, use of money and property, and other revenues that are used to provide services to the community.

Revenues in the governmental fund decreased by \$1.7 million, or -0.8%. Some of the major changes in governmental fund revenue are:

- Charges for services increased by \$9.9 million or 29.7%
- Operating grants decreased by \$1.3 million or -17.9%
- Use of money and property increased by \$16.7 million or 229.3%



Governmental Fund Expenditures:

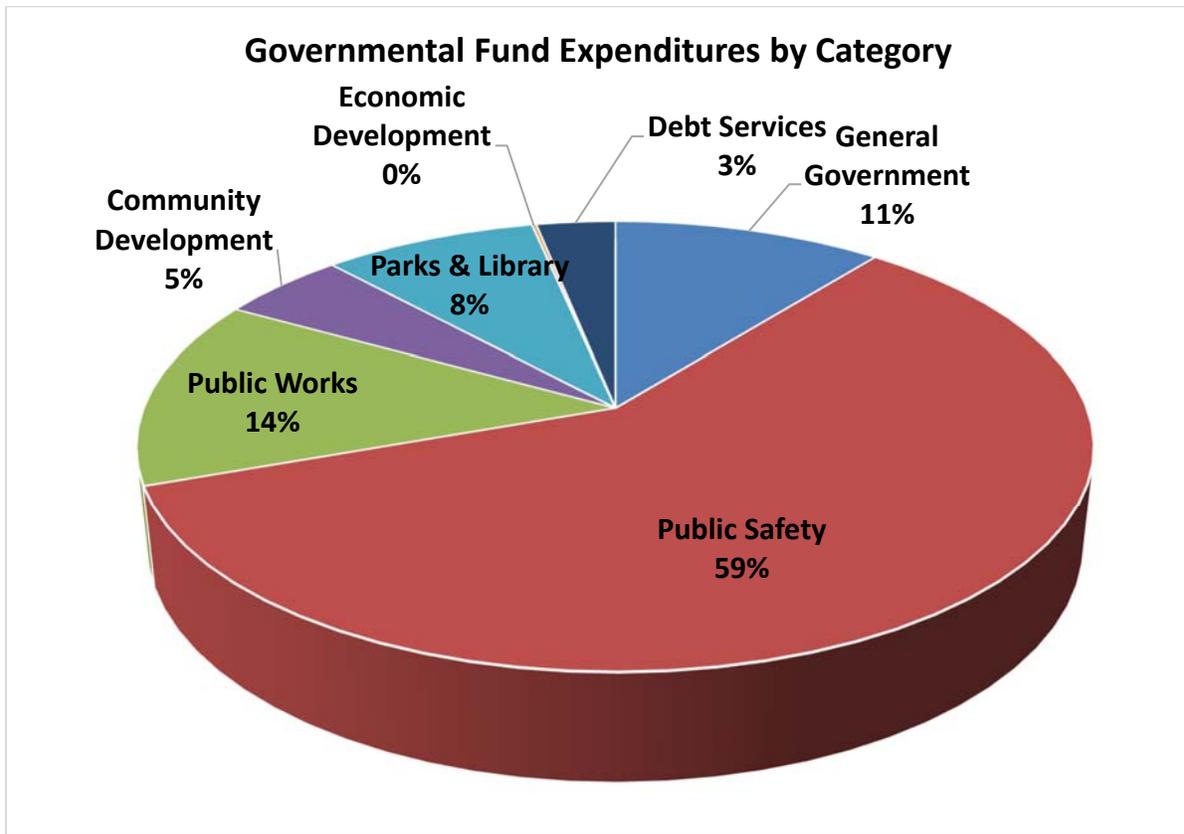
The graph below shows a summary of Governmental Fund type expenditures which includes the various departments, such as Public Safety, Public Works, Parks and Library and General Government (e.g. City Manager, City Clerk, Finance, Human Resources, Information Technology, etc.).

Governmental fund expenditures totaled \$224.6 million, an increase of 20.6 million, or 10.1%, from the prior year. Public Safety continued to represent the largest expenditure category, accounting for approximately 58.0% of total governmental fund expenditures.

Approximately \$193.0 million or 86.0% of the governmental activities are direct services to the community:

- \$132.1 million of 58.8% is used for Public Safety
- \$30.5 million or 13.6% is used for Public Works
- \$19.1 million or 8.5% is used for Parks and Library
- \$11.3 million or 5.1% is used for Community Development

The General Fund expenditures underspent budget by almost \$9.1 million, or 94.7% of the final budget. The unspent budget is a combination of vacancies throughout the city, unpaid commitments, and a combination of unspent donations and grants received during the year.



Overall, governmental activities increased by \$20.7 million, or 10.1% compared to the prior fiscal year. Below are the highlighted changes in governmental activities:

- General government increased by \$7.4 million or 44.1%. This increase is from the consolidation of certain Internal Service Funds such as Equipment Replacement, Major Building Improvements, Self Insurance Dental, and Information Systems Operations to the General Fund.
- Community Development increased by \$3.6 million or 47.4%. The increase is mainly from activities with grants received from the California Department of Housing and Community Development and the U.S. Department of Housing and Urban Development.
- Parks and Library decreased by \$3.1 million or -14.1% from the elimination of special events and programs and the reduction in library services hours.

City of Orange
Summary of Net Position
For Fiscal Year Ended June 30, 2025 and 2024
(in thousands)

	Governmental Activities		Amount
REVENUES:	2025	2024	Increase (Decrease)
Program Revenues:			
Charges for Services	43,188	33,304	9,884
Operating Grants and Contributions	5,967	7,266	(1,299)
Capital Grants and Contributions	14,890	15,249	(359)
General Revenues:			
Taxes			
Property Taxes	58,692	55,610	3,082
Sales and Used Taxes	50,683	51,891	(1,208)
Transient Occupancy Taxes	6,163	6,093	70
Franchise Taxes	2,944	3,201	(257)
Other Taxes	4,532	3,418	1,114
Use of Money and Property	24,016	7,292	16,723
Other	4,096	35,888	(31,793)
Gain on Sale of Capital Asset	37	53	
Transfers	-	(2,310)	2,310
Total Revenues	<u>215,208</u>	<u>216,956</u>	<u>(1,732)</u>
EXPENSES:			
Program Activities			
General Government	24,090	16,723	7,367
Public Safety	132,087	124,980	7,107
Public Works	30,522	22,437	8,085
Community Development	11,345	7,696	3,649
Parks & Library	19,142	22,279	(3,137)
Economic Development	386	1,723	(1,337)
Debt Services	-	-	-
Interest on Long-term Debts	7,069	8,125	(1,056)
Total Expenses	<u>224,640</u>	<u>203,963</u>	<u>20,677</u>
Changes in Net Position	<u>(9,432)</u>	<u>12,993</u>	<u>(22,409)</u>

The City closed FY 2024-25 with a negative change in the net position of -\$9.4 million compared to the \$13.0 million in the prior year. This change was driven by the decrease in revenues of \$1.7 million and an increase of \$20.7 million in expenditure. The negative change in net position indicates the City's continued challenge to keep pace with operating costs and positioning the City to rebuild reserves.

Other General Fund Highlights:

- General Fund revenues increased by \$14.9 million or 10.16% over prior year, from \$147.0 million to \$161.9 million. This increase is mainly from the consolidation of several Internal Service Funds.
- General Fund operating expenditure totaled \$161.2 million, an increase of \$16.9 million or 11.7% compared to the prior fiscal year. This increase is mainly from the consolidation of several Internal Service Funds.
- General Fund recorded over \$3.0 million of one-time transfer in.

City of Orange					
General Fund Revenues and Other Financing Sources					
For Fiscal Year Ended June 30, 2025 and 2024					
<i>(in thousands)</i>					
	2025	Percent of	2024	Percent of	Increase
	Actuals	Total	Actuals	Total	(Decrease)
REVENUES					
Taxes	113,165	70%	111,273	76%	1,892
Franchise Fees	2,753	2%	2,981	2%	(228)
Licenses and Permits	6,396	4%	6,761	5%	(365)
Fines and Forfeitures	2,624	2%	1,748	1%	876
Use of Money and Property	3,816	2%	4,816	3%	(1,000)
Intergovernmental Revenues	3,003	2%	4,011	3%	(1,008)
Charges for Services	22,672	14%	11,136	8%	11,536
Other Revenues	<u>3,940</u>	2%	<u>1,632</u>	1%	<u>2,308</u>
Total Revenues	158,368	98%	144,358	98%	14,010
Other Financing Sources	<u>3,555</u>	2%	<u>2,629</u>	2%	<u>926</u>
Total Revenues & Other Financing Sources	<u><u>161,923</u></u>	100%	<u><u>146,987</u></u>	100%	<u><u>14,936</u></u>
EXPENDITURES					
General Government	19,420	12%	12,488	9%	6,932
Public Safety	103,299	64%	96,249	66%	7,050
Public Works	12,373	8%	10,168	7%	2,205
Parks and Library	16,757	10%	17,055	12%	(298)
Community Development	6,324	4%	6,252	4%	72
Economic Development	145	0%	148	0%	(3)
Debt Services	2,338	1%	1,782	1%	556
Other Expenses	<u>519</u>	0%	<u>115</u>	0%	<u>404</u>
Total Expenditures	161,176	99%	144,257	98%	16,919
Other Financing Uses	488	0%	-	0%	488
Extraordinary Items	<u>-</u>	0%	<u>-</u>	0%	<u>-</u>
Total Expenditures & Other Financing Sources	<u><u>161,664</u></u>	100%	<u><u>144,257</u></u>	98%	<u><u>17,407</u></u>

FUND BALANCE ANALYSIS OF THE GOVERNMENTAL FUNDS

In August 2025, the City Council adopted a Financial Management Policy establishing a minimum General Fund reserve level of 16.6% of annual General Fund expenditures.

At year-end, governmental funds reported combined fund balances of approximately \$137.9 million, an increase of \$7.7 million from the prior year. This increase was primarily attributable to the consolidation of some of the Internal Service Funds to the General Fund.

Governmental fund balances ended FY 2025 as follows:

City of Orange Summary of Fund Balances Governmental Funds For Fiscal Year Ended June 30, 2025 and 2024 (in thousands)			
CATEGORY	Governmental Funds		Amount Increase (Decrease)
	2025	2024	
Nonspendable	1,334,127	271,684	1,062,443
Restricted	73,170,463	66,862,501	6,307,962
Committed	30,166,289	23,891,358	6,274,931
Assigned	35,145,220	38,371,046	(3,225,826)
Unassigned	(1,944,877)	725,414	(2,670,291)
Total Fund Balance	<u>137,871,222</u>	<u>130,122,003</u>	<u>7,749,219</u>

The General Fund reported an ending fund balance of \$31.1 million, an increase of \$2.6 million from the prior year. Committed fund balance totaled \$26.4 million, representing 16.6% of General Fund expenditure. Assigned and nonspendable fund balances totaled \$4.7 million and included amounts for prepaid expenses, inventories, and approved carryovers.

City of Orange Summary of Fund Balances General Fund For Fiscal Year Ended June 30, 2025 and 2024 (in thousands)			
CATEGORY	2025	2024	Amount Increase (Decrease)
Nonspendable	1,334,127	271,684	1,062,443
Restricted	8,413	-	8,413
Committed	26,380,740	23,891,358	2,489,382
Assigned	3,335,112	3,568,489	(233,377)
Unassigned	-	726,027	(726,027)
Total Fund Balance	<u>31,058,392</u>	<u>28,457,558</u>	<u>2,600,834</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

Enterprise Fund operating revenues increased by \$3.6 million, or 6.4%, primarily due to water rate increases approved by the City Council and increased consumption. Operating expenses increased by \$16.0 million, or 33.8%, due to higher operating costs and a one-time \$5.0 million contribution to the Orange County Water District for PFAS treatment facilities.

Enterprise Fund net position decreased by almost \$0.4 million during fiscal year 2025.

City of Orange Summary of Net Position Business- Type Activities For Fiscal Year Ended June 30, 2025 and 2024 <i>(in thousands)</i>			
	Business-Type Activities		Amount
REVENUES:	2025	2024	Increase (Decrease)
Program Revenues:			
Charges for Services	56,311	50,662	5,649
Operating Contributions and Grants	4,348	721	
General Revenues:			
Taxes	-	-	-
Sales and Used Taxes	-	-	-
Use of Money and Property	2,220	1,783	438
Other Revenues	265	440	(175)
Transfers	-	2,310	(2,310)
Total Revenues	63,144	55,916	3,601
EXPENSES:			
Program Activities			
Water	51,542	38,090	13,452
Sanitation	11,828	9,286	2,542
Total Expenses	63,370	47,376	15,994
Changes in Net Position	(226)	8,540	(12,394)

Internal Service Funds

Internal Service Funds reported total revenues of \$17.7 million for the fiscal year ended June 30, 2025, a decrease of \$3.3 million, or -15.8%, from the prior year. The decrease was primarily due to the consolidation of certain Internal Service Funds into the General Fund.

Total expenses increased by \$4 million or 18.4%, reflecting higher leave payouts associated with employee retirements and separations, as well as increased employer contributions to CalPERS. Fiscal year 2025 was the first year since issuance of the Pension Obligation Bond that additional payments were required to be made toward the unfunded pension liability.

As a result, Internal Service Funds reported a decrease in net position, ending the year with a negative net position of \$7.3 million.

City of Orange			
Summary of Net Position			
Internal Service Funds			
For Fiscal Year Ended June 30, 2025 and 2024			
<i>(in thousands)</i>			
	Internal Service Activities		Amount
	2025	2024	Increase (Decrease)
REVENUES:			
Operating Revenues	15,722	18,344	(2,622)
Other Revenues	1,976	1,682	294
Transfers	-	1,000	(1,000)
Total Revenues	17,698	21,026	(3,328)
EXPENSES:			
Operating Expenses	25,809	21,794	4,015
(Gain) loss on disposal of capital assets	75		
Transfers Out	-	-	-
Total Expenses	25,884	21,794	4,015
Changes in Net Position	(8,187)	(768)	(7,343)

CAPITAL ASSET AND DEBT ADMINISTRATION

The City's Five-Year Capital Improvement Plan identifies approximately \$126.0 million in planned capital investments for fiscal years 2024–25 through 2028–29.

At June 30, 2025, the City had invested approximately \$875.1 million in capital assets, including land, buildings, infrastructure, vehicles, and equipment, representing an increase of \$4.9 million from the prior year.

City of Orange						
Summary of Capital Assets (Net of Depreciation)						
For Fiscal Year Ended June 30, 2025 and 2024						
<i>(in thousands)</i>						
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and Improvements	81,702	82,133	2,647	2,647	84,349	84,780
Projects in Progress	367,054	372,227	11,602	11,193	378,656	383,420
Buildings	119,266	108,667	1,375	1,522	120,641	110,189
Furniture, Fixture & Equipment	16,790	14,455	6,955	7,564	23,745	22,019
Infrastructures	151,854	152,513	109,511	109,848	261,365	262,361
Lease Assets	256	111	-	-	256	111
Subscription Assets	5,446	6,534	646	806	6,091	7,340
Total Capital Assets	<u>742,367</u>	<u>736,640</u>	<u>132,736</u>	<u>133,580</u>	<u>875,104</u>	<u>870,220</u>

Long-term liabilities totaled \$314.6 million at June 30, 2025, a decrease of \$9.0 million, or 2.8%, from the prior year. Pension obligation bonds remained the City's largest long-term liability.

The table below is a reconciliation of the long-term liabilities for the year ended June 30, 2025:

City of Orange					
Summary of Changes in Long-Term Liabilities					
<i>(in thousands)</i>					
	Balance			Balance	
	June 30,	Additions	Reduction	June 30,	Due Within
2024	2025			One-Year	
Government Activities					
Loans Payable	78	250	50	278	68
Lease Payable	111	223	66	267	61
Subscription Payable	6,566	82	986	5,663	1,175
Lease Revenue Bond	28,290	-	595	27,695	620
Premium on Lease Revenue Bond	3,792	-	146	3,646	-
Pension Obligation Bond	238,633	-	10,402	228,231	10,499
Compensated Absences	11,390	1,144	-	12,534	5,905
Claims Payable	14,394	7,449	5,349	16,494	6,058
Total Government Activities	303,254	9,147	17,594	294,808	24,386
Business-type Activities					
Compensated Absences	898	394	-	1,292	295
Pension Obligation Bond	18,882	-	823	18,059	831
Subscription Payable	601	-	131	470	139
Total Business-type Activities	20,381	394	954	19,821	1,265
Total Government-wide	<u>323,635</u>	<u>9,541</u>	<u>18,547</u>	<u>314,629</u>	<u>25,650</u>

More detailed information on the City's long-term liabilities can be found in note 12 of the Notes to the Financial Statements.

Economic Factors and Next Year's Budget:

The City's economic outlook remains stable, supported by steady growth in assessed property values and continued sales tax activity. Inflation and interest rates continue to influence operating and capital costs.

The fiscal year 2025–26 adopted budget maintains the City's focus on public safety, infrastructure maintenance, and long-term fiscal sustainability.

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 <https://www.cityoforange.org/our-city/departments/finance/annual-comprehensive-financial-reports>. 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, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 110,281,702	\$ 43,784,558	\$ 154,066,260
Receivables (net of uncollectibles):			
Accounts	13,254,496	9,751,299	23,005,795
Taxes	9,412,905	813	9,413,718
Accrued interest	909,214	343,713	1,252,927
Due from other governments	1,549,545	-	1,549,545
Notes and loans	45,973,562	-	45,973,562
Leases	1,675,886	-	1,675,886
Restricted assets:			
Cash with fiscal agent	3,260,379	-	3,260,379
Inventories	930,045	921,579	1,851,624
Prepaid costs	404,082	-	404,082
Capital assets (not being depreciated/amortized)	448,756,301	14,249,210	463,005,511
Capital assets (net of accumulated depreciation/amortization)	293,611,126	118,486,961	412,098,087
Total assets	930,019,243	187,538,133	1,117,557,376
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	44,573,123	3,096,744	47,669,867
OPEB-related	4,597,673	1,149,418	5,747,091
Total deferred outflows of resources	49,170,796	4,246,162	53,416,958
LIABILITIES			
Accounts payable	5,604,097	10,603,545	16,207,642
Contracts payable	269,115	-	269,115
Accrued liabilities	4,757,154	337,558	5,094,712
Accrued interest	680,482	39,234	719,716
Deposits payable	3,022,788	123,667	3,146,455
Unearned revenue	3,386,587	-	3,386,587
Noncurrent liabilities:			
Due within one year:			
Total OPEB liability	1,209,164	318,201	1,527,365
Bonds, loans, leases, subscriptions, claims, and compensated absences	24,385,396	1,264,740	25,650,136
Due in more than one year:			
Net pension liability	64,329,910	3,585,580	67,915,490
Total OPEB liability	25,269,372	6,301,433	31,570,805
Bonds, loans, leases, subscriptions, claims, and compensated absences	270,421,204	18,558,346	288,979,550
Total liabilities	403,335,269	41,132,304	444,467,573
DEFERRED INFLOWS OF RESOURCES			
Pension-related	499,597	-	499,597
OPEB-related	10,741,820	2,685,456	13,427,276
Lease-related	1,552,364	-	1,552,364
PPP-related	6,461,119	-	6,461,119
Total deferred inflows of resources	19,254,900	2,685,456	21,940,356
NET POSITION			
Net investment in capital assets	708,071,099	132,265,035	840,336,134
Restricted:			
Public safety	4,699,463	-	4,699,463
Federal & state grants	9,732,975	-	9,732,975
Housing	28,449,585	-	28,449,585
Streets/roads/transportation improv.	13,911,453	-	13,911,453
Development related transport improv.	4,416,063	-	4,416,063
Air quality	332,608	-	332,608
Asset forfeiture operations	3,760,506	-	3,760,506
Assessment district landscape maint.	2,006,813	-	2,006,813
Gov. access/local access programming	286,795	-	286,795
Affordable housing units	4,896,237	-	4,896,237
Training/certifying building inspect.	669,552	-	669,552
Pension obligation bond	8,413	-	8,413
Unrestricted	(224,641,692)	15,701,500	(208,940,192)
Total net position	\$ 556,599,870	\$ 147,966,535	\$ 704,566,405

CITY OF ORANGE, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2025

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 24,089,979	\$ 21,398,130	\$ 4,532,775	\$ -
Public safety	132,087,478	11,600,833	1,391,167	-
Community development	11,344,671	2,101,614	-	2,658,019
Parks and library	19,141,883	1,076,673	42,800	-
Public works	30,521,699	7,010,908	-	12,231,955
Economic development	385,660	-	-	-
Interest on long-term debt	7,068,584	-	-	-
Total governmental activities	<u>224,639,954</u>	<u>43,188,158</u>	<u>5,966,742</u>	<u>14,889,974</u>
Business-type activities:				
Sanitation	11,828,262	8,975,326	69,602	-
Water	51,542,436	47,335,301	4,278,705	-
Total business-type activities	<u>63,370,698</u>	<u>56,310,627</u>	<u>4,348,307</u>	<u>-</u>
Total primary government	<u>\$ 288,010,652</u>	<u>\$ 99,498,785</u>	<u>\$ 10,315,049</u>	<u>\$ 14,889,974</u>

General revenues:

General revenues:

Property taxes

Sales taxes

Transient occupancy taxes

Franchise taxes

Other taxes

Use of money and property

Other

Gain on sale of capital assets

Total general revenues

Change in net position

Net position - beginning, as previously stated

Restatements - error correction

Restatements - changes within the reporting entity

Restatements - change in accounting principle

Net position-beginning, as restated

Net position-ending

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

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ 1,840,926	\$ -	\$ 1,840,926
(119,095,478)	-	(119,095,478)
(6,585,038)	-	(6,585,038)
(18,022,410)	-	(18,022,410)
(11,278,836)	-	(11,278,836)
(385,660)	-	(385,660)
(7,068,584)	-	(7,068,584)
(160,595,080)	-	(160,595,080)
-	(2,783,334)	(2,783,334)
-	71,570	71,570
-	(2,711,764)	(2,711,764)
(160,595,080)	(2,711,764)	(163,306,844)
58,692,002	-	58,692,002
50,683,134	-	50,683,134
6,163,266	-	6,163,266
2,943,807	-	2,943,807
4,531,813	-	4,531,813
24,015,779	2,220,468	26,236,247
4,095,873	243,920	4,339,793
37,208	20,726	57,934
151,162,882	2,485,114	153,647,996
(9,432,198)	(226,650)	(9,658,848)
570,557,891	148,338,723	718,896,614
(2,938,830)	-	(2,938,830)
(4,272)	4,272	-
(1,582,721)	(149,810)	(1,732,531)
566,032,068	148,193,185	714,225,253
\$ 556,599,870	\$ 147,966,535	\$ 704,566,405

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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:

- Measure M
- Federal, State & Local Grants
- SB2 Building Home & Jobs Act
- 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, 2025

Special Revenue Funds

	General	Measure M	Federal, State & Local Grants	SB2 Building Home & Jobs Act
ASSETS				
Cash and investments	\$ 27,519,852	\$ 6,978,114	\$ 1,807,337	\$ 1,386,558
Receivables (net of allowance for uncollectible):				
Accounts	2,400,379	186,630	2,123,790	399,168
Taxes	9,011,247	-	-	-
Accrued interest	397,865	50,325	22,249	10,714
Due from other governments	824,380	725,165	-	-
Notes and loans	-	-	8,036,562	-
Leases	1,560,131	-	-	-
Prepaid expense	404,082	-	-	-
Inventories	930,045	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	8,413	-	-	-
Total assets	\$ 43,056,394	\$ 7,940,234	\$ 11,989,938	\$ 1,796,440
LIABILITIES				
Accounts payable	\$ 1,960,272	\$ 605,794	\$ 135,525	\$ 1,501,467
Contracts payable	-	39,413	4,248	-
Accrued liabilities	4,703,402	-	-	-
Deposits payable	3,021,338	1,450	-	-
Unearned revenues	367,907	-	-	1,840,682
Total liabilities	10,052,919	646,657	139,773	3,342,149
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	502,900	186,630	2,117,190	399,168
Lease-related	1,442,183	-	-	-
Total deferred inflows of resources	1,945,083	186,630	2,117,190	399,168
FUND BALANCES				
Nonspendable	1,334,127	-	-	-
Restricted	8,413	7,106,947	9,732,975	-
Committed	26,380,740	-	-	-
Assigned	3,335,112	-	-	-
Unassigned	-	-	-	(1,944,877)
Total fund balances	31,058,392	7,106,947	9,732,975	(1,944,877)
Total liabilities, deferred inflows of resources, and fund balances	\$ 43,056,394	\$ 7,940,234	\$ 11,989,938	\$ 1,796,440

CITY OF ORANGE, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2025

	Special Revenue Fund	Capital Projects Fund	
	Housing Successor	Capital Improvement	Park Acquisition, Development and Maintenance
ASSETS			
Cash and investments	\$ 118,262	\$ 14,653,599	\$ 10,371,196
Receivables (net of allowance for uncollectible):			
Accounts	-	6,905,115	262,686
Taxes	-	-	-
Accrued interest	850	136,551	81,242
Due from other governments	-	-	-
Notes and loans	29,582,480	3,000,000	646,045
Leases	-	-	-
Prepaid expense	-	-	-
Inventories	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	3,251,966	-
Total assets	\$ 29,701,592	\$ 27,947,231	\$ 11,361,169
LIABILITIES			
Accounts payable	\$ 2,007	\$ 400,899	\$ 269,947
Contracts payable	-	219,329	-
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Unearned revenues	-	17,117	-
Total liabilities	2,007	637,345	269,947
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	1,250,000	4,614,926	908,731
Lease-related	-	-	-
Total deferred inflows of resources	1,250,000	4,614,926	908,731
FUND BALANCES			
Nonspendable	-	-	-
Restricted	28,449,585	-	-
Committed	-	3,785,549	-
Assigned	-	18,909,411	10,182,491
Unassigned	-	-	-
Total fund balances	28,449,585	22,694,960	10,182,491
Total liabilities, deferred inflows of resources, and fund balances	\$ 29,701,592	\$ 27,947,231	\$ 11,361,169

CITY OF ORANGE, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2025

	Total Nonmajor Funds	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 26,019,190	\$ 88,854,108
Receivables (net of allowance for uncollectible):		
Accounts	844,989	13,122,757
Taxes	401,658	9,412,905
Accrued interest	209,418	909,214
Due from other governments	-	1,549,545
Notes and loans	4,708,475	45,973,562
Leases	115,755	1,675,886
Prepaid expense	-	404,082
Inventories	-	930,045
Restricted assets:		
Cash and investments with fiscal agents	-	3,260,379
Total assets	<u>\$ 32,299,485</u>	<u>\$ 166,092,483</u>
LIABILITIES		
Accounts payable	\$ 246,494	\$ 5,122,405
Contracts payable	6,125	269,115
Accrued liabilities	53,752	4,757,154
Deposits payable	-	3,022,788
Unearned revenues	1,160,881	3,386,587
Total liabilities	<u>1,467,252</u>	<u>16,558,049</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	131,303	10,110,848
Lease-related	110,181	1,552,364
Total deferred inflows of resources	<u>241,484</u>	<u>11,663,212</u>
FUND BALANCES		
Nonspendable	-	1,334,127
Restricted	27,872,543	73,170,463
Committed	-	30,166,289
Assigned	2,718,206	35,145,220
Unassigned	-	(1,944,877)
Total fund balances	<u>30,590,749</u>	<u>137,871,222</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,299,485</u>	<u>\$ 166,092,483</u>

CITY OF ORANGE, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

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

Total fund balances - governmental funds		\$ 137,871,222
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		719,065,451
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 post-employment 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	44,573,123	
Deferred outflows-OPEB related	4,597,673	
Deferred inflows-pension related	(499,597)	
Deferred inflows-OPEB related	<u>(10,741,820)</u>	
Total deferred outflows and inflows related to post-employment benefits		37,929,379
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.		3,610,848
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.		22,644,834
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	(255,926,033)	
Loan payable	(277,373)	
Leases and subscriptions payable	(649,733)	
Compensated absences	(12,533,587)	
Accrued interest payable on long-term debt	(680,482)	
Net pension liability	(64,329,910)	
Net OPEB liability	<u>(26,478,536)</u>	
Total long-term liabilities		(360,875,654)
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>(3,646,210)</u>
Net position of governmental activities		<u><u>\$ 556,599,870</u></u>

CITY OF ORANGE, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	<i>Formerly Major Fund</i>			
	General	Proposition 172	Measure M	Federal, State & Local Grants
REVENUES				
Taxes	\$ 113,164,832	\$ -	\$ -	\$ -
Franchise fees	2,753,300	-	-	-
Licenses and permits	6,396,387	-	-	-
Intergovernmental	3,002,532	-	4,737,429	2,225,916
Charges for services and fees	22,671,799	-	-	156,260
Use of money and property	3,815,519	-	288,580	143,864
Fines and forfeitures	2,623,786	-	-	-
Miscellaneous	3,939,610	-	-	32,563
Total revenues	158,367,765	-	5,026,009	2,558,603
EXPENDITURES				
Current:				
General government	19,420,355	-	-	-
Public safety	103,298,970	-	-	217,059
Community development	6,324,386	-	-	510,138
Parks and library	16,756,991	-	300,397	-
Public works	12,373,209	-	711,614	26,779
Economic development	145,382	-	-	-
Capital outlay	519,058	-	2,124,382	544,166
Debt service:				
Principal	1,122,754	-	-	-
Interest and fiscal charges	1,215,249	-	-	-
Total expenditures	161,176,354	-	3,136,393	1,298,142
Excess (deficiency) of revenues over (under) expenditures	(2,808,589)	-	1,889,616	1,260,461
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	-	-	-
Transfers out	(487,680)	-	-	-
Issuance of loans	555,209	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	3,067,529	-	-	-
Net change in fund balances	258,940	-	1,889,616	1,260,461
Fund balances-beginning	28,457,558	841,793	5,217,331	8,472,514
Restatements - Changes within the financial reporting entity	2,341,894	(841,793)	-	-
Restatements - error correction	-	-	-	-
Fund balances-beginning, as restated	30,799,452	-	5,217,331	8,472,514
Fund balances-ending	\$ 31,058,392	\$ -	\$ 7,106,947	\$ 9,732,975

See notes to financial statements.

CITY OF ORANGE, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	
	<i>Formerly Non-Major Fund</i>			
	SB2 Building Home & Jobs Act	Housing Successor	Capital Improvement	Park Acquisition, Development and Maintenance
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-
Licenses and permits	-	-	3,060	-
Intergovernmental	2,658,019	-	4,736,201	-
Charges for services and fees	-	-	4,476,794	244,376
Use of money and property	114,657	111,472	1,202,459	659,070
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	9,965	-
Total revenues	2,772,676	111,472	10,428,479	903,446
EXPENDITURES				
Current:				
General government	-	28,962	-	-
Public safety	-	-	-	-
Community development	3,343,153	202,739	-	-
Parks and library	-	-	-	-
Public works	-	-	-	-
Economic development	-	46,026	-	-
Capital outlay	-	-	7,571,097	461,791
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	3,343,153	277,727	7,571,097	461,791
Excess (deficiency) of revenues over (under) expenditures	(570,477)	(166,255)	2,857,382	441,655
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	354,029	-
Transfers out	-	-	(3,000,000)	-
Issuance of loans	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	(2,645,971)	-
Net change in fund balances	(570,477)	(166,255)	211,411	441,655
Fund balances-beginning	-	28,615,840	22,483,549	9,740,836
Restatements - Changes within the financial reporting entity	1,564,430	-	-	-
Restatements - error correction	(2,938,830)	-	-	-
Fund balances-beginning, as restated	(1,374,400)	28,615,840	22,483,549	9,740,836
Fund balances-ending	\$ (1,944,877)	\$ 28,449,585	\$ 22,694,960	\$ 10,182,491

See notes to financial statements.

CITY OF ORANGE, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Total Nonmajor Funds	Total Governmental Funds
REVENUES		
Taxes	\$ 2,373,570	\$ 115,538,402
Franchise fees	190,507	2,943,807
Licenses and permits	-	6,399,447
Intergovernmental	8,084,577	25,444,674
Charges for services and fees	4,879,334	32,428,563
Use of money and property	1,189,047	7,524,668
Fines and forfeitures	56,058	2,679,844
Miscellaneous	16,567,491	20,549,629
Total revenues	33,340,584	213,509,034
EXPENDITURES		
Current:		
General government	320,932	19,770,249
Public safety	4,886,617	108,402,646
Community development	8,190	10,388,606
Parks and library	945,121	18,002,509
Public works	3,790,214	16,901,816
Economic development	21,029	212,437
Capital outlay	2,723,622	13,944,116
Debt service:		
Principal	10,401,938	11,524,692
Interest and fiscal charges	6,051,496	7,266,745
Total expenditures	29,149,159	206,413,816
Excess (deficiency) of revenues over (under) expenditures	4,191,425	7,095,218
OTHER FINANCING SOURCES (USES)		
Transfers in	133,651	3,487,680
Transfers out	-	(3,487,680)
Issuance of loans	-	555,209
Proceeds from sale of capital assets	700,000	700,000
Total other financing sources (uses)	833,651	1,255,209
Net change in fund balances	5,025,076	8,350,427
Fund balances-beginning	26,292,582	130,122,003
Restatements - Changes within the financial reporting entity	(726,909)	2,337,622
Restatements - error correction	-	(2,938,830)
Fund balances-beginning, as restated	25,565,673	129,520,795
Fund balances-ending	\$ 30,590,749	\$ 137,871,222

See notes to financial statements.

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, 2025

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

Net change in fund balances - total governmental funds: \$ 8,350,427

Governmental funds report capital outlays as 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.

Capital outlay	10,760,061	
Depreciation/amortization expense	(9,939,779)	
Total adjustment		820,282

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

PPP revenue	38,881	
Earned but unavailable grant revenues	1,622,633	
Total adjustment		1,661,514

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

Loss on disposal of capital assets	(1,166,803)	
Total adjustment		(1,166,803)

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.

Notes and loans issued	(250,000)	
Leases issued	(222,814)	
SBITAs issued	(82,395)	
Amortization of bond premiums and discounts	145,849	
Principal payments	11,815,516	
Total adjustment		11,406,156

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.

(7,862,005)

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

Accrued interest on long-term debt	52,312	
Compensated absences	439,120	
Changes in pension liabilities and related deferred outflows and inflows of resources	(22,954,815)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(178,386)	
Total adjustment		(22,641,769)

Change in net position of governmental activities \$ (9,432,198)

CITY OF ORANGE, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities			Governmental Activities
	Sanitation	Water	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 13,431,794	\$ 30,352,764	\$ 43,784,558	\$ 21,427,594
Receivables (net of uncollectibles):				
Accounts	948,276	8,803,023	9,751,299	131,739
Taxes	813	-	813	-
Accrued interest	105,535	238,178	343,713	-
Inventories	-	921,579	921,579	-
Total current assets	<u>14,486,418</u>	<u>40,315,544</u>	<u>54,801,962</u>	<u>21,559,333</u>
Noncurrent:				
Capital assets, net	58,525,997	74,210,174	132,736,171	23,301,976
Total noncurrent assets	<u>58,525,997</u>	<u>74,210,174</u>	<u>132,736,171</u>	<u>23,301,976</u>
Total assets	<u>73,012,415</u>	<u>114,525,718</u>	<u>187,538,133</u>	<u>44,861,309</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related	929,023	2,167,721	3,096,744	-
OPEB-related	344,825	804,593	1,149,418	-
Total deferred outflows of resources	<u>1,273,848</u>	<u>2,972,314</u>	<u>4,246,162</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	548,290	10,055,255	10,603,545	481,692
Accrued expenses	120,590	216,968	337,558	-
Unearned revenues	-	-	-	-
Accrued interest	11,770	27,464	39,234	-
Deposits payable	-	123,667	123,667	-
Compensated absences, due in one year	115,559	179,475	295,034	-
Claims and judgments, due in one year	-	-	-	6,057,758
Subscriptions, due in one year	16,776	122,169	138,945	1,038,105
Bonds, due in one year	249,228	581,533	830,761	-
Total OPEB liability, due in one year	222,741	95,460	318,201	-
Total current liabilities	<u>1,284,954</u>	<u>11,401,991</u>	<u>12,686,945</u>	<u>7,577,555</u>
Noncurrent liabilities:				
Compensated absences	390,878	607,072	997,950	-
Claims and judgments	-	-	-	10,436,130
Subscriptions	166,096	166,095	332,191	4,202,790
Bonds, notes, and loans	5,168,461	12,059,744	17,228,205	-
Net pension liability	1,075,674	2,509,906	3,585,580	-
Total OPEB liability	1,763,149	4,538,284	6,301,433	-
Total noncurrent liabilities	<u>8,564,258</u>	<u>19,881,101</u>	<u>28,445,359</u>	<u>14,638,920</u>
Total liabilities	<u>9,849,212</u>	<u>31,283,092</u>	<u>41,132,304</u>	<u>22,216,475</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB-related	805,637	1,879,819	2,685,456	-
Total deferred inflows of resources	<u>805,637</u>	<u>1,879,819</u>	<u>2,685,456</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	58,343,125	73,921,910	132,265,035	18,061,081
Unrestricted	5,288,289	10,413,211	15,701,500	4,583,753
Total net position	<u>\$ 63,631,414</u>	<u>\$ 84,335,121</u>	<u>147,966,535</u>	<u>\$ 22,644,834</u>

See 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, 2025

	Business-Type Activities			Governmental
	Sanitation	Water	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Water sales and services	\$ -	\$ 47,050,029	\$ 47,050,029	\$ -
Charges for services and fees	8,975,326	285,272	9,260,598	15,722,062
Other revenues	48,682	195,238	243,920	1,975,580
Total operating revenues	9,024,008	47,530,539	56,554,547	17,697,642
OPERATING EXPENSES				
Salaries and wages	2,225,428	4,605,542	6,830,970	5,158,991
Maintenance and operations	1,234,694	32,782,981	34,017,675	6,513,454
Contractual services	1,173,692	5,072,030	6,245,722	224,367
Interfund charge for administrative services	1,151,025	4,848,671	5,999,696	-
Insurance claims and charges	-	-	-	11,501,517
Depreciation/amortization	5,344,621	2,526,715	7,871,336	2,410,714
Other expenses	541,907	1,340,405	1,882,312	-
Total operating expenses	11,671,367	51,176,344	62,847,711	25,809,043
Operating income (loss)	(2,647,359)	(3,645,805)	(6,293,164)	(8,111,401)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	69,602	4,278,705	4,348,307	-
Use of money and property	681,902	1,538,566	2,220,468	-
Interest expense	(156,895)	(366,092)	(522,987)	-
Gain (loss) on disposal of capital assets	23,742	(3,016)	20,726	(75,185)
Total nonoperating revenues (expenses)	618,351	5,448,163	6,066,514	(75,185)
Change in net position	(2,029,008)	1,802,358	(226,650)	(8,186,586)
Net position-beginning, as previously stated	65,699,417	82,639,306	148,338,723	28,286,113
Restatements - change in reporting entity	4,272	-	4,272	2,545,307
Restatements - change in accounting principle	(43,267)	(106,543)	(149,810)	-
Net position-beginning, as restated	65,660,422	82,532,763	148,193,185	30,831,420
Net position-ending	\$ 63,631,414	\$ 84,335,121	\$ 147,966,535	\$ 22,644,834

CITY OF ORANGE, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities			Governmental Activities
	Sanitation	Water	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 8,953,536	\$ 46,734,607	\$ 55,688,143	\$ -
Receipts from interfund charges	-	-	-	17,665,766
Payments to suppliers and service providers	(4,940,702)	(41,596,394)	(46,537,096)	(11,717,172)
Payments to employees for salaries and benefits	(152,794)	(3,884,291)	(4,037,085)	-
Other receipts (payments)	-	-	-	(9,401,891)
Net cash provided by (used for) operating activities	3,860,040	1,253,922	5,113,962	(3,453,297)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	-	-
Principal paid on non-capital debt	(246,919)	(576,143)	(823,062)	-
Interest paid on non-capital debt	(145,125)	(338,628)	(483,753)	-
Operating grants and contributions	68,789	4,278,705	4,347,494	-
Net cash provided by (used for) noncapital financing activities	(323,255)	3,363,934	3,040,679	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(2,821,252)	(4,320,694)	(7,141,946)	(1,489,340)
Principal paid on capital debt	(15,332)	(115,221)	(130,553)	(481,526)
Proceeds from sales of assets	85,536	49,640	135,176	(48,503)
Net cash provided by (used for) capital and related financing activities	(2,751,048)	(4,386,275)	(7,137,323)	(2,019,369)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	668,324	1,514,454	2,182,778	-
Net cash provided by (used for) investing activities	668,324	1,514,454	2,182,778	-
Net increase (decrease) in cash and cash equivalents	1,454,061	1,746,035	3,200,096	(5,472,666)
Cash and cash equivalents-beginning	11,977,733	28,606,729	40,584,462	26,900,260
Cash and cash equivalents-ending	\$ 13,431,794	\$ 30,352,764	\$ 43,784,558	\$ 21,427,594

CITY OF ORANGE, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	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)	\$ (2,647,359)	\$ (3,645,805)	\$ (6,293,164)	\$ (8,111,401)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	5,344,621	2,526,715	7,871,336	2,410,714
(Increase) decrease in accounts receivable	(70,472)	(792,525)	(862,997)	(34,006)
(Increase) decrease in inventories	-	(156,322)	(156,322)	-
(Increase) decrease in prepaid items	-	43,427	43,427	237,601
Increase (decrease) in accounts payable	403,456	1,854,385	2,257,841	(55,831)
Increase (decrease) in accrued liabilities	120,590	216,968	337,558	-
Increase (decrease) in deposits payable	-	(3,407)	(3,407)	-
Increase (decrease) in compensated absences	207,759	40,450	248,209	-
Increase (decrease) in claims and judgments	-	-	-	2,099,626
Increase (decrease) in net pension liability	488,065	1,138,818	1,626,883	-
Increase (decrease) in net OPEB liability	13,380	31,218	44,598	-
Total adjustments	6,507,399	4,899,727	11,407,126	4,658,104
Net cash provided by (used for) operating activities	\$ 3,860,040	\$ 1,253,922	\$ 5,113,962	\$ (3,453,297)
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES				
Unrealized gain/(loss) on fair value of investments	\$ 223,902	\$ 518,355	\$ 742,257	\$ -

CITY OF ORANGE, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Private Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 5,770,492	\$ 3,811,136
Investments:		
Cash and investments with fiscal agent	376	1,597,011
Receivables:		
Accounts	6,112	6,791
Accrued interest	46,266	30,013
Taxes	-	24,373
Notes and loans	358,899	-
Total assets	6,182,145	5,469,324
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	21,073	-
Total deferred outflows of resources	21,073	-
LIABILITIES		
Accrued interest	330,223	-
Long-term liabilities:		
Due in one year	1,330,000	-
Due in more than one year	21,923,208	-
Total liabilities	23,583,431	-
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	(17,380,213)	5,469,324
Total net position	\$ (17,380,213)	\$ 5,469,324

CITY OF ORANGE, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS		
Investment earnings	346,480	180,076
Taxes	522,835	3,640,475
Miscellaneous	193	-
Total additions	869,508	3,820,551
DEDUCTIONS		
Administrative expenses	11,927	6,670
Contractual services	10,983	18,212
Payments to external parties	825,181	3,517,341
Total deductions	848,091	3,542,223
Net increase (decrease) in fiduciary net position	21,417	278,328
Net position-beginning	(17,401,630)	5,190,996
Net position-ending	\$ (17,380,213)	\$ 5,469,324

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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, 2025

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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.

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.

SB2 Building Home & Jobs Act Fund. 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 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, 2025.

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/amortization 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, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

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 is 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 third item is deferred amounts related to the PPP that will be recognized as revenue over the life of the agreement. The other two 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.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

P. Leases

Lessee: The City is a lessee for a noncancellable 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 noncancellable 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.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 noncancellable 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.

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 noncancellable 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, 2025:

GASB Statement No. 101— In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 102 – In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The City determined there was no impact on the financial statements.

NOTE 2: CASH AND INVESTMENTS

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

Statement of Net Position	
Cash and investments	\$ 154,066,260
Cash and investments with fiscal agent	3,260,379
Statement of Fiduciary Net Position	
Cash and investments	9,581,628
Cash and investments with fiscal agent	1,597,387
Total cash and investments	<u>\$ 168,505,654</u>

Cash and investments at June 30, 2025 consisted of the following:

Petty Cash	\$ 13,700
Bank balances (net of outstanding checks and timing differences)	(2,351,007)
Investments	170,842,961
Total	<u>\$ 168,505,654</u>

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

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

- United States Treasury notes, bonds, bills or certificates of indebtedness, or other securities for which the full faith and credit of the United States are pledged for the payment of principal and interest (Limits: Maximum time to maturity at purchase 5 years).
- Obligations or other instruments issued by any federal agency, or United States government-sponsored enterprise. In every case, any issue purchased must be fully guaranteed as to principal and interest by the full faith and credit of the United States or the issuing federal agency (Limits: Maximum time to maturity at purchase 5 years; maximum concentration 75% of portfolio with no more than 30% of total portfolio in any single agency at time of purchase; maximum percent of agency callable securities in the portfolio will be 20%; and completely excluding Government National Mortgage Association bonds).
- Money market mutual funds that invest only in securities and obligations of the United States government (Limits: Maximum 90 days weighted average maturity; maximum \$15 million or 20% of portfolio, whichever is less).
- State of California Local Agency Investment Fund, limited to \$75 million per account.
- Certificates of Deposit approved by the California AB 2011 (Limits: maximum concentrate of 30% of total portfolio).

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

- 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 funds to a single issuer at time of purchase; minimum "A" credit rating).
- Municipal bonds including those issued by any State and any local agency within any State, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or local agency or by a department, board, agency, or authority of a state or local agency. (Limits: Maximum maturity at purchase 5 years; minimum "A" credit rating; maximum concentration 20% of portfolio and no more than 5% of the book value of the portfolio funds to a single issuer at time of purchase.)
- Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations limited to mortgage-backed pass-through securities issued by a US government agency or consumer receivable pass-through certificates or bonds. (Limits: Maximum maturity at purchase of 5 years; minimum "AA" credit rating, The aggregate investment in mortgage-backed and asset-backed securities described shall not exceed 20% of the portfolio; no more than 5% held in any one issuer that is not a US government agency.)
- 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.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

2. The City may, on occasion, sell a security prior to its maturity (recording a gain or loss) in order to diminish the portfolio's exposure to market risk or reinvest into a better opportunity providing more potential earning to the City's portfolio.

At June 30, 2025, 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	\$ 11,255,504	\$ 351,806	\$ 1,184,134	\$ 9,719,564
Federal Agency Securities	23,453,373	7,952,058	4,833,892	10,667,423
Medium-Term Corporate Notes	31,901,013	10,992,706	1,670,734	19,237,573
Money Market Fund	15,103,361	15,103,361	-	-
Supranational Bond	2,627,890	-	-	2,627,890
US Treasury Securities	36,249,622	-	2,889,844	33,359,778
State Investment Pool (LAIF)	45,394,432	45,394,432	-	-
Held by Trustee:				
Money Market Mutual Funds	4,857,766	4,857,766	-	-
Total	\$ 170,842,961	\$ 84,652,129	\$ 10,578,604	\$ 75,612,228

At June 30, 2025, the City Treasury had the following investment ratings:

Investment Type	AAA	AA	A	Not Rated	Total
Asset Backed Securities	\$ 11,255,504	\$ -	\$ -	\$ -	\$ 11,255,504
Federal Agency Securities	2,448,329	21,005,044	-	-	23,453,373
Medium-Term Corporate Notes	3,775,603	11,166,310	16,959,100	-	31,901,013
Money Market Fund	15,103,361	-	-	-	15,103,361
Supranational Bond	2,627,890	-	-	-	2,627,890
US Treasury Securities	-	36,249,622	-	-	36,249,622.00
State Investment Pool (LAIF)	-	-	-	45,394,432	45,394,432.00
Held by Trustee:					
Money Market Mutual Fund	4,857,766	-	-	-	4,857,766
	\$ 40,068,453	\$ 68,420,976	\$ 16,959,100	\$ 45,394,432	\$ 170,842,961

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, 2025, 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+	6.6%
Federal Agency Securities	Not applicable	AA+	13.7%
Supranational Bond	Not applicable	Not Rated	18.7%
Medium-Term Notes	Various	Various	8.8%
U.S. Treasury Bond	Exempt	AA+	1.5%
Local Agency Investment Fund	Not Rated	Not Rated	21.2%
Money Market Mutual Funds	Not applicable	AAA	26.6%
Held by Trustee:			
Money Market Mutual Funds	Not Applicable	AAA	2.8%
			100.0%

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

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, 2025:

Investment Type	Observable Inputs Level 2	Total
Asset Backed Securities	\$ 11,255,504	\$ 11,255,504
Federal Agency Securities	23,453,373	23,453,373
Supranational Bond	31,901,013	31,901,013
Medium-Term Notes	15,103,361	15,103,361
Total Leveled Investments	\$ 81,713,251	81,713,251

Not Subject to Categorization:

U.S. Treasury Bond	2,627,890
Local Agency Investment Fund	36,249,622
Money Market Mutual Funds	45,394,432

Held by Trustee:

Money Market Mutual Funds	4,857,766
Total Investment Portfolio	\$ 170,842,961

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 3: LEASES

A. Leases Receivable and Deferred Inflows of Resources

As of June 30, 2025, the City had three active leases as lessor. The leases have receipts that range from \$16,000 to \$105,609 and interest rates that range from 2.0930% to 6.7500%. As of June 30, 2025, the total combined value of the lease receivable is \$1,675,886, the total combined value of the short-term lease receivable is \$107,283, and the combined value of the deferred inflow of resources is \$1,552,364. 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
2026	\$ 107,283	\$ 43,684	\$ 150,967
2027	114,211	40,601	154,812
2028	118,603	37,321	155,924
2029	122,456	33,868	156,324
2030	127,755	30,257	158,012
2031-2035	679,791	91,197	770,988
2036-2039	405,787	16,307	422,094
	<u>\$ 1,675,886</u>	<u>\$ 293,235</u>	<u>\$ 1,969,121</u>

Leases Payable and Right to Use Lease Assets

As of June 30, 2025, the City had twenty-one active leases as lessee. The leases have payments that range from \$499 to \$7,695 and interest rates that range from 0.0200% to 4.4400%. As of June 30, 2025, the total combined value of the lease liability is \$267,071, the total combined value of the short-term lease liability is \$60,599. The combined value of the right to use asset, as of June 30, 2025 of \$352,385 with accumulated amortization of \$96,197 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, 2025:

Lease Type	Asset Class	Lease Asset Value	Accumulated Amortization
Equipment Lease	Vehicles	<u>\$ 352,385</u>	<u>\$ 96,197</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
2026	\$ 60,599	\$ 6,564	\$ 67,163
2027	48,659	5,003	53,662
2028	157,813	2,869	160,682
Total	<u>\$ 267,071</u>	<u>\$ 14,436</u>	<u>\$ 281,507</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 4: SUBSCRIPTION-BASED TECHNOLOGY ARRANGEMENTS

As of June 30, 2025, the City had fourteen active subscriptions. The subscriptions have payments that range from \$0 to \$629,328 and interest rates that range from 2.0240% to 3.3050%. As of June 30, 2025, the total combined value of the subscription liability is \$6,133,574, and the total combined value of the short-term subscription liability is \$1,313,689. The combined value of the right to use asset, as of June 30, 2025, of \$9,620,752 with accumulated amortization of \$3,529,518 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	\$ 9,620,752	\$ 3,529,518

The future principal and interest subscription payments as of June 30, 2025, were as follows:

Governmental Activities			
Fiscal Year	Principal	Interest	Total
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	706,804	64,622	771,426
2031-2034	1,509,872	67,512	1,577,384
Total	\$ 5,662,438	\$ 616,090	\$ 6,278,528

Business-type Activities			
Fiscal Year	Principal	Interest	Total
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	47,007	5,696	52,703
2031-2034	165,352	9,098	174,450
Total	\$ 471,136	\$ 50,791	\$ 521,927

NOTE 5: SERVICE CONCESSION ARRANGEMENT

On July 5, 2023, the City entered into a service concession arrangement with Katella Terrace L.P. for the operation of a 74-unit affordable senior housing project on City-owned land. Under the agreement, the operator collects and retains rental revenues from third-party tenants for 60 years and is required to provide services at City-approved rates and service levels. As part of the consideration exchanged, the City provided a ground rent loan totaling \$6,500,000. As of June 30, 2025, the City recorded an SCA asset of \$6,500,000 and a related deferred inflow of resources of \$6,461,119, which will be recognized as revenue over the term of the arrangement

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Transfers of CIP	Increases	Decreases	Balance June 30, 2025
Governmental activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 82,133,126	\$ -	\$ -	\$ (430,809)	\$ 81,702,317
Rights of way	347,258,096	-	-	-	347,258,096
Construction-in-progress	24,968,617	(14,624,396)	9,451,667	-	19,795,888
Total capital assets, not being depreciated/amortized	<u>454,359,839</u>	<u>(14,624,396)</u>	<u>9,451,667</u>	<u>(430,809)</u>	<u>448,756,301</u>
Capital assets, being depreciated/amortized					
Infrastructure	256,064,212	2,153,708	1,910,068	(1,035,352)	259,092,636
Structures and improvements	161,643,431	7,909,310	147,561	(1,469,964)	168,230,338
Buildings under service concession arrangements	-	-	6,500,000	-	6,500,000
Furniture, fixtures and equipment	52,357,077	4,561,378	740,105	(3,044,542)	54,614,018
Leased vehicles	276,251	-	242,269	(166,135)	352,385
Software as a service	8,662,654	-	398,490	(525,279)	8,535,865
Total capital assets, being depreciated/amortized	<u>479,003,625</u>	<u>14,624,396</u>	<u>9,938,493</u>	<u>(6,241,272)</u>	<u>497,325,242</u>
Less accumulated depreciation/amortization					
Infrastructure	103,551,461	-	4,464,704	(777,437)	107,238,728
Structures and improvements	52,976,820	-	3,721,305	(1,233,496)	55,464,629
Furniture, fixtures and equipment	37,901,675	-	2,859,905	(2,937,150)	37,824,430
Leased vehicles	165,589	-	96,743	(166,135)	96,197
Software as a service	2,128,757	-	1,207,836	(246,461)	3,090,132
Total accumulated depreciation/amortization	<u>196,724,302</u>	<u>-</u>	<u>12,350,493</u>	<u>(5,360,679)</u>	<u>203,714,116</u>
Total capital assets, being depreciated/amortized, net	<u>282,279,323</u>	<u>14,624,396</u>	<u>(2,412,000)</u>	<u>(880,593)</u>	<u>293,611,126</u>
Total governmental activities capital assets	<u>\$ 736,639,162</u>	<u>\$ -</u>	<u>\$ 7,039,667</u>	<u>\$ (1,311,402)</u>	<u>\$ 742,367,427</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 6: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2024	Transfers	Increase	Decrease	Balance June 30, 2025
Business-type activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 2,646,932	\$ -	\$ -	\$ -	\$ 2,646,932
Construction-in-progress	11,193,009	(2,670,759)	3,080,028	-	11,602,278
Total capital assets, not being depreciated/amortized	<u>13,839,941</u>	<u>(2,670,759)</u>	<u>3,080,028</u>	<u>-</u>	<u>14,249,210</u>
Capital assets, being depreciated/amortized					
Buildings and structures	3,782,716	-	-	-	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	1,387,127	1,279,532	(56,968)	110,757,298
Sewer	77,051,701	1,283,632	2,782,386	(189,088)	80,928,631
Storm drains	113,478,218	-	-	-	113,478,218
Machinery and equipment	12,267,496	-	-	(72,331)	12,195,165
Software as a service	1,084,887	-	-	-	1,084,887
Total capital assets, being depreciated/amortized	<u>342,985,804</u>	<u>2,670,759</u>	<u>4,061,918</u>	<u>(318,387)</u>	<u>349,400,094</u>
Less accumulated depreciation/amortization					
Buildings and structures	2,260,567	-	147,101	-	2,407,668
Improvements other than buildings					
Wells	4,286,347	-	254,736	-	4,541,083
Water tank	9,272,526	-	256,834	-	9,529,360
Water lines	70,644,777	-	1,186,834	(53,951)	71,777,660
Sewer	47,424,220	-	3,570,280	(127,295)	50,867,205
Storm drains	84,375,188	-	1,735,409	-	86,110,597
Machinery and equipment	4,703,043	-	559,823	(22,692)	5,240,174
Software as a service	279,067	-	160,319	-	439,386
Total accumulated depreciation/amortization	<u>223,245,735</u>	<u>-</u>	<u>7,871,336</u>	<u>(203,938)</u>	<u>230,913,133</u>
Total capital assets, being depreciated/amortized, net	<u>119,740,069</u>	<u>2,670,759</u>	<u>(3,809,418)</u>	<u>(114,449)</u>	<u>118,486,961</u>
Total business-type activities capital assets	<u>\$ 133,580,010</u>	<u>\$ -</u>	<u>\$ (729,390)</u>	<u>\$ (114,449)</u>	<u>\$ 132,736,171</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 6: CAPITAL ASSETS (CONTINUED)

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

	Governmental Activities	Business-Type Activities
General government	\$ 1,323,645	\$ -
Public safety	1,848,048	-
Public works	5,007,356	-
Parks and library	1,639,167	-
Economic development	121,563	-
Internal service funds	2,410,714	-
Water	-	2,526,715
Sanitation	-	5,344,621
Total	<u>\$ 12,350,493</u>	<u>\$ 7,871,336</u>

NOTE 7: 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, 2025, the City abated sales taxes totaling \$5,327,586.

NOTE 8: 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 9: 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, 2023 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.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 9: RETIREMENT PLAN (CONTINUED)

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, 2025 is provided below and on the following page.

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 67	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% - 2.7%	1.0% - 2.5%
Required Employee Contribution Rates	8%	7.75%
Required Employer Contribution Rates:		
Normal Cost Rate	12.48%	12.48%

	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	3.0% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.00%	2.0% - 2.7%
Required Employee Contribution Rates	9%	12.75%
Required Employer Contribution Rates:		
Normal Cost Rate	20.96%	20.96%

At the June 30, 2023 valuation date, the following employees were covered by the benefit terms of the Plan:

	Misc.	Safety
Inactive employees or beneficiaries currently receiving benefits	742	501
Inactive employees entitled to but not yet receiving benefits	640	135
Active employees	402	274
Total	<u>1,784</u>	<u>910</u>

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

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 9: RETIREMENT PLAN (CONTINUED)

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.

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, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 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, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
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 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 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.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 9: 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, 2025

NOTE 9: 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, 2023	\$ 419,039,535	\$ 393,882,170	\$ 25,157,365
Changes recognized for the measurement period:			
Service cost	6,489,014	-	6,489,014
Interest on total pension liability	28,443,939	-	28,443,939
Changes of assumptions	-	-	-
Differences between expected and actual experience	1,657,750	-	1,657,750
Contributions from the employer	-	4,516,483	(4,516,483)
Contributions from the employees	-	2,865,819	(2,865,819)
Net investment income	-	36,758,371	(36,758,371)
Benefit payments, including refunds of employee contributions	(23,421,607)	(23,421,607)	-
Administrative expense	-	(320,503)	320,503
Net changes during 2023-24	13,169,096	20,398,563	(7,229,467)
Balance at June 30, 2024	\$ 432,208,631	\$ 414,280,733	\$ 17,927,898

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)	\$ 73,482,158	\$ 17,927,898	\$ (27,879,526)

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 9: 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	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2023	\$ 673,655,195	\$ 611,568,948	\$ 62,086,247
Changes recognized for the measurement period:			
Service cost	11,161,161	-	11,161,161
Interest on total pension liability	45,729,124	-	45,729,124
Changes of assumptions	-	-	-
Differences between expected and actual experience	845,747	-	845,747
Contributions from the employer	-	8,656,893	(8,656,893)
Contributions from the employees	-	4,461,372	(4,461,372)
Net investment income	-	57,214,057	(57,214,057)
Benefit payments, including refunds of employee contributions	(34,681,175)	(34,681,175)	-
Administrative expense	-	(497,635)	497,635
Net changes during 2023-24	23,054,857	35,153,512	(12,098,655)
Balance at June 30, 2024	\$ 696,710,052	\$ 646,722,460	\$ 49,987,592

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)	\$ 144,113,274	\$ 49,987,592	\$ (27,088,520)

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, 2025

NOTE 9: 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 2023-24 measurement period is 2.6 years, which was obtained by dividing the total service years of 4,394 (the sum of remaining service lifetimes of the active employees) by 1,708 (the total number of participants: active, inactive, and retired).

The EARSL for the Safety Plan for the 2023-24 measurement period is 3.9 years, which was obtained by dividing the total service years of 3,484 (the sum of remaining service lifetimes of the active employees) by 896 (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, 2024 (the measurement date), the City of Orange incurred a pension expense of \$12,442,153 for the Miscellaneous Plan and \$24,981,116 for the Safety Plan, allocated as follows:

	Governmental Activities	Business-Type Activities	Total
Miscellaneous Plan	\$ 9,953,723	2,488,430	\$ 12,442,153
Safety Plan	24,981,116	-	24,981,116
Total Pension Expense	<u>\$ 34,934,839</u>	<u>\$ 2,488,430</u>	<u>\$ 37,423,269</u>

As of the end of the measurement period (June 30, 2024) and as presented in the June 30, 2025 Statement of Net Position, the net pension liability is \$17,927,898 for the Miscellaneous Plan and \$49,987,592 for the Safety Plan, allocated as follows:

	Governmental Activities	Business-Type Activities	Total
Miscellaneous Plan	\$ 14,342,318	\$ 3,585,580	\$ 17,927,898
Safety Plan	49,987,592	-	49,987,592
Total Net Pension Liability	<u>\$ 64,329,910</u>	<u>\$ 3,585,580</u>	<u>\$ 67,915,490</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 9: RETIREMENT PLAN (CONTINUED)

As of the fiscal year ended June 30, 2025, 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	\$ 4,309,195	\$ -
Changes of assumptions	-	-
Differences between expected and actual experience	1,966,948	-
Net difference between projected and actual earnings on pension plan investments	9,207,576	-
Total	\$ 15,483,719	\$ -

Safety Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date		
Current year pension contributions	\$ 8,521,278	\$ -
Changes of assumptions	4,960,139	-
Differences between expected and actual experience	4,086,393	499,597
Net difference between projected and actual earnings on pension plan investments	14,618,338	-
Total	\$ 32,186,148	\$ 499,597

The \$12,380,473 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, 2026.

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
2026	\$ 3,452,028	\$ 9,912,879
2027	11,236,738	18,509,721
2028	(1,481,202)	(2,100,943)
2029	(2,033,040)	(3,156,384)
Total	\$ 11,174,524	\$ 23,165,273

At June 30, 2025, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 10: 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, 2024 and June 30, 2025 are outlined below.

	General Liability	Workers' Compensation	Total Claims
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, 2023	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>
Liability - June 30, 2024	2,027,293	12,366,969	14,394,262
Claims incurred	(6,606)	7,455,186	7,448,580
Claims payments	(775,979)	(4,572,975)	(5,348,954)
Unpaid Claims - June 30, 2025	1,244,708	15,249,180	16,493,888
Less current portion of unpaid claims	(834,039)	(5,223,719)	(6,057,758)
Noncurrent unpaid claims - June 30, 2025	<u>\$ 410,669</u>	<u>\$ 10,025,461</u>	<u>\$ 10,436,130</u>

NOTE 11: 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 \$157 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, 2024 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	320
Active employees	662
Total	982

C. Total OPEB Liability

The City's OPEB liability of \$ 33,098,170 was measured as of June 30, 2024 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, 2024, 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, 2024
Actuarial Cost Method	Entry-Age Normal, Level % of Salary
Actuarial Assumptions:	
Discount Rate	4.09%
Inflation	2.30%
Projected Salary Increase	2.80%, Additional merit based increases based on CalPERS Merit Salary Increase Table
Health Care Cost Trend Rates	6.8% (Pre-Medicare)/4.17% (Medicare) in first year, trending down to 4.14% over 51 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, 2025

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

The discount rate used to measure the total OPEB liability is 4.09%. 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, 2023 (Measurement Date)	\$ 32,787,319
Changes in the Year:	
Service Cost	1,444,503
Interest on the Total OPEB Liability	1,291,909
Difference Between Expected and Actual Experience	(10,712)
Changes in Assumptions	(889,475)
Benefit Payments	(594,247)
Implicit Subsidy Fulfilled	(931,127)
Net Changes	<u>310,851</u>
Balance at June 30, 2024 (Measurement Date)	<u>\$ 33,098,170</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 (3.09%)	Current Discount Rate (4.09%)	Discount Rate +1 Percent (5.09%)
Total OPEB Liability	<u>\$ 37,253,606</u>	<u>\$ 33,098,170</u>	<u>\$ 29,624,583</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:

	Current Healthcare Cost Trend Rates		
	1% Decrease 5.80% Decreasing to 3.14%	6.80%	1% Increase 7.80% Decreasing to 5.14%
Total OPEB Liability	<u>\$ 31,407,033</u>	<u>\$ 33,098,170</u>	<u>\$ 35,102,445</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 11: 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	\$ 529,695	\$ 4,373,864
Changes in assumptions	3,626,391	9,053,412
Contributions subsequent to measurement date	1,591,005	-
Total Deferred Outflows	<u>\$ 5,747,091</u>	<u>\$ 13,427,276</u>

The \$1,591,005 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, 2026. 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
2026	\$ (917,719)
2027	(1,156,188)
2028	(1,767,075)
2029	(2,051,667)
2030	(1,845,210)
Thereafter	(1,533,331)
Total	<u>\$ (9,271,190)</u>

NOTE 12: LONG-TERM LIABILITIES

Following is a reconciliation of long-term liabilities for the year ended June 30, 2025:

	Beginning Balance	Additions*	Deletions	Ending Balance	Amount Due Within One Year	Amount Due Beyond One Year
Governmental activities						
Direct borrowing:						
Loans payable	\$ 77,145	\$ 250,000	\$ 49,772	\$ 277,373	\$ 67,914	\$ 209,459
Leases payable	110,732	222,814	66,475	267,071	60,599	206,472
Subscription payable	6,565,636	82,395	985,593	5,662,438	1,174,744	4,487,694
Lease revenue bonds	28,290,000	-	595,000	27,695,000	620,000	27,075,000
Premium on lease						
revenue bonds	3,792,059	-	145,849	3,646,210	-	3,646,210
Pension obligation bonds	238,632,971	-	10,401,938	228,231,033	10,499,239	217,731,794
Other liabilities:						
Compensated absences*	11,389,987	1,143,600	-	12,533,587	5,905,142	6,628,445
Claims payable	14,394,262	7,448,580	5,348,954	16,493,888	6,057,758	10,436,130
Total governmental activities	<u>303,252,792</u>	<u>9,147,389</u>	<u>17,593,581</u>	<u>294,806,600</u>	<u>24,385,396</u>	<u>270,421,204</u>
Business-type activities:						
Compensated absences*	899,236	393,748	-	1,292,984	295,034	997,950
Pension obligation bonds	18,882,028	-	823,062	18,058,966	830,761	17,228,205
Subscription liability	601,689	-	130,553	471,136	138,945	332,191
Total business activities	<u>20,382,953</u>	<u>393,748</u>	<u>953,615</u>	<u>19,823,086</u>	<u>1,264,740</u>	<u>18,558,346</u>
Total	<u>\$ 323,635,745</u>	<u>\$ 9,541,137</u>	<u>\$ 18,547,196</u>	<u>\$ 314,629,686</u>	<u>\$ 25,650,136</u>	<u>\$ 288,979,550</u>

* Compensated Absences are presented as net change.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 12: 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. In May 2025, the City entered into a new loan agreement with Southern California Edison for an additional \$250,000 related to energy efficiency programs and carry a zero percent interest rate. The outstanding balance at June 30, 2025 is \$277,373.

The annual payments are as follows:

Year Ending June 30,	Principal
2026	67,914
2027	40,541
2028	40,541
2029	40,541
2030	40,541
2031	47,295
Total	<u>\$ 277,373</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
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	725,000	988,100	145,848
2031-2035	4,095,000	4,471,500	729,242
2036-2040	5,000,000	3,565,000	729,242
2041-2045	6,105,000	2,458,100	729,242
2046-2050	7,460,000	1,106,000	729,242
2051	1,680,000	33,600	2
Total	<u>\$ 27,695,000</u>	<u>\$ 16,848,100</u>	<u>\$ 3,646,210</u>

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 12: 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
2026	\$ 10,499,239	\$ 5,950,180
2027	10,628,974	5,821,670
2028	10,795,776	5,652,988
2029	10,990,378	5,460,067
2030	11,217,413	5,232,566
2031-2035	60,178,341	22,075,283
2036-2040	68,082,887	13,353,749
2041-2044	45,838,025	3,257,236
Total	<u>\$ 228,231,033</u>	<u>\$ 66,803,739</u>

Business Type Activity		
Year Ending June 30,	Principal	Interest
2026	\$ 830,761	\$ 470,813
2027	841,026	460,644
2028	854,224	447,297
2029	869,622	432,032
2030	887,587	414,031
2031-2035	4,761,659	1,746,724
2036-2040	5,387,113	1,056,626
2041-2044	3,626,974	257,732
Total	<u>\$ 18,058,966</u>	<u>\$ 5,285,899</u>

Loans payable are paid for from the General Fund. Claims payable are paid from the Workers' Compensation Fund and the Liability Fund.

NOTE 13: 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, 2025 are \$12,714,000 and are scheduled to mature in October 2030.

NOTE 13: 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, 2025 are \$19,485,000 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 14: 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 15: 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, 2025, the outstanding amount for these loans was \$346,744. 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, 2025 is \$4,294,711.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 15: LOANS RECEIVABLE (CONTINUED)

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 Housing 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, 2025 are \$297,309 for the Housing In-Lieu Fund, \$618,682 for the HOME Fund, and \$458,696 for the Housing Successor 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, 2025.

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, 2025 are comprised of the following:

	Total
Housing successor loans	\$ 29,582,479
In-lieu loans	4,592,019
HOME loans	17,952,320
CDBG loans	346,744
Total Loans	<u>\$ 52,473,562</u>

NOTE 16: TRANSFERS

Transfers Out	Transfers In			Total
	General	Capital Improvement	Nonmajor Governmental	
General ¹	\$ -	\$ 354,029	\$ 133,651	\$ 487,680
Capital Improvement ¹	3,000,000	-	-	3,000,000
Total	<u>\$ 3,000,000</u>	<u>\$ 354,029</u>	<u>\$ 133,651</u>	<u>\$ 3,487,680</u>

¹The above Capital Improvement transfers were for \$3,000,000 to the general fund for general services and subsequent return of unused funds in the amount of \$354,029.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 17: DEFICIT FUND BALANCE OR NET POSITION

The SB2 Building Home & jobs Act fund ended the fiscal year in a deficit fund balance of \$1,944,877. This deficit is due to the new grant program spending.

In the Internal Service funds, the Workers' Compensation Fund and the Liability Fund had deficit net positions of \$11.3 million and \$11,568, 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	Measure M	Federal, State & Local Grants	Housing Successor	SB2 Building Home & Jobs Act	Capital Improvement	Park Acquisition, Development and Maintenance	Other Governmental	Total
Nonspendable:									
Prepaid items	\$ 404,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404,082
Inventories	930,045	-	-	-	-	-	-	-	930,045
Restricted for:									
Public safety	-	-	-	-	-	-	-	4,699,463	4,699,463
Federal, state & local grants	-	-	9,732,975	-	-	-	-	-	9,732,975
Housing	-	-	-	28,449,585	-	-	-	-	28,449,585
Streets/roads/transportation improv.	-	7,106,947	-	-	-	-	-	6,804,506	13,911,453
Development related transportation improv.	-	-	-	-	-	-	-	4,416,063	4,416,063
Air quality	-	-	-	-	-	-	-	332,608	332,608
Asset forfeiture operations	-	-	-	-	-	-	-	3,760,506	3,760,506
Assessment district landscape maint.	-	-	-	-	-	-	-	2,006,813	2,006,813
Govt access/local access programming	-	-	-	-	-	-	-	286,795	286,795
Affordable housing units	-	-	-	-	-	-	-	4,896,237	4,896,237
Training/certifying building inspectors	-	-	-	-	-	-	-	669,552	669,552
Pension obligation bond	8,413	-	-	-	-	-	-	-	8,413
Total restricted	8,413	7,106,947	9,732,975	28,449,585	-	-	-	27,872,543	73,170,463
Committed:									
Catastrophic reserve	26,380,740	-	-	-	-	-	-	-	26,380,740
Capital project fund reserve	-	-	-	-	-	3,785,549	-	-	3,785,549
Assigned:									
Continuing appropriation	1,216,704	-	-	-	-	17,593,001	10,006,844	2,718,206	31,534,755
Purchase order carryover	787,103	-	-	-	-	1,316,410	175,647	-	2,279,160
General plan	1,331,305	-	-	-	-	-	-	-	1,331,305
Unassigned	-	-	-	-	(1,944,877)	-	-	-	(1,944,877)
Total fund balances	\$ 31,058,392	\$ 7,106,947	\$ 9,732,975	\$ 28,449,585	\$ (1,944,877)	\$ 22,694,960	\$ 10,182,491	\$ 30,590,749	\$ 137,871,222

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	\$ 5,770,492
Cash and investments with fiscal agent	376
Total Cash	\$ 5,770,868

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, 2025

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, 2025 is \$358,899.

C. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2025, follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Other debt:						
Tax allocation bonds	\$ 22,675,000	\$ -	\$ (1,265,000)	\$ 21,410,000	\$ 1,330,000	\$ 20,080,000
Unamortized bond premium	2,010,771	-	(167,563)	1,843,208	-	1,843,208
Total	<u>\$ 24,685,771</u>	<u>\$ -</u>	<u>\$ (1,432,563)</u>	<u>\$ 23,253,208</u>	<u>\$ 1,330,000</u>	<u>\$ 21,923,208</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, 2025 were \$1,785,000.

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

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

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, 2025 were \$19,625,000.

Annual requirements to amortize all tax allocation bonds, notes payable, leases payable, and certificates of participation outstanding as of June 30, 2025 are shown below:

Year Ending June 30,	Tax Allocation Bonds	
	Principal	Interest
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	1,640,000	655,150
2031-2035	9,550,000	1,963,025
2036-2037	4,440,000	179,400
Total	<u>\$ 21,410,000</u>	<u>\$ 6,196,525</u>

The Successor Agency of the former RDA is covered by insurance policies of the City of Orange as of June 30, 2025.

NOTE 21: CONSTRUCTION COMMITMENTS

The City has active construction projects as of June 30, 2025. The significant projects include the following:

Project	Remaining Commitment
Mobile Data Computers	\$ 1,774,849
Pedestrian Beacon Upgrades	4,065,813
Well Rehabilitation	1,491,847
Exterior Cathodic Protection System	4,036,080
Pavement Management Program	142,955
Families Forward	112,473
Fair Housing Foundation	235,036

CITY OF ORANGE, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 22: RESTATEMENTS

During the prior year, the City had incorrectly recorded grant revenues in the governmental funds. The effects of the change in accounting principle are summarized below in the “Error correction” column in the table below.

During the current year, the City had changes to the reporting entity related to the movement of internal service funds to governmental funds and the Proposition 172 fund changing to a non-major fund after it was reported as a major fund in the previous fiscal year. The effects of the change in accounting principle are summarized below in the “Changes within financial reporting entity” column in the table below.

During the current year, the City implemented GASB Statement No. 101, Compensated Absences. In addition to the value of unused vacation time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Change in accounting principle” column in the table below.

	Net position/fund balance as of 6/30/2024 as previously reported	Error correction	Change in accounting principle	Changes within financial reporting entity	Net position/fund balance as of 6/30/2024 as adjusted/restated
Government-wide					
Governmental Activities	\$ 570,557,891	\$ (2,938,830)	\$ (1,582,721)	\$ (4,272)	\$ 566,032,068
Business Type Activities	148,338,723	-	(149,810)	4,272	148,193,185
Total government-wide	<u>\$ 718,896,614</u>	<u>\$ (2,938,830)</u>	<u>\$ (1,732,531)</u>	<u>\$ -</u>	<u>\$ 714,225,253</u>
Governmental Funds					
Major funds					
General fund	\$ 28,457,558	\$ -	\$ -	\$ 2,341,894	\$ 30,799,452
Proposition 172	841,793	-	-	(841,793)	-
SB2 Building Home & Jobs Act	-	(2,938,830)	-	1,564,430	(1,374,400)
Nonmajor funds	26,292,582	-	-	(726,909)	25,565,673
Total governmental funds	<u>\$ 55,591,933</u>	<u>\$ (2,938,830)</u>	<u>\$ -</u>	<u>\$ 2,337,622</u>	<u>\$ 57,929,555</u>
Business-Type Funds					
Major funds					
Sanitation	\$ 65,699,417	\$ -	\$ (43,267)	\$ 4,272	\$ 65,660,422
Water	82,639,306	-	(106,543)	-	82,532,763
Total business-type funds	<u>\$ 148,338,723</u>	<u>\$ -</u>	<u>\$ (149,810)</u>	<u>\$ 4,272</u>	<u>\$ 148,193,185</u>
Internal service funds	<u>\$ 28,286,113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,545,307</u>	<u>\$ 30,831,420</u>

NOTE 23: SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through January 26, 2026, the date the financial statements were available to be issued. No other events or transactions were identified that required recognition or disclosure.

On November 17, 2025, La Veta Village fully repaid its outstanding \$700,000 loan with the City. The payoff satisfied all remaining principal and related obligations under the loan agreement. Because this transaction occurred after year-end but provides additional information about conditions that existed at the financial statement date, it is considered a nonrecognized subsequent event. Accordingly, no adjustments have been made to the accompanying financial statements for this event.

On December 19, 2025, Villa St. Joseph received the remaining balance for the Mercy Housing Loans. Because this transaction occurred after year-end but provides additional information about conditions that existed at the financial statement date, it is considered a nonrecognized subsequent event. Accordingly, no adjustments have been made to the accompanying financial statements for this event.

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

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.

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 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, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 116,407,582	\$ 116,407,582	\$ 113,164,832	\$ (3,242,750)
Franchise fees	3,220,194	3,220,194	2,753,300	(466,894)
Licenses and permits	6,543,979	6,543,979	6,396,387	(147,592)
Intergovernmental	1,387,632	2,551,915	3,002,532	450,617
Charges for services and fees	13,890,482	22,992,697	22,671,799	(320,898)
Use of money and property	3,107,951	3,107,951	3,815,519	707,568
Fines and forfeitures	3,158,600	3,158,600	2,623,786	(534,814)
Miscellaneous	1,093,015	1,357,653	3,939,610	2,581,957
Total revenues	148,809,435	159,340,571	158,367,765	(972,806)
EXPENDITURES				
Current:				
General government	14,277,378	21,998,081	19,420,355	2,577,726
Public safety	102,728,369	104,261,317	103,298,970	962,347
Community development	6,851,001	7,106,456	6,324,386	782,070
Parks and library	20,889,984	19,822,417	16,756,991	3,065,426
Public works	10,217,924	14,350,597	12,373,209	1,977,388
Economic development	32,487	32,487	145,382	(112,895)
Capital outlay	66,800	694,090	519,058	175,032
Debt service:				
Principal	595,000	758,628	1,122,754	(364,126)
Interest and fiscal charges	1,119,700	1,216,453	1,215,249	1,204
Total expenditures	156,778,643	170,240,526	161,176,354	9,064,172
Excess (deficiency) of revenues over (under) expenditures	(7,969,208)	(10,899,955)	(2,808,589)	8,091,366
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	3,000,000	3,000,000	-
Transfers out	-	-	(487,680)	(487,680)
Issuance of loans	-	-	555,209	555,209
Total other financing sources (uses)	3,000,000	3,000,000	3,067,529	67,529
Net change in fund balances	\$ (4,969,208)	\$ (7,899,955)	258,940	\$ 8,158,895
Fund balances-beginning			28,457,558	
Restatements - changes within the financial reporting entity			2,341,894	
Fund balances-beginning			30,799,452	
Fund balances-ending			\$ 31,058,392	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Measure M
For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,422,635	\$ 4,422,635	\$ 4,737,429	\$ 314,794
Use of money and property	116,580	116,580	288,580	172,000
Total revenues	4,539,215	4,539,215	5,026,009	486,794
EXPENDITURES				
Current:				
Parks and library	236,886	496,468	300,397	196,071
Public works	1,199,581	1,199,581	711,614	487,967
Capital outlay	2,825,000	9,521,732	2,124,382	7,397,350
Total expenditures	4,261,467	11,217,781	3,136,393	8,081,388
Net change in fund balances	\$ 277,748	\$ (6,678,566)	1,889,616	\$ 8,568,182
Fund balances-beginning			5,217,331	
Fund balances-ending			\$ 7,106,947	

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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,774,037	\$ 1,762,232	\$ 2,225,916	\$ 463,684
Charges for services and fees	170,000	170,000	156,260	(13,740)
Use of money and property	42,018	42,018	143,864	101,846
Miscellaneous	-	-	32,563	32,563
Total revenues	1,986,055	1,974,250	2,558,603	584,353
EXPENDITURES				
Current:				
Public safety	315,127	687,895	217,059	470,836
Community development	434,787	468,532	510,138	(41,606)
Public works	-	-	26,779	(26,779)
Capital outlay	1,148,898	4,522,436	544,166	3,978,270
Total expenditures	1,898,812	5,678,863	1,298,142	4,380,721
Net change in fund balances	\$ 87,243	\$ (3,704,613)	1,260,461	\$ 4,965,074
Fund balances-beginning			8,472,514	
Fund balances-ending			\$ 9,732,975	

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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,658,019	\$ 2,658,019
Use of money and property	-	-	114,657	114,657
Total revenues	-	-	2,772,676	2,772,676
EXPENDITURES				
Current:				
Community development	-	5,847,661	3,343,153	2,504,508
Total expenditures	-	5,847,661	3,343,153	2,504,508
Net change in fund balances	\$ -	\$ (5,847,661)	(570,477)	\$ 5,277,184
Fund balances-beginning			1,564,430	
Restatements - error correction			(2,938,830)	
Fund balances (deficit)-beginning			(1,374,400)	
Fund balances (deficit)-ending			\$ (1,944,877)	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Housing Successor
For the Year Ended June 30, 2025

	<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	\$ 101,937	\$ 101,937	\$ 111,472	\$ 9,535
Total revenues	101,937	101,937	111,472	9,535
EXPENDITURES				
Current:				
General government	36,715	34,715	28,962	5,753
Community development	114,187	131,101	202,739	(71,638)
Economic development	47,151	2,823,151	46,026	2,777,125
Capital outlay	-	-	-	-
Total expenditures	198,053	2,988,967	277,727	2,711,240
Net change in fund balances	\$ (96,116)	\$ (2,887,030)	(166,255)	\$ 2,720,775
Fund balances-beginning			28,615,840	
Fund balances-ending			\$ 28,449,585	

CITY OF ORANGE, CALIFORNIA
Schedule of Changes in Total OPEB Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years¹

	2025	2024	2023	2022
Measurement Date	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 1,444,503	\$ 1,552,104	\$ 2,229,321	\$ 2,020,586
Interest on total pension liability	1,291,909	1,410,255	880,729	1,112,493
Changes of assumptions	(889,475)	(3,697,487)	(8,604,291)	3,582,060
Difference between expected and actual experience	(10,712)	(2,398,558)	(24,560)	(4,973,808)
Benefit payments, including refunds of employee contributions	(594,247)	(581,215)	(537,370)	(503,530)
Implicit subsidy fulfilled	(931,127)	(909,145)	(886,427)	(1,045,784)
Net change in total OPEB liability	310,851	(4,624,046)	(6,942,598)	192,017
Total OPEB liability-beginning	<u>32,787,319</u>	<u>37,411,365</u>	<u>44,353,963</u>	<u>44,161,946</u>
Total OPEB liability-ending	<u>\$ 33,098,170</u>	<u>\$ 32,787,319</u>	<u>\$ 37,411,365</u>	<u>\$ 44,353,963</u>
Covered-employee payroll	\$ 69,392,787	\$ 61,844,646	\$ 61,715,879	\$ 58,599,662
Plan OPEB liability as a percentage of covered payroll	47.7%	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, 2025, 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 eight 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
	<u>39,079,172</u>	<u>32,490,025</u>	<u>31,590,309</u>	<u>30,329,328</u>
	\$ 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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY					
Service cost	\$ 6,489,014	\$ 6,124,048	\$ 5,836,901	\$ 5,435,892	\$ 5,189,996
Interest on total pension liability	28,443,939	27,585,423	26,520,235	26,300,226	25,659,248
Changes of benefit terms	-	459,186	-	-	-
Changes of assumptions	-	-	10,787,597	-	-
Difference between expected and actual experience	1,657,750	4,733,966	(5,094,851)	(1,615,823)	753,998
Benefit payments, including refunds of employee contributions	(23,421,607)	(22,793,273)	(21,719,479)	(20,507,418)	(20,275,870)
Net change in total pension liability	13,169,096	16,109,350	16,330,403	9,612,877	11,327,372
Total pension liability-beginning	419,039,535	402,930,185	386,599,782	376,986,905	365,659,533
Total pension liability-ending (a)	432,208,631	419,039,535	402,930,185	386,599,782	376,986,905
PLAN FIDUCIARY NET POSITION					
Contributions-employer	4,516,483	4,123,707	3,462,240	115,571,257	10,335,791
Contributions-employee	2,865,819	2,357,110	2,358,367	2,208,136	2,175,496
Net investment income	36,758,371	23,356,128	(32,211,334)	67,731,016	13,126,364
Benefit payments, including refunds of employee contributions	(23,421,607)	(22,793,273)	(21,719,479)	(20,507,418)	(20,275,870)
Net plan to plan resource movement	-	-	-	-	-
Administrative expense	(320,503)	(284,672)	(271,293)	(270,485)	(374,692)
Other miscellaneous income/(expense)	-	-	-	-	-
Net change in fiduciary net position	20,398,563	6,759,000	(48,381,499)	164,732,506	4,987,089
Plan fiduciary net position-beginning	393,882,170	387,123,170	435,504,669	270,772,163	265,785,074
Plan fiduciary net position-ending (b)	414,280,733	393,882,170	387,123,170	435,504,669	270,772,163
Net pension liability/(asset) (a) - (b)	\$ 17,927,898	\$ 25,157,365	\$ 15,807,015	\$ (48,904,887)	\$ 106,214,742
Plan fiduciary net position as a percentage of the total pension liability	95.9%	94.0%	96.1%	112.7%	71.8%
Covered payroll	\$ 33,006,175	\$ 30,789,582	\$ 29,053,762	\$ 29,494,804	\$ 27,858,270
Plan net pension liability/(asset) as a percentage of covered payroll	54.3%	81.7%	54.4%	-165.8%	381.3%

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

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

Changes of Assumptions: There were no assumption changes in 2023 or 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, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

2020	2019	2018	2017	2016
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
\$ 5,067,666	\$ 5,267,383	\$ 5,177,802	\$ 4,672,901	\$ 4,546,279
24,866,459	24,067,324	23,418,521	23,117,281	22,231,987
-	-	-	-	-
-	(1,376,690)	18,989,623	-	(5,284,506)
315,824	(1,306,394)	(5,876,562)	(131,466)	(7,188,831)
(19,046,828)	(17,701,058)	(16,066,665)	(15,554,542)	(14,720,766)
11,203,121	8,950,565	25,642,719	12,104,174	(415,837)
354,456,412	345,505,847	319,863,128	307,758,954	308,174,791
365,659,533	354,456,412	345,505,847	319,863,128	307,758,954
8,895,425	7,864,464	7,498,423	6,420,197	5,766,795
2,344,603	2,088,111	2,142,096	2,036,528	2,104,640
16,762,810	20,755,507	25,473,940	1,162,922	5,258,066
(19,046,828)	(17,701,058)	(16,066,665)	(15,554,542)	(14,720,766)
-	(599)	32,777	26	(4,435)
(183,409)	(381,953)	(334,215)	(141,662)	(275,403)
599	(725,336)	-	-	-
8,773,200	11,899,136	18,746,356	(6,076,531)	(1,871,103)
257,011,874	245,112,738	226,366,382	232,442,913	234,314,016
265,785,074	257,011,874	245,112,738	226,366,382	232,442,913
\$ 99,874,459	\$ 97,444,538	\$ 100,393,109	\$ 93,496,746	\$ 75,316,041
72.7%	72.5%	70.9%	70.8%	75.5%
\$ 26,357,030	\$ 27,290,727	\$ 26,413,315	\$ 26,369,288	\$ 25,364,199
378.9%	357.1%	380.1%	354.6%	296.9%

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

	2025	2024	2023	2022	2021
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY					
Service cost	\$ 11,161,161	\$ 10,646,420	\$ 10,563,736	\$ 9,602,667	\$ 9,008,558
Interest on total pension liability	45,729,124	44,229,279	42,323,381	41,044,660	39,162,098
Changes of benefit terms	-	260,657	-	-	-
Changes of assumptions	-	-	21,493,940	6,910,237	(876,533)
Difference between expected and actual experience	845,747	7,299,176	(2,164,924)	-	-
Benefit payments, including refunds of employee contributions	(34,681,175)	(33,802,706)	(31,930,430)	(30,321,036)	(27,775,755)
Net change in total pension liability	23,054,857	28,632,826	40,285,703	27,236,528	19,518,368
Total pension liability-beginning	673,655,195	645,022,369	604,736,666	577,500,138	557,981,770
Total pension liability-ending (a)	696,710,052	673,655,195	645,022,369	604,736,666	577,500,138
PLAN FIDUCIARY NET POSITION					
Contributions-employer	8,656,893	7,904,822	6,930,384	198,675,791	16,809,199
Contributions-employee	4,461,372	3,670,921	3,579,796	3,429,542	3,158,214
Net investment income	57,214,057	36,179,168	(49,811,030)	101,688,630	19,165,432
Benefit payments, including refunds of employee contributions	(34,681,175)	(33,802,706)	(31,930,430)	(30,321,036)	(27,775,755)
Net plan to plan resource movement	-	-	-	-	-
Administrative expense	(497,635)	(439,783)	(417,186)	(396,207)	(543,905)
Other miscellaneous income/(expense)	-	-	-	-	-
Net change in fiduciary net position	35,153,512	13,512,422	(71,648,466)	273,076,720	10,813,185
Plan fiduciary net position-beginning	611,568,948	598,056,526	669,704,992	396,628,272	385,815,087
Plan fiduciary net position-ending (b)	646,722,460	611,568,948	598,056,526	669,704,992	396,628,272
Net pension liability/(asset) (a) - (b)	\$ 49,987,592	\$ 62,086,247	\$ 46,965,843	\$ (64,968,326)	\$ 180,871,866
Plan fiduciary net position as a percentage of the total pension liability	92.8%	90.8%	92.7%	110.7%	68.7%
Covered payroll	\$ 36,617,982	\$ 34,690,193	\$ 34,142,651	\$ 33,812,207	\$ 31,421,550
Plan net pension liability/(asset) as a percentage of covered payroll	136.5%	179.0%	137.6%	-192.1%	575.6%

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

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

Changes of Assumptions: There were no assumption changes in 2023 or 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, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

2020	2019	2018	2017	2016
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
\$ 8,940,979	\$ 8,684,357	\$ 8,663,044	\$ 7,677,162	\$ 7,510,097
37,812,758	36,374,391	34,973,049	34,040,818	32,660,257
-	-	-	-	-
628,915	(2,407,807)	29,689,823	-	(8,155,227)
-	2,812,674	(4,567,911)	(325,378)	(6,412,547)
(26,302,494)	(25,095,404)	(23,809,456)	(22,545,119)	(21,218,801)
21,080,158	20,368,211	44,948,549	18,847,483	4,383,779
536,901,612	516,533,401	471,584,852	452,737,369	448,353,590
557,981,770	536,901,612	516,533,401	471,584,852	452,737,369
14,629,767	12,902,982	12,304,411	10,451,474	9,399,041
2,962,476	2,863,563	2,785,504	2,715,401	2,736,436
24,251,336	29,531,053	36,448,582	1,469,981	6,943,219
(26,302,494)	(25,095,404)	(23,809,456)	(22,545,119)	(21,218,801)
-	(864)	1,111	-	-
(264,424)	(548,398)	(479,361)	-	-
864	(1,041,417)	-	-	-
15,277,525	18,611,515	27,250,791	(7,908,263)	(2,140,105)
370,537,562	351,926,047	324,675,256	332,583,519	334,723,624
385,815,087	370,537,562	351,926,047	324,675,256	332,583,519
\$ 172,166,683	\$ 166,364,050	\$ 164,607,354	\$ 146,909,596	\$ 120,153,850
69.1%	69.0%	68.1%	68.8%	73.5%
\$ 31,077,439	\$ 30,016,442	\$ 29,388,167	\$ 29,062,548	\$ 28,144,568
554.0%	554.2%	560.1%	505.5%	426.9%

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>					
2025	\$ 4,060,735	\$ 4,309,195	\$ (248,460)	\$ 34,591,647	12.5%
2024	4,276,337	4,517,941	(241,604)	33,006,175	13.7%
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%
<u>Safety Agent, Multiple-Employer Pension Plan</u>					
2025	\$ 7,683,945	\$ 8,521,278	\$ (837,333)	\$ 40,654,957	21.0%
2024	7,952,294	8,644,337	(692,043)	36,617,982	23.6%
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%

Notes to Schedules of Plan Contributions

The actuarial methods and assumption used to set the actuarially determined contributions for fiscal year ended June 30, 2025 were derived from the June 30, 2023 funding valuation report publicly available on CalPERS' website.

Actuarial Cost Method: Entry Age Normal

Amortization Method/Period: For details, see June 30, 2023 Funding Valuation Report

Asset Valuation Method: Fair value of assets; for details, see June 30, 2023 Funding Valuation Report

Inflation: 2.30%

Salary Increases: Varies by entry age and service

Payroll Growth: 2.8%

Investment Rate of Return: 6.80% (net of administrative expenses; includes inflation)

Retirement Age: For details, see June 30, 2023 Funding Valuation Report

Mortality: For details, see June 30, 2023 Funding Valuation Report

CITY OF ORANGE, CALIFORNIA
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

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 Reimbursable Expense Fund or the City Debt Service Fund.

During the current fiscal year, the City reported the following expenditures in excess of the budgeted appropriations.

	<u>Budget</u>	<u>Actual</u>
General fund:		
Economic development	\$ 32,487	\$ 145,382
Debt service principal	758,628	1,122,754
Federal, State & Local Grants fund		
Community development	468,532	510,138
Public works	-	26,779
Housing Successor fund		
Community development	131,101	202,739

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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:

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.

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.

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, 2025

Special Revenue Funds

	Proposition 172	EMT Transport	1% PEG Program	CASP Certification & Training
ASSETS				
Cash and investments	\$ 1,218,344	\$ 3,302,070	\$ 281,187	\$ 441,392
Receivables (net of allowance for uncollectible):				
Accounts	98,303	2,453	44,534	-
Taxes	60,930	-	-	-
Accrued interest	9,553	25,871	2,201	3,459
Notes and loans	-	-	-	-
Leases	-	-	-	-
Total assets	\$ 1,387,130	\$ 3,330,394	\$ 327,922	\$ 444,851
LIABILITIES				
Accounts payable	\$ -	\$ 68,942	\$ 41,127	\$ -
Contracts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	-	68,942	41,127	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Lease-related	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted	1,387,130	3,261,452	286,795	444,851
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	1,387,130	3,261,452	286,795	444,851
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,387,130	\$ 3,330,394	\$ 327,922	\$ 444,851

	Special Revenue Funds			
	Headstart Building Maintenance	Air Pollution Reduction	Gas Tax	RMRA Road Maintenance
ASSETS				
Cash and investments	\$ 217,424	\$ 330,023	\$ 1,114,745	\$ 4,627,187
Receivables (net of allowance for uncollectible):				
Accounts	-	-	1,889	676,579
Taxes	-	-	337,479	-
Accrued interest	1,703	2,585	9,545	39,159
Notes and loans	-	-	-	-
Leases	115,755	-	-	-
Total assets	\$ 334,882	\$ 332,608	\$ 1,463,658	\$ 5,342,925
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 2,077	\$ -
Contracts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	-	-	2,077	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Lease-related	110,181	-	-	-
Total deferred inflows of resources	110,181	-	-	-
FUND BALANCES				
Restricted	224,701	332,608	1,461,581	5,342,925
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	224,701	332,608	1,461,581	5,342,925
Total liabilities, deferred inflows of resources, and fund balances	\$ 334,882	\$ 332,608	\$ 1,463,658	\$ 5,342,925

CITY OF ORANGE, CALIFORNIA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2025

	Special Revenue Funds			
	Transportation System Improvement Program	Landscape Maintenance Assessment Districts	Asset Seizure	Housing In- Lieu
ASSETS				
Cash and investments	\$ 4,503,958	\$ 1,991,166	\$ 3,785,388	\$ 301,853
Receivables (net of allowance for uncollectible):				
Accounts	-	81	6,301	-
Taxes	-	3,249	-	-
Accrued interest	35,280	15,600	32,082	2,364
Notes and loans	24,301	-	-	4,592,020
Leases	-	-	-	-
Total assets	\$ 4,563,539	\$ 2,010,096	\$ 3,823,771	\$ 4,896,237
LIABILITIES				
Accounts payable	\$ 117,050	\$ 3,283	\$ 9,513	\$ -
Contracts payable	6,125	-	-	-
Accrued liabilities	-	-	53,752	-
Unearned revenues	-	-	-	-
Total liabilities	123,175	3,283	63,265	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	24,301	-	-	-
Lease-related	-	-	-	-
Total deferred inflows of resources	24,301	-	-	-
FUND BALANCES				
Restricted	4,416,063	2,006,813	3,760,506	4,896,237
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	4,416,063	2,006,813	3,760,506	4,896,237
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,563,539	\$ 2,010,096	\$ 3,823,771	\$ 4,896,237

	Special Revenue Fund	Capital Projects Fund		
	Opioid Settlement Fund	Fire Facilities Fees	Police Facilities Fees	Library Facilities Fees
ASSETS				
Cash and investments	\$ 1,205,391	\$ 887,878	\$ 948,483	\$ 862,701
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	14,849
Taxes	-	-	-	-
Accrued interest	9,926	6,946	7,431	5,713
Notes and loans	-	38,936	18,791	34,427
Leases	-	-	-	-
Total assets	\$ 1,215,317	\$ 933,760	\$ 974,705	\$ 917,690
LIABILITIES				
Accounts payable	\$ 3,555	\$ 947	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenues	1,160,881	-	-	-
Total liabilities	1,164,436	947	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	38,935	18,791	49,276
Lease-related	-	-	-	-
Total deferred inflows of resources	-	38,935	18,791	49,276
FUND BALANCES				
Restricted	50,881	-	-	-
Assigned	-	893,878	955,914	868,414
Unassigned	-	-	-	-
Total fund balances	50,881	893,878	955,914	868,414
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,215,317	\$ 933,760	\$ 974,705	\$ 917,690

CITY OF ORANGE, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Debt Service Fund	
	City Debt Service	Total Nonmajor Funds
ASSETS		
Cash and investments	\$ -	\$ 26,019,190
Receivables (net of allowance for uncollectible):		
Accounts	-	844,989
Taxes	-	401,658
Accrued interest	-	209,418
Notes and loans	-	4,708,475
Leases	-	115,755
Total assets	\$ -	\$ 32,299,485
LIABILITIES		
Accounts payable	\$ -	\$ 246,494
Contracts payable	-	6,125
Accrued liabilities	-	53,752
Unearned revenues	-	1,160,881
Total liabilities	-	1,467,252
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	-	131,303
Lease-related	-	110,181
Total deferred inflows of resources	-	241,484
FUND BALANCES		
Restricted	-	27,872,543
Assigned	-	2,718,206
Unassigned	-	-
Total fund balances	-	30,590,749
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 32,299,485

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CITY OF ORANGE, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	<i>Formerly Major Fund</i>			
	Proposition 172	EMT Transport	1% PEG Program	CASP Certification & Training
REVENUES				
Taxes	\$ 1,340,408	\$ -	\$ -	\$ -
Franchise fees	-	-	190,507	-
Intergovernmental	-	-	-	-
Charges for services and fees	-	4,503,368	-	-
Use of money and property	54,651	156,125	18,294	21,432
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	61,736
Total revenues	1,395,059	4,659,493	208,801	83,168
EXPENDITURES				
Current:				
General government	1,993	-	254,904	-
Public safety	823,801	3,776,440	-	-
Community development	-	-	-	8,190
Parks and library	-	-	-	-
Public works	-	-	-	-
Economic development	-	-	-	-
Capital outlay	23,928	-	78,491	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	849,722	3,776,440	333,395	8,190
Excess (deficiency) of revenues over (under) expenditures	545,337	883,053	(124,594)	74,978
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	545,337	883,053	(124,594)	74,978
Fund balances (deficit)-beginning	-	2,378,399	411,389	369,873
Changes within the financial reporting entity	841,793	-	-	-
Fund balances-beginning, as restated	841,793	2,378,399	411,389	369,873
Fund balances (deficit)-ending	\$ 1,387,130	\$ 3,261,452	\$ 286,795	\$ 444,851

CITY OF ORANGE, CALIFORNIA
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2025

(Continued)

	<u>Special Revenue Funds</u>			
	<u>Headstart Building Maintenance</u>	<u>Air Pollution Reduction</u>	<u>Gas Tax</u>	<u>RMRA Road Maintenance</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-
Intergovernmental	-	183,306	3,959,603	3,839,385
Charges for services and fees	-	-	11,598	-
Use of money and property	30,660	16,120	35,544	185,111
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	18,093	-
Total revenues	30,660	199,426	4,024,838	4,024,496
EXPENDITURES				
Current:				
General government	-	64,035	-	-
Public safety	-	9,179	-	-
Community development	-	-	-	-
Parks and library	-	-	-	-
Public works	3,099	-	3,770,698	297
Economic development	-	-	-	-
Capital outlay	-	-	35,748	1,338,647
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	3,099	73,214	3,806,446	1,338,944
Excess (deficiency) of revenues over (under) expenditures	27,561	126,212	218,392	2,685,552
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Proceeds from sale of capital assets	-	-	700,000	-
Total other financing sources (uses)	-	-	700,000	-
Net change in fund balances	27,561	126,212	918,392	2,685,552
Fund balances (deficit)-beginning	197,140	206,396	543,189	2,657,373
Changes within the financial reporting entity	-	-	-	-
Fund balances-beginning, as restated	197,140	206,396	543,189	2,657,373
Fund balances (deficit)-ending	\$ 224,701	\$ 332,608	\$ 1,461,581	\$ 5,342,925

CITY OF ORANGE, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			<i>Formerly Non-Major Fund</i>
	Transportation System Improvement Program	Landscape Maintenance Assessment Districts	Asset Seizure	SB2 Building Home & Jobs Act
REVENUES				
Taxes	\$ -	\$ 1,033,162	\$ -	\$ -
Franchise fees	-	-	-	-
Intergovernmental	-	-	102,283	-
Charges for services and fees	143,319	-	-	-
Use of money and property	231,184	104,582	130,828	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	34,228	-	-
Total revenues	374,503	1,171,972	233,111	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	221,140	-
Community development	-	-	-	-
Parks and library	-	945,121	-	-
Public works	16,120	-	-	-
Economic development	-	-	-	-
Capital outlay	151,095	381,918	366,452	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	167,215	1,327,039	587,592	-
Excess (deficiency) of revenues over (under) expenditures	207,288	(155,067)	(354,481)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	207,288	(155,067)	(354,481)	-
Fund balances (deficit)-beginning	4,208,775	2,161,880	4,114,987	1,564,430
Changes within the financial reporting entity	-	-	-	(1,564,430)
Fund balances-beginning, as restated	4,208,775	2,161,880	4,114,987	-
Fund balances (deficit)-ending	\$ 4,416,063	\$ 2,006,813	\$ 3,760,506	\$ -

CITY OF ORANGE, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

(Continued)

	Special Revenue Funds		Capital Projects Funds	
	Housing In-Lieu	Opioid Settlement Fund	Drainage District	Fire Facilities Fees
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services and fees	-	-	-	127,677
Use of money and property	16,074	51,493	-	49,771
Fines and forfeitures	-	56,058	-	-
Miscellaneous	-	-	-	-
Total revenues	16,074	107,551	-	177,448
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	56,057	-	-
Community development	-	-	-	-
Parks and library	-	-	-	-
Public works	-	-	-	-
Economic development	21,029	-	-	-
Capital outlay	-	-	-	227,013
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	21,029	56,057	-	227,013
Excess (deficiency) of revenues over (under) expenditures	(4,955)	51,494	-	(49,565)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(4,955)	51,494	-	(49,565)
Fund balances (deficit)-beginning	4,901,192	(613)	4,272	943,443
Changes within the financial reporting entity	-	-	(4,272)	-
Fund balances-beginning, as restated	4,901,192	(613)	-	943,443
Fund balances (deficit)-ending	\$ 4,896,237	\$ 50,881	\$ -	\$ 893,878

CITY OF ORANGE, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	<u>Capital Projects Funds</u>		<u>Debt Service Fund</u>	
	<u>Police Facilities Fees</u>	<u>Library Facilities Fees</u>	<u>City Debt Service</u>	<u>Total Nonmajor Funds</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 2,373,570
Franchise fees	-	-	-	190,507
Intergovernmental	-	-	-	8,084,577
Charges for services and fees	35,020	58,352	-	4,879,334
Use of money and property	47,951	39,227	-	1,189,047
Fines and forfeitures	-	-	-	56,058
Miscellaneous	-	-	16,453,434	16,567,491
Total revenues	82,971	97,579	16,453,434	33,340,584
EXPENDITURES				
Current:				
General government	-	-	-	320,932
Public safety	-	-	-	4,886,617
Community development	-	-	-	8,190
Parks and library	-	-	-	945,121
Public works	-	-	-	3,790,214
Economic development	-	-	-	21,029
Capital outlay	-	120,330	-	2,723,622
Debt service:				
Principal	-	-	10,401,938	10,401,938
Interest and fiscal charges	-	-	6,051,496	6,051,496
Total expenditures	-	120,330	16,453,434	29,149,159
Excess (deficiency) of revenues over (under) expenditures	82,971	(22,751)	-	4,191,425
OTHER FINANCING SOURCES (USES)				
Transfers in	-	133,651	-	133,651
Proceeds from sale of capital assets	-	-	-	700,000
Total other financing sources (uses)	-	133,651	-	833,651
Net change in fund balances	82,971	110,900	-	5,025,076
Fund balances (deficit)-beginning	872,943	757,514	-	26,292,582
Changes within the financial reporting entity	-	-	-	(726,909)
Fund balances-beginning, as restated	872,943	757,514	-	25,565,673
Fund balances (deficit)-ending	\$ 955,914	\$ 868,414	\$ -	\$ 30,590,749

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Proposition 172
For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,326,600	\$ 1,326,600	\$ 1,340,408	\$ 13,808
Use of money and property	8,000	8,000	54,651	46,651
Total revenues	1,334,600	1,334,600	1,395,059	60,459
EXPENDITURES				
Current:				
General government	1,993	1,993	1,993	-
Public safety	1,509,977	1,509,977	823,801	686,176
Capital outlay	41,600	41,600	23,928	17,672
Total expenditures	1,553,570	1,553,570	849,722	703,848
Net change in fund balances	\$ (218,970)	\$ (218,970)	545,337	\$ 764,307
Fund balances-beginning			841,793	
Fund balances-ending			\$ 1,387,130	

CITY OF ORANGE, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 EMT Transport
 For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 115,000	\$ 115,000	\$ -	\$ (115,000)
Charges for services and fees	3,200,000	3,200,000	4,503,368	1,303,368
Use of money and property	13,500	13,500	156,125	142,625
Total revenues	3,328,500	3,328,500	4,659,493	1,330,993
EXPENDITURES				
Current:				
Public safety	3,776,054	3,776,054	3,776,440	(386)
Total expenditures	3,776,054	3,776,054	3,776,440	(386)
Net change in fund balances	\$ (447,554)	\$ (447,554)	883,053	\$ 1,330,607
Fund balances-beginning			2,378,399	
Fund balances-ending			\$ 3,261,452	

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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 251,800	\$ 251,800	\$ 190,507	\$ (61,293)
Use of money and property	3,800	3,800	18,294	14,494
Total revenues	255,600	255,600	208,801	(46,799)
EXPENDITURES				
Current:				
General government	254,709	254,709	254,904	(195)
Capital outlay	67,500	95,412	78,491	16,921
Total expenditures	322,209	350,121	333,395	16,726
Net change in fund balances	\$ (66,609)	\$ (94,521)	(124,594)	\$ (30,073)
Fund balances-beginning			411,389	
Fund balances-ending			\$ 286,795	

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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 4,900	\$ 4,900	\$ 21,432	\$ 16,532
Miscellaneous	40,000	40,000	61,736	21,736
Total revenues	44,900	44,900	83,168	38,268
EXPENDITURES				
Current:				
Community development	128,190	128,190	8,190	120,000
Total expenditures	128,190	128,190	8,190	120,000
Net change in fund balances	\$ (83,290)	\$ (83,290)	74,978	\$ 158,268
Fund balances-beginning			369,873	
Fund balances-ending			\$ 444,851	

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, 2025

	<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	\$ 17,800	\$ 17,800	\$ 30,660	\$ 12,860
Total revenues	<u>17,800</u>	<u>17,800</u>	<u>30,660</u>	<u>12,860</u>
EXPENDITURES				
Current:				
Public works	12,299	56,005	3,099	52,906
Total expenditures	<u>12,299</u>	<u>56,005</u>	<u>3,099</u>	<u>52,906</u>
Net change in fund balances	<u>\$ 5,501</u>	<u>\$ (38,205)</u>	<u>27,561</u>	<u>\$ 65,766</u>
Fund balances-beginning			197,140	
Fund balances-ending			<u>\$ 224,701</u>	

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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 181,700	\$ 181,700	\$ 183,306	\$ 1,606
Use of money and property	2,200	2,200	16,120	13,920
Total revenues	183,900	183,900	199,426	15,526
EXPENDITURES				
Current:				
General government	77,778	77,778	64,035	13,743
Public safety	10,000	10,000	9,179	821
Public works	-	142,179	-	142,179
Total expenditures	87,778	229,957	73,214	156,743
Net change in fund balances	\$ 96,122	\$ (46,057)	126,212	\$ 172,269
Fund balances-beginning			206,396	
Fund balances-ending			\$ 332,608	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Gas Tax
For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,852,160	\$ 3,852,160	\$ 3,959,603	\$ 107,443
Charges for services and fees	-	-	11,598	11,598
Use of money and property	8,000	8,000	35,544	27,544
Miscellaneous	-	-	18,093	18,093
Total revenues	3,860,160	3,860,160	4,024,838	164,678
EXPENDITURES				
Current:				
Public works	4,044,791	4,044,791	3,770,698	274,093
Capital outlay	100,000	880,464	35,748	844,716
Total expenditures	4,144,791	4,925,255	3,806,446	1,118,809
Excess (deficiency) of revenues over (under) expenditures	(284,631)	(1,065,095)	218,392	1,283,487
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	700,000	700,000
Total other financing sources (uses)	-	-	700,000	700,000
Net change in fund balances	\$ (284,631)	\$ (1,065,095)	918,392	\$ 1,983,487
Fund balances-beginning			543,189	
Fund balances-ending			\$ 1,461,581	

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, 2025

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 3,572,565	\$ 3,572,565	\$ 3,839,385	\$ 266,820
Use of money and property	52,700	52,700	185,111	132,411
Total revenues	3,625,265	3,625,265	4,024,496	399,231
EXPENDITURES				
Current:				
Public works	-	-	297	(297)
Capital outlay	3,000,000	6,548,529	1,338,647	5,209,882
Total expenditures	3,000,000	6,548,529	1,338,944	5,209,585
Net change in fund balances	\$ 625,265	\$ (2,923,264)	2,685,552	\$ 5,608,816
Fund balances-beginning			<u>2,657,373</u>	
Fund balances-ending			<u>\$ 5,342,925</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, 2025

	<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	\$ -	\$ -	\$ 143,319	\$ 143,319
Use of money and property	57,100	57,100	231,184	174,084
Total revenues	57,100	57,100	374,503	317,403
EXPENDITURES				
Current:				
Public works	-	-	16,120	(16,120)
Capital outlay	1,940,000	3,997,183	151,095	3,846,088
Total expenditures	1,940,000	3,997,183	167,215	3,829,968
Net change in fund balances	\$ (1,882,900)	\$ (3,940,083)	207,288	\$ 4,147,371
Fund balances-beginning			4,208,775	
Fund balances-ending			\$ 4,416,063	

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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,017,827	\$ 1,017,827	\$ 1,033,162	\$ 15,335
Use of money and property	29,300	29,300	104,582	75,282
Miscellaneous	-	-	34,228	34,228
Total revenues	1,047,127	1,047,127	1,171,972	124,845
EXPENDITURES				
Current:				
Parks and library	1,152,178	1,192,178	945,121	247,057
Capital outlay	-	430,285	381,918	48,367
Total expenditures	1,152,178	1,622,463	1,327,039	295,424
Net change in fund balances	\$ (105,051)	\$ (575,336)	(155,067)	\$ 420,269
Fund balances-beginning			2,161,880	
Fund balances-ending			\$ 2,006,813	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Asset Seizure
For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 64,000	\$ 64,000	\$ 102,283	\$ 38,283
Use of money and property	65,800	65,800	130,828	65,028
Total revenues	129,800	129,800	233,111	103,311
EXPENDITURES				
Current:				
Public safety	380,780	386,428	221,140	165,288
Capital outlay	171,800	419,130	366,452	52,678
Total expenditures	552,580	805,558	587,592	217,966
Net change in fund balances	\$ (422,780)	\$ (675,758)	(354,481)	\$ 321,277
Fund balances-beginning			4,114,987	
Fund balances-ending			\$ 3,760,506	

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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 17,993	\$ 17,993	\$ 16,074	\$ (1,919)
Total revenues	17,993	17,993	16,074	(1,919)
EXPENDITURES				
Current:				
Economic development	21,029	393,785	21,029	372,756
Total expenditures	21,029	393,785	21,029	372,756
Net change in fund balances	\$ (3,036)	\$ (375,792)	(4,955)	\$ 370,837
Fund balances-beginning			4,901,192	
Fund balances-ending			\$ 4,896,237	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Opioid Settlement Fund
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 51,493	\$ 51,493
Fines and Fees	-	-	56,058	56,058
Total revenues	<u>-</u>	<u>-</u>	<u>107,551</u>	<u>107,551</u>
EXPENDITURES				
Current:				
Public Safety	-	145,512	56,057	89,455
Total expenditures	<u>-</u>	<u>145,512</u>	<u>56,057</u>	<u>89,455</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(145,512)</u>	<u>51,494</u>	<u>197,006</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (145,512)</u>	<u>51,494</u>	<u>\$ 197,006</u>
Fund balances (deficit)-beginning			<u>(613)</u>	
Fund balances-ending			<u>\$ 50,881</u>	

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Major and Non-Major Capital Projects and Debt Service 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:

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.

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

CITY OF ORANGE, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Capital Improvement
 For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 4,350	\$ 4,350	\$ 3,060	\$ (1,290)
Intergovernmental	4,738,334	4,873,325	4,736,201	(137,124)
Charges for services and fees	4,000,000	4,000,000	4,476,794	476,794
Use of money and property	110,300	110,300	1,202,459	1,092,159
Miscellaneous	-	-	9,965	9,965
Total revenues	8,852,984	8,987,975	10,428,479	1,440,504
EXPENDITURES				
Capital outlay	11,086,775	33,070,177	7,571,097	25,499,080
Total expenditures	11,086,775	33,070,177	7,571,097	25,499,080
Excess (deficiency) of revenues over (under) expenditures	(2,233,791)	(24,082,202)	2,857,382	26,939,584
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	354,029	354,029
Transfers out	(3,000,000)	(3,000,000)	(3,000,000)	-
Total other financing sources (uses)	(3,000,000)	(3,000,000)	(2,645,971)	354,029
Net change in fund balances	\$ (5,233,791)	\$ (27,082,202)	211,411	\$ 27,293,613
Fund balances-beginning			22,483,549	
Fund balances-ending			\$ 22,694,960	

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, 2025

	<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	\$ -	\$ -	\$ 244,376	\$ 244,376
Use of money and property	229,752	229,752	659,070	429,318
Total revenues	229,752	229,752	903,446	673,694
EXPENDITURES				
Capital outlay	475,000	2,821,818	461,791	2,360,027
Total expenditures	475,000	2,821,818	461,791	2,360,027
Net change in fund balances	\$ (245,248)	\$ (2,592,066)	441,655	\$ 3,033,721
Fund balances-beginning			9,740,836	
Fund balances-ending			\$ 10,182,491	

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, 2025

	<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	\$ 5,200	\$ 5,200	\$ 127,677	\$ 122,477
Use of money and property	12,200	12,200	49,771	37,571
Total revenues	17,400	17,400	177,448	160,048
EXPENDITURES				
Capital outlay	140,000	740,000	227,013	512,987
Total expenditures	140,000	740,000	227,013	512,987
Net change in fund balances	\$ (122,600)	\$ (722,600)	(49,565)	\$ 673,035
Fund balances-beginning			943,443	
Fund balances-ending			\$ 893,878	

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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services and fees	\$ -	\$ -	\$ 35,020	\$ 35,020
Use of money and property	11,100	11,100	47,951	36,851
Total revenues	11,100	11,100	82,971	71,871
EXPENDITURES				
Current:				
Public safety	20,000	65,000	-	65,000
Capital outlay	-	236,020	-	236,020
Total expenditures	20,000	301,020	-	301,020
Net change in fund balances	\$ (8,900)	\$ (289,920)	82,971	\$ 372,891
Fund balances-beginning			872,943	
Fund balances-ending			\$ 955,914	

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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services and fees	\$ -	\$ -	\$ 58,352	\$ 58,352
Use of money and property	11,400	11,400	39,227	27,827
Total revenues	11,400	11,400	97,579	86,179
EXPENDITURES				
Current:				
Parks and library	-	-	-	-
Capital outlay	-	420,056	120,330	299,726
Total expenditures	-	420,056	120,330	299,726
Excess (deficiency) of revenues over (under) expenditures	11,400	(408,656)	(22,751)	385,905
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	133,651	133,651
Total other financing sources (uses)	-	-	133,651	133,651
Net change in fund balances	\$ 11,400	\$ (408,656)	110,900	\$ 519,556
Fund balances-beginning			757,514	
Fund balances-ending			\$ 868,414	

CITY OF ORANGE, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
City Debt Service
For the Year Ended June 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 17,755,326	\$ 17,755,326	\$ 16,453,434	\$ (1,301,892)
Total revenues	17,755,326	17,755,326	16,453,434	(1,301,892)
EXPENDITURES				
Debt service:				
Principal	-	-	10,401,938	(10,401,938)
Interest and fiscal charges	-	-	6,051,496	(6,051,496)
Total expenditures	-	-	16,453,434	(16,453,434)
Excess (deficiency) of revenues over (under) expenditures	17,755,326	17,755,326	-	(17,755,326)
Net change in fund balances	\$ 17,755,326	\$ 17,755,326	-	\$ (17,755,326)
Fund balances-beginning			-	
Fund balances-ending			\$ -	

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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.

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.

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

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, 2025

	Equipment Replacement	Self Insurance Worker's Compensation	Self Insurance Liability
ASSETS			
Current assets:			
Cash and investments	\$ 4,973,719	\$ 4,047,178	\$ 1,269,089
Receivables (net of uncollectibles):			
Accounts	-	130,803	936
Total current assets	<u>4,973,719</u>	<u>4,177,981</u>	<u>1,270,025</u>
Noncurrent:			
Capital assets, net	18,419,144	-	-
Total noncurrent assets	<u>18,419,144</u>	<u>-</u>	<u>-</u>
Total assets	<u>23,392,863</u>	<u>4,177,981</u>	<u>1,270,025</u>
LIABILITIES			
Current liabilities:			
Accounts payable	233,342	186,251	36,885
Claims and judgments, due in one year	-	5,223,719	834,039
Subscriptions, due in one year	-	-	-
Total current liabilities	<u>233,342</u>	<u>5,409,970</u>	<u>870,924</u>
Noncurrent liabilities:			
Claims and judgments	-	10,025,461	410,669
Subscriptions	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>10,025,461</u>	<u>410,669</u>
Total liabilities	<u>233,342</u>	<u>15,435,431</u>	<u>1,281,593</u>
NET POSITION			
Net investment in capital assets	18,419,144	-	-
Unrestricted	4,740,377	(11,257,450)	(11,568)
Total net position	<u>\$ 23,159,521</u>	<u>\$ (11,257,450)</u>	<u>\$ (11,568)</u>

CITY OF ORANGE, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Employee Accrued Liability	Computer Replacement	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 1,531,276	\$ 9,606,332	\$ 21,427,594
Receivables (net of uncollectibles):			
Accounts	-	-	131,739
Total current assets	<u>1,531,276</u>	<u>9,606,332</u>	<u>21,559,333</u>
Noncurrent:			
Capital assets, net	-	4,882,832	23,301,976
Total noncurrent assets	<u>-</u>	<u>4,882,832</u>	<u>23,301,976</u>
Total assets	<u>1,531,276</u>	<u>14,489,164</u>	<u>44,861,309</u>
LIABILITIES			
Current liabilities:			
Accounts payable	12,368	12,846	481,692
Claims and judgments, due in one year	-	-	6,057,758
Subscriptions, due in one year	-	1,038,105	1,038,105
Total current liabilities	<u>12,368</u>	<u>1,050,951</u>	<u>7,577,555</u>
Noncurrent liabilities:			
Claims and judgments	-	-	10,436,130
Subscriptions	-	4,202,790	4,202,790
Total noncurrent liabilities	<u>-</u>	<u>4,202,790</u>	<u>14,638,920</u>
Total liabilities	<u>12,368</u>	<u>5,253,741</u>	<u>22,216,475</u>
NET POSITION			
Net investment in capital assets	-	(358,063)	18,061,081
Unrestricted	1,518,908	9,593,486	4,583,753
Total net position	<u>\$ 1,518,908</u>	<u>\$ 9,235,423</u>	<u>\$ 22,644,834</u>

CITY OF ORANGE, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Equipment Maintenance	Equipment Replacement	Major Building Improvements	Self Insurance Worker's Compensation	Self Insurance Liability
OPERATING REVENUES					
Charges for services and fees	\$ -	\$ 1,154,212	\$ -	\$ 4,488,520	\$ 4,564,690
Other revenues	-	122,128	-	1,683,840	89,057
Total operating revenues	-	1,276,340	-	6,172,360	4,653,747
OPERATING EXPENSES					
Salaries and wages	-	-	-	579,553	374,761
Maintenance and operations	-	-	-	403,692	442,584
Contractual services	-	-	-	20,978	177,345
Insurance claims and charges	-	-	-	8,522,030	2,979,487
Depreciation/amortization	-	1,720,156	-	-	-
Total operating expenses	-	1,720,156	-	9,526,253	3,974,177
Operating income (loss)	-	(443,816)	-	(3,353,893)	679,570
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on disposal of capital assets	-	(75,185)	-	-	-
Total nonoperating revenues (expenses)	-	(75,185)	-	-	-
Income (loss) before transfers	-	(519,001)	-	(3,353,893)	679,570
Change in net position	-	(519,001)	-	(3,353,893)	679,570
Net position-beginning, as previously stated	(4,618,612)	23,678,522	176,328	(7,903,557)	(691,138)
Change in reporting entity	4,618,612	-	(176,328)	-	-
Net position-beginning, restated	-	23,678,522	-	(7,903,557)	(691,138)
Net position-ending	\$ -	\$ 23,159,521	\$ -	\$ (11,257,450)	\$ (11,568)

CITY OF ORANGE, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Self Insurance Dental	Employee Accrued Liability	Information Systems Operations	Computer Replacement	Total Internal Service Funds
OPERATING REVENUES					
Charges for services and fees	\$ -	\$ 2,058,340	\$ -	\$ 3,456,300	\$ 15,722,062
Other revenues	-	-	-	80,555	1,975,580
Total operating revenues	-	2,058,340	-	3,536,855	17,697,642
OPERATING EXPENSES					
Salaries and wages	-	4,127,812	-	76,865	5,158,991
Maintenance and operations	-	3,795,106	-	1,872,072	6,513,454
Contractual services	-	-	-	26,044	224,367
Insurance claims and charges	-	-	-	-	11,501,517
Depreciation/amortization	-	-	-	690,558	2,410,714
Total operating expenses	-	7,922,918	-	2,665,539	25,809,043
Operating income (loss)	-	(5,864,578)	-	871,316	(8,111,401)
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on disposal of capital assets	-	-	-	-	(75,185)
Total nonoperating revenues (expenses)	-	-	-	-	(75,185)
Income (loss) before transfers	-	(5,864,578)	-	871,316	(8,186,586)
Change in net position	-	(5,864,578)	-	871,316	(8,186,586)
Net position-beginning, as previously stated	576,014	7,383,486	1,320,963	8,364,107	28,286,113
Change in reporting entity	(576,014)	-	(1,320,963)	-	2,545,307
Net position-beginning, restated	-	7,383,486	-	8,364,107	30,831,420
Net position-ending	\$ -	\$ 1,518,908	\$ -	\$ 9,235,423	\$ 22,644,834

CITY OF ORANGE, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	<u>Equipment Replacement</u>	<u>Self Insurance Worker's Compensation</u>	<u>Self Insurance Liability</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges	\$ 1,280,522	\$ 6,128,900	\$ 4,661,149
Payments to suppliers and service providers	170,728	(923,182)	(1,005,531)
Other receipts (payments)	-	(5,639,819)	(3,762,072)
Net cash provided by (used for) operating activities	<u>1,451,250</u>	<u>(434,101)</u>	<u>(106,454)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,408,785)	-	-
Principal paid on capital debt	-	-	-
Proceeds from sales of assets	(48,503)	-	-
Net cash provided by (used for) capital and related financing activities	<u>(1,457,288)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(6,038)	(434,101)	(106,454)
Cash and cash equivalents-beginning	4,979,757	4,481,279	1,375,543
Cash and cash equivalents-ending	<u><u>\$ 4,973,719</u></u>	<u><u>\$ 4,047,178</u></u>	<u><u>\$ 1,269,089</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ (443,816)	\$ (3,353,893)	\$ 679,570
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	1,720,156	-	-
(Increase) decrease in accounts receivable	2,052	(43,460)	7,402
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in accounts payable	172,858	81,041	(10,841)
Increase (decrease) in claims and judgments	-	2,882,211	(782,585)
Total adjustments	<u>1,895,066</u>	<u>2,919,792</u>	<u>(786,024)</u>
Net cash provided by (used for) operating activities	<u><u>\$ 1,451,250</u></u>	<u><u>\$ (434,101)</u></u>	<u><u>\$ (106,454)</u></u>

CITY OF ORANGE, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	Employee Accrued Liability	Computer Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges	\$ 2,058,340	\$ 3,536,855	\$ 17,665,766
Payments to suppliers and service providers	(7,912,434)	(2,046,753)	(11,717,172)
Other receipts (payments)	-	-	(9,401,891)
Net cash provided by (used for) operating activities	(5,854,094)	1,490,102	(3,453,297)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(80,555)	(1,489,340)
Principal paid on capital debt	-	(481,526)	(481,526)
Proceeds from sales of assets	-	-	(48,503)
Net cash provided by (used for) capital and related financing activities	-	(562,081)	(2,019,369)
Net increase (decrease) in cash and cash equivalents	(5,854,094)	928,021	(5,472,666)
Cash and cash equivalents-beginning	7,385,370	8,678,311	26,900,260
Cash and cash equivalents-ending	\$ 1,531,276	\$ 9,606,332	\$ 21,427,594
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ (5,864,578)	\$ 871,316	\$ (8,111,401)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	-	690,558	2,410,714
(Increase) decrease in accounts receivable	-	-	(34,006)
(Increase) decrease in prepaid items	-	237,601	237,601
Increase (decrease) in accounts payable	10,484	(309,373)	(55,831)
Increase (decrease) in claims and judgments	-	-	2,099,626
Total adjustments	10,484	618,786	4,658,104
Net cash provided by (used for) operating activities	\$ (5,854,094)	\$ 1,490,102	\$ (3,453,297)

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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	159
These schedules contain information to help the reader assess the City's most significant revenue source, property tax.	
Debt Capacity	171
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	176
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	179
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			
	2016¹	2017	2018	2019
Governmental activities:				
Net investment in capital assets	\$ 632,246,033	\$ 643,259,170	\$ 658,706,056	\$ 668,898,000
Restricted for:				
Specific projects and programs	50,288,584	43,175,076	40,833,934	40,509,831
Unrestricted	<u>(104,017,007)</u>	<u>(103,909,743)</u>	<u>(147,206,248)</u>	<u>(160,066,933)</u>
Total governmental act.net position	<u>\$ 578,517,610</u>	<u>\$ 582,524,503</u>	<u>\$ 552,333,742</u>	<u>\$ 549,340,898</u>
Business-type activities:				
Net investment in capital assets	\$ 137,600,598	\$ 134,136,742	\$ 132,924,641	\$ 130,464,008
Unrestricted	<u>2,606,432</u>	<u>2,174,136</u>	<u>(3,721,768)</u>	<u>(833,151)</u>
Total business-type act. net position	<u>\$ 140,207,030</u>	<u>\$ 136,310,878</u>	<u>\$ 129,202,873</u>	<u>\$ 129,630,857</u>
Primary government:				
Net investment in capital assets	\$ 769,846,631	\$ 777,395,912	\$ 791,630,697	\$ 799,362,008
Restricted for:				
Specific projects and programs	50,288,584	43,175,076	40,833,934	40,509,831
Unrestricted	<u>(101,410,575)</u>	<u>(101,735,607)</u>	<u>(150,928,016)</u>	<u>(160,900,084)</u>
Total primary gov't net position	<u>\$ 718,724,640</u>	<u>\$ 718,835,381</u>	<u>\$ 681,536,615</u>	<u>\$ 678,971,755</u>

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

Source:

City General Ledger

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 674,673,211	\$ 685,927,045	\$ 683,891,043	\$ 684,071,711	\$ 697,803,591	\$ 708,071,099
42,194,380	44,321,446	50,065,919	68,868,022	66,862,501	73,170,463
<u>(183,258,010)</u>	<u>(186,982,262)</u>	<u>(174,372,427)</u>	<u>(195,375,182)</u>	<u>(194,108,201)</u>	<u>(224,641,692)</u>
<u>\$ 533,609,581</u>	<u>\$ 543,266,229</u>	<u>559,584,535</u>	<u>\$ 557,564,551</u>	<u>\$ 570,557,891</u>	<u>\$ 556,599,870</u>
\$ 129,356,837	\$ 131,443,618	\$ 131,949,626	\$ 127,758,485	\$ 132,978,321	\$ 132,265,035
622,689	1,639,357	5,392,793	12,039,915	15,360,402	15,701,500
<u>\$ 129,979,526</u>	<u>\$ 133,082,975</u>	<u>137,342,419</u>	<u>\$ 139,798,400</u>	<u>\$ 148,338,723</u>	<u>\$ 147,966,535</u>
\$ 804,030,048	\$ 817,370,663	\$ 815,840,669	\$ 811,830,196	\$ 830,781,912	\$ 840,336,134
42,194,380	44,321,446	50,065,919	68,868,022	66,862,501	73,170,463
<u>(182,635,321)</u>	<u>(185,342,905)</u>	<u>(168,979,634)</u>	<u>(183,335,267)</u>	<u>(178,747,799)</u>	<u>(208,940,192)</u>
<u>\$ 663,589,107</u>	<u>\$ 676,349,204</u>	<u>\$ 696,926,954</u>	<u>\$ 697,362,951</u>	<u>\$ 718,896,614</u>	<u>\$ 704,566,405</u>

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

	Fiscal Year			
	2016¹	2017	2018	2019
Expenses:				
General government	\$ 11,523,233	\$ 12,901,270	\$ 12,469,911	\$ 16,046,573
Public safety	68,091,154	74,753,184	91,221,804	91,261,509
Public works	15,343,879	21,174,647	18,449,207	18,465,238
Community development	3,651,913	4,753,861	5,419,811	5,280,071
Parks and library	12,867,558	15,632,111	18,243,140	17,791,196
Economic development	2,615,785	2,371,172	2,667,779	1,195,781
Interest on long-term debt	-	-	-	-
Cost of issuance	-	-	-	-
Total governmental activities expenses	\$ 114,093,522	\$ 131,586,245	\$ 148,471,652	\$ 150,040,368
Program revenues:				
Charges for services:				
Public safety	\$ 7,227,522	\$ 7,115,563	\$ 7,412,945	\$ 6,578,160
Community development	2,825,885	2,476,758	2,250,135	8,438,051
Other activities	10,687,277	7,310,803	7,727,691	8,812,877
Operating grants and contributions	4,397,657	4,161,061	4,562,365	3,340,401
Capital grants and contributions	3,845,044	5,726,683	4,388,460	7,881,907
Total governmental activities program revenues	28,983,385	26,790,868	26,341,596	35,051,396
Net program revenues (expenses)	\$ (85,110,137)	\$ (104,795,377)	\$ (122,130,056)	\$ (114,988,972)
General revenues and other changes in net position:				
Taxes:				
Property taxes	\$ 26,733,026	\$ 39,907,869	\$ 42,385,253	\$ 44,237,113
Sales tax	45,789,026	46,102,329	45,082,151	52,300,499
Transient occupancy taxes	5,211,752	5,413,495	5,476,167	5,399,992
Franchise taxes	3,076,891	2,755,030	2,831,378	2,821,430
Other taxes	58,043	39,235	31,440	31,682
Use of money and property	2,248,055	1,572,433	1,753,319	5,077,128
State motor vehicle in lieu (unrestricted)	11,951,577	-	-	-
Other general revenues	5,274,621	11,510,192	5,075,459	4,118,151
Transfers	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Extraordinary items	7,900,901	1,501,687	-	-
Total general revenues and other changes in net position	108,243,892	108,802,270	102,635,167	113,985,995
Changes in net position - governmental activities	\$ 23,133,755	\$ 4,006,893	\$ (19,494,889)	\$ (1,002,977)

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

Source:

City General Ledger

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 19,426,844	\$ 18,961,388	\$ 13,171,835	\$ 24,083,824	\$ 16,723,060	\$ 24,089,979
106,839,054	102,189,315	91,321,077	110,206,495	124,980,249	132,087,478
14,683,383	25,264,533	22,820,124	19,715,973	22,436,985	30,521,699
5,174,978	5,280,546	3,304,024	4,112,664	7,696,354	11,344,671
17,048,393	17,161,257	17,810,698	20,276,823	22,279,842	19,141,883
849,150	465,809	4,562,019	8,310,619	1,723,275.00	385,660
-	5,097,209	7,850,113	7,745,269	8,124,874	7,068,584
-	-	677,074	-	-	-
<u>\$ 164,021,802</u>	<u>\$ 174,420,057</u>	<u>\$ 161,516,964</u>	<u>\$ 194,451,667</u>	<u>\$ 203,964,639</u>	<u>\$ 224,639,954</u>
\$ 8,444,493	\$ 7,233,973	\$ 8,229,685	\$ 9,973,692	\$ 11,657,313	\$ 11,600,833
3,105,770	2,973,252	3,655,955	4,141,083	1,976,021	2,101,614
14,732,822	8,100,014	10,233,437	19,161,183	19,670,861	29,485,711
5,650,779	19,358,516	19,559,089	6,116,512	7,266,416	5,966,742
8,026,570	12,631,485	7,934,114	8,934,066	15,249,685	14,889,974
<u>39,960,434</u>	<u>50,297,240</u>	<u>49,612,280</u>	<u>48,326,536</u>	<u>55,820,296</u>	<u>64,044,874</u>
<u>\$ (124,061,368)</u>	<u>\$ (124,122,817)</u>	<u>\$ (111,904,684)</u>	<u>\$ (146,125,131)</u>	<u>\$ (148,144,343)</u>	<u>\$ (160,595,080)</u>
\$ 46,274,506	\$ 48,272,714	\$ 50,960,121	\$ 53,784,303	\$ 55,610,096	\$ 58,692,002
47,215,228	56,577,610	54,702,920	51,389,099	51,891,628	50,683,134
3,990,266	1,834,447	5,253,351	6,080,399	6,092,659	6,163,266
2,819,979	2,791,170	2,871,612	3,148,573	3,201,234	2,943,807
23,361	30,466	26,039	3,897,046	3,418,634	4,531,813
4,158,758	1,534,758	(2,755,656)	4,287,125	7,292,376	24,015,779
-	-	-	-	-	-
3,847,953	4,478,646	32,636,552	21,365,548	35,941,326	4,095,873
-	-	-	153,054	(2,310,270)	-
-	-	-	-	-	37,208
-	-	4,030,000	-	-	-
<u>108,330,051</u>	<u>115,519,811</u>	<u>147,724,939</u>	<u>144,105,147</u>	<u>161,137,683</u>	<u>151,162,882</u>
<u>\$ (15,731,317)</u>	<u>\$ (8,603,006)</u>	<u>\$ 35,820,255</u>	<u>\$ (2,019,984)</u>	<u>\$ 12,993,340</u>	<u>\$ (9,432,198)</u>

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

	Fiscal Year			
	2016⁽¹⁾	2017	2018	2019
Expenses:				
Water	\$ 25,302,258	\$ 29,293,848	\$ 33,413,891	\$ 33,532,078
Sanitation	<u>7,591,850</u>	<u>7,761,578</u>	<u>7,926,974</u>	<u>8,153,404</u>
Total Expenses	<u>\$ 32,894,108</u>	<u>\$ 37,055,426</u>	<u>\$ 41,340,865</u>	<u>\$ 41,685,482</u>
Program revenues:				
Charges for services:				
Water	\$ 25,733,212	\$ 28,192,880	\$ 32,419,133	\$ 33,358,746
Sanitation	4,353,379	4,408,670	7,838,429	7,866,374
Operating grants and contributions	-	72,327	-	-
Capital grants and contributions	<u>462,951</u>	<u>-</u>	<u>-</u>	<u>180,500</u>
Total program revenues	<u>30,549,542</u>	<u>32,673,877</u>	<u>40,257,562</u>	<u>41,405,620</u>
Net Program revenues (expenses)	<u>\$ (2,344,566)</u>	<u>\$ (4,381,549)</u>	<u>\$ (1,083,303)</u>	<u>\$ (279,862)</u>
General revenues and other changes in net position:				
Use of money and property	\$ 240,646	\$ 92,860	\$ 41,164	\$ 707,846
Others	-	392,537	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues and other	<u>240,646</u>	<u>485,397</u>	<u>41,164</u>	<u>707,846</u>
Changes in net position - business-type activities	<u>\$ (2,103,920)</u>	<u>\$ (3,896,152)</u>	<u>\$ (1,042,139)</u>	<u>\$ 427,984</u>

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

Source:

City General Ledger

Fiscal Year

2020	2021	2022	2023	2024	2025
\$ 35,010,074	\$ 35,983,197	\$ 36,818,407	\$ 34,893,589	\$ 38,089,991	\$ 51,542,436
<u>8,486,309</u>	<u>7,860,697</u>	<u>6,670,133</u>	<u>10,061,616</u>	<u>9,286,085</u>	<u>11,828,262</u>
<u>\$ 43,496,383</u>	<u>\$ 43,843,894</u>	<u>\$ 43,488,540</u>	<u>\$ 44,955,205</u>	<u>\$ 47,376,076</u>	<u>\$ 63,370,698</u>
\$ 35,425,788	\$ 38,899,703	\$ 40,369,251	\$ 38,461,941	\$ 41,539,708	\$ 47,335,301
7,754,294	8,012,849	8,318,717	8,300,397	9,121,934	8,975,326
-	-	-	-	721,295	4,348,307
-	-	-	-	-	-
<u>43,180,082</u>	<u>46,912,552</u>	<u>48,687,968</u>	<u>46,762,338</u>	<u>51,382,937</u>	<u>60,658,934</u>
<u>\$ (316,301)</u>	<u>\$ 3,068,658</u>	<u>\$ 5,199,428</u>	<u>\$ 1,807,133</u>	<u>\$ 4,006,861</u>	<u>\$ (2,711,764)</u>
\$ 664,970	\$ 34,791	\$ (939,984)	\$ 324,028	\$ 1,782,865	\$ 2,220,468
-	-	-	477,874	440,327	264,646
-	-	-	(153,054)	2,310,270	-
<u>664,970</u>	<u>34,791</u>	<u>(939,984)</u>	<u>648,848</u>	<u>4,533,462</u>	<u>2,485,114</u>
<u>\$ 348,669</u>	<u>\$ 3,103,449</u>	<u>\$ 4,259,444</u>	<u>\$ 2,455,981</u>	<u>\$ 8,540,323</u>	<u>\$ (226,650)</u>

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CITY OF ORANGE
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Transient Occupancy Tax	Franchise Tax	Other Taxes	Total
2015	\$ 24,378,818	\$ 43,928,900	\$ 4,545,827	\$ 3,157,617	\$ 37,067	\$ 76,048,229
2016	26,733,026	45,789,026	5,211,752	3,076,891	58,043	80,868,738
2017	39,907,869	46,102,329	5,413,495	2,755,030	39,235	94,217,958
2018	42,385,253	45,082,151	5,476,167	2,831,378	31,440	95,806,389
2019	44,237,113	52,300,499	5,399,992	2,821,430	31,682	104,790,716
2020	46,274,506	47,215,228	3,990,266	2,819,979	23,361	100,323,340
2021	48,272,714	56,577,610	1,834,447	2,791,170	30,466	109,506,407
2022	50,960,121	54,702,920	5,253,351	2,871,612	26,039	113,814,043
2023	53,784,303	51,389,099	6,080,399	3,148,573	3,897,046	118,299,420
2024	55,610,096	51,891,628	6,092,659	3,201,234	3,418,634	120,214,251
2025	58,692,002	50,683,134	6,163,266	2,943,807	4,531,813	123,014,022

Source:
City General Ledger

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

	Fiscal Year			
	2016⁽¹⁾	2017	2018	2019
General fund:				
Nonspendable	\$ 88,354	\$ 88,269	\$ 95,178	\$ 160,760
Restricted				
Committed				
Assigned				
Unassigned	<u>34,732,497</u>	<u>35,810,692</u>	<u>34,763,378</u>	<u>38,610,758</u>
Total general fund	<u>\$ 34,820,851</u>	<u>\$ 35,898,961</u>	<u>\$ 34,858,556</u>	<u>\$ 38,771,518</u>
All other governmental funds:				
Restricted	\$ 50,288,584	\$ 43,175,076	\$ 40,833,934	\$ 40,509,831
Committed	7,886,387	7,737,725	7,398,168	6,154,780
Assigned	34,414,429	39,584,296	29,224,001	29,603,940
Unassigned	<u>-</u>	<u>-</u>	<u>(1,989,867)</u>	<u>(1,593,498)</u>
Total all other governmental funds	<u>\$ 92,589,400</u>	<u>\$ 90,497,097</u>	<u>\$ 75,466,236</u>	<u>\$ 74,675,053</u>

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

Source:

City General Ledger

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 87,818	\$ 101,737	\$ 102,858	\$ 130,663	\$ 271,684	\$ 1,334,127
	18,259,654	20,667,960	22,506,997	-	8,413
	-	-	630,545	23,891,358	26,380,740
	2,928,780	3,115,614	1,546,660	3,568,489	3,335,112
<u>32,313,009</u>	<u>25,568,686</u>	<u>21,234,508</u>	<u>913,339</u>	<u>726,027</u>	<u>-</u>
<u>\$ 32,400,827</u>	<u>\$ 46,858,857</u>	<u>\$ 45,120,940</u>	<u>\$ 25,728,204</u>	<u>\$ 28,457,558</u>	<u>\$ 31,058,392</u>
\$ 42,194,380	\$ 44,321,446	\$ 49,810,179	\$ 46,361,025	\$ -	\$ 73,162,050
5,269,093	4,740,268	255,740	250,776	(23,891,358)	3,785,549
31,184,214	52,871,901	40,371,444	38,359,032	(3,568,489)	31,810,108
<u>(2,053,907)</u>	<u>\$ (1,856,633)</u>	<u>\$ (1,608,382)</u>	<u>\$ (1,470,916)</u>	<u>\$ (613)</u>	<u>\$ (1,944,877)</u>
<u>\$ 76,593,780</u>	<u>\$ 100,076,982</u>	<u>\$ 88,828,981</u>	<u>\$ 83,499,917</u>	<u>\$ (27,732,144)</u>	<u>\$ 106,812,830</u>

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

	Fiscal Year			
	2016 ⁽¹⁾	2017	2018	2019
Revenues:				
Taxes	\$ 77,791,847	\$ 91,462,928	\$ 92,975,011	\$ 101,969,285
Franchise fees	3,076,891	2,755,030	2,831,378	2,821,431
Licenses and permits	5,443,388	4,966,017	4,846,681	5,846,046
Intergovernmental	20,125,635	9,727,861	9,016,736	11,584,134
Charges for services and fees	14,311,067	10,978,973	10,703,009	15,924,806
Use of money and property	2,248,055	1,572,433	1,753,319	5,077,127
Fines and forfeitures	1,725,785	1,706,291	1,852,674	2,194,948
Gas tax exchange	-	-	-	-
Other revenues	<u>\$ 4,732,645</u>	<u>\$ 11,495,612</u>	<u>\$ 4,783,149</u>	<u>\$ 4,108,287</u>
Total Revenues	<u>\$ 129,455,313</u>	<u>\$ 134,665,145</u>	<u>\$ 128,761,957</u>	<u>\$ 149,526,064</u>
Expenditures:				
Current:				
General government	\$ 11,059,999	\$ 11,369,206	\$ 11,488,962	\$ 13,460,308
Public safety	70,304,539	72,292,753	75,704,854	80,275,211
Community development	4,086,895	4,651,614	4,545,422	4,538,371
Parks and library	12,464,990	13,835,002	14,575,737	14,840,900
Public works	9,732,287	10,099,229	10,351,948	11,209,853
Economic development	2,519,124	2,115,151	2,354,318	1,037,149
Capital outlay	12,103,521	18,601,383	23,596,982	18,370,773
Debt service:				
Principal	-	-	-	92,339
Interest	-	-	-	-
Total expenditures	<u>122,271,355</u>	<u>132,964,338</u>	<u>142,618,223</u>	<u>143,824,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 7,183,958</u>	<u>\$ 1,700,807</u>	<u>\$ (13,856,266)</u>	<u>\$ 5,701,160</u>
Other Financing sources (uses):				
Loan proceeds	\$ -	\$ -	\$ -	\$ 570,619
Lease proceeds	-	-	-	-
Gain on sale of property	-	-	-	-
Transfers in	1,500,000	3,765,260	1,042,261	2,000,000
Transfers out	(2,952,143)	(6,480,260)	(3,257,261)	(5,150,000)
Bond proceeds	-	-	-	-
Payment to pension liability	-	-	-	-
Cost of issuance	-	-	-	-
Retirement of long-term debt	-	-	-	-
Total other financing sources (uses)	<u>(1,452,143)</u>	<u>(2,715,000)</u>	<u>(2,215,000)</u>	<u>(2,579,381)</u>
Extraordinary gain/(loss)	31,406	-	-	-
Net change in fund balances	<u>\$ 5,763,221</u>	<u>\$ (1,014,193)</u>	<u>\$ (16,071,266)</u>	<u>\$ 3,121,779</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.07%

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

Source:
City General Ledger

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 97,503,362	\$ 106,715,236	\$ 110,942,447	\$ 115,150,847	\$ 117,232,953	\$ 115,538,402	
2,819,979	2,791,170	2,871,611	3,148,573	2,981,298	2,943,807	
5,780,011	5,550,237	6,669,254	6,591,296	6,760,790	6,399,447	
13,638,969	33,085,279	27,482,163	12,356,695	22,353,181	25,444,674	
18,699,180	11,243,519	13,515,236	16,557,655	26,409,193	32,428,563	
4,121,085	1,533,906	(2,775,150)	4,287,125	7,292,376	7,524,668	
1,772,867	1,485,230	1,942,715	2,006,648	1,747,537	2,679,844	
-	-	-	-	-	-	
<u>\$ 3,661,149</u>	<u>\$ 4,483,183</u>	<u>\$ 20,252,480</u>	<u>\$ 23,939,387</u>	<u>\$ 35,919,580</u>	<u>\$ 20,549,629</u>	
<u>\$ 147,996,602</u>	<u>\$ 166,887,760</u>	<u>\$ 180,900,756</u>	<u>\$ 184,038,226</u>	<u>\$ 220,696,908</u>	<u>\$ 213,509,034</u>	
\$ 16,680,796	\$ 15,518,693	\$ 11,134,810	\$ 16,509,249	\$ 13,129,355	\$ 19,770,249	
85,168,745	88,567,963	90,723,202	95,857,843	100,859,676	108,402,646	
4,842,271	4,844,971	3,404,436	3,910,804	6,467,589	10,388,606	
14,763,471	14,581,024	16,188,815	18,141,773	18,348,348	18,002,509	
11,062,997	10,901,569	13,033,667	15,824,350	15,145,288	16,901,816	
435,243	420,264	4,457,229	8,265,884	1,538,893	212,437	
17,107,265	24,762,286	32,146,704	16,745,964	21,863,315	13,944,116	
237,778	237,778	8,452,778	10,826,439	11,403,028	11,524,692	
-	947,783	9,250,095	7,800,774	7,737,264	7,266,745	
<u>150,298,566</u>	<u>160,782,331</u>	<u>188,791,736</u>	<u>193,883,080</u>	<u>196,492,756</u>	<u>206,413,816</u>	
<u>\$ (2,301,964)</u>	<u>\$ 6,105,429</u>	<u>\$ (7,890,980)</u>	<u>\$ (9,844,854)</u>	<u>\$ 24,204,152</u>	<u>\$ 7,095,218</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 555,209	
-	-	118,528	-	-	-	
-	-	4,030,000	-	-	700,000	
-	5,847,783	7,300,000	9,400,000	2,629,049	3,487,680	
(2,150,000)	(8,027,783)	(16,587,500)	(24,276,946)	(5,939,319)	(3,487,680)	
-	295,582,983	-	-	-	-	
-	(259,566,751)	-	-	-	-	
-	(2,000,429)	-	-	-	-	
-	-	-	-	-	-	
(2,150,000)	31,835,803	(5,138,972)	(14,876,946)	(3,310,270)	1,255,209	
-	-	-	-	-	-	
<u>\$ (4,451,964)</u>	<u>\$ 37,941,232</u>	<u>\$ (13,029,952)</u>	<u>\$ (24,721,800)</u>	<u>\$ 20,893,882</u>	<u>\$ 8,350,427</u>	
0.18%	0.88%	12.74%	11.75%	12.31%	10.82%	

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

	Fiscal Year			
	2016	2017	2018	2019
Residential	\$ 13,322,413,898	\$ 13,907,361,557	\$ 14,610,327,072	\$ 15,319,876,353
Commercial	3,272,604,405	3,337,299,634	3,512,922,693	3,724,151,268
Industrial	1,317,401,040	1,367,159,238	1,453,073,836	1,512,959,481
Agricultural	25,695,455	26,430,596	17,435,414	346,758
Govt. Owned	66,298	67,309	367,155	-
Miscellaneous	-	-	-	6,694,659
Vacant	87,731,861	73,143,425	91,026,028	117,601,015
SBE Nonunitary	1,058,273	747,053	746,977	2,695,673
Cross Reference	29,703,769	31,697,215	46,590,088	32,546,463
Unsecured	888,595,478	822,433,022	810,904,924	858,358,308
Exempt	<u>(1,043,553,396)</u>	<u>(1,065,193,444)</u>	<u>(1,086,877,533)</u>	<u>(1,105,868,927)</u>
TOTALS	<u>\$ 18,945,270,477</u>	<u>\$ 19,566,339,049</u>	<u>\$ 20,543,394,187</u>	<u>\$ 21,575,229,978</u>
Total Direct Rate	0.13666%	0.13660%	0.13668%	0.13680%

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.

Exempt values are not included in the Total.

Source:

HdL Coren & Cone
Orange County Assessor 2015/16-2024/25 Combined Tax Rolls

Fiscal Year

2020	2021	2022	2023	2024	2025
\$ 16,062,120,394	\$ 16,815,529,307	\$ 17,356,805,706	\$ 18,307,447,334	\$ 19,418,223,266	\$ 20,401,909,402
4,004,538,771	4,036,657,419	4,122,497,888	4,935,943,558	4,382,875,418	4,747,602,375
1,610,831,980	1,691,655,529	1,759,876,677	1,888,052,878	1,983,026,865	2,135,668,851
353,693	360,766	12,889,961	13,147,743	13,540,690	-
-	-	239,080,823	121,702,198	976,474	-
6,534,366	6,760,526	-	-	-	6,219,018
143,783,424	133,470,031	132,974,931	134,301,415	129,278,729	32,073,812
2,695,573	2,695,673	2,695,673	5,128,058	5,128,058	5,128,058
31,849,525	35,682,699	56,461,661	56,588,822	287,065,709	262,556,241
908,066,728	892,318,518	1,063,230,090	936,348,310	1,034,483,353	1,220,807,514
<u>(1,150,701,872)</u>	<u>(1,173,579,385)</u>	<u>(1,199,563,810)</u>	<u>(1,285,120,190)</u>	<u>(1,698,954,084)</u>	<u>(1,722,767,857)</u>
<u>\$ 22,770,774,454</u>	<u>\$ 23,615,130,468</u>	<u>\$ 24,746,513,410</u>	<u>\$ 26,398,660,316</u>	<u>\$ 27,254,598,562</u>	<u>\$ 28,811,965,271</u>
0.13657%	0.13653%	0.13620%	0.13770%	0.13699%	0.13695%

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

	Fiscal Year			
	2016	2017	2018	2019
¹ Basic levy	1.0000	1.0000	1.0000	1.0000
² Overlapping Rates:				
School Services:				
Anaheim Elementary School District	0.04227	0.04461	0.04502	0.05059
Anaheim High School District	0.04948	0.04259	0.02211	0.04244
North Orange County Community College District	0.03043	0.02885	0.02927	0.02829
Orange USD	-	-	-	-
Orange USD Elementary 2016 Series 2022	-	-	-	-
Orange USD Series 2018 2016	-	-	-	0.02685
Rancho Santiago Community College District	0.03063	0.04945	0.03013	0.02875
Santa Ana Unified School District	-	0.06377	-	-
Tustin Unified School District SFID No. 2002-1	<u>0.07751</u>	<u>0.07001</u>	<u>0.06873</u>	<u>0.06687</u>
Total School Services	0.23032	0.29928	0.19526	0.24379
Irvine Ranch Water District	0.02803	0.02803	0.06901	0.06901
Metropolitan Water District	<u>0.00350</u>	<u>0.00350</u>	<u>0.00350</u>	<u>0.00350</u>
Total Water District	0.03153	0.03153	0.07251	0.07251
 Total Direct Rate	 <u>1.26185</u>	 <u>1.33081</u>	 <u>1.26777</u>	 <u>1.31630</u>

Notes:

¹In 1978, California voters passed Proposition 13 which set 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 any voter approved bonds.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.

Source:

HdL Coren & Cone
Orange County Assessor 2015/16-2024/25 Tax Rate Table

Fiscal Year					
2020	2021	2022	2023	2024	2025
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.05943	0.06595	0.06321	0.04667	0.04644	0.04223
0.03968	0.03971	0.03804	0.03016	0.03164	0.03256
0.02409	0.03198	0.02877	0.02778	0.01715	0.01735
-	-	-	-	0.02533	0.02443
-	-	-	0.00946	-	-
0.02288	0.01664	0.01656	0.01609	-	-
0.02818	0.02768	0.02652	0.04691	0.04555	0.02596
-	-	-	0.06976	0.05893	-
<u>0.06376</u>	<u>0.07102</u>	<u>0.06523</u>	<u>0.06647</u>	<u>0.05856</u>	<u>0.05761</u>
0.23802	0.25298	0.23833	0.31330	0.28360	0.20014
0.06901	0.05001	0.05001	0.05001	0.05001	0.05001
<u>0.00350</u>	<u>0.00350</u>	<u>0.00350</u>	<u>0.00350</u>	<u>0.00350</u>	<u>0.00700</u>
0.07251	0.05351	0.05351	0.05351	0.05351	0.05701
<u>1.31053</u>	<u>1.30649</u>	<u>1.29184</u>	<u>1.36681</u>	<u>1.33711</u>	<u>1.25715</u>

CITY OF ORANGE
Principal Sales Tax Producers
Current Year and Nine Years Ago

Calendar Year 2025		Calendar Year 2016	
Business Name	Business Category	Business Name	Business Category
ABC Supply Co	Building Materials	Albertsons	Grocery Stores
Beacon Roofing Supply	Building Materials	Beacon Roofing Supply	Building Materials
Best Buy	Electronics/Appliance Stores	Best Buy	Electronics/Appliance Stores
Chevron	Service Stations	Cal Wholesales Material Supply	Building Materials
David Wilsons Villa Ford	New Motor Vehicle Dealers	Chevron	Service Stations
DMG Corporation	Business Services	David Wilsons Villa Ford	New Motor Vehicle Dealers
Enterprise Rent A Car	Transportation/Rentals	DMG Corporation	Business Services
Foundation Building Materials	Building Materials	Enterprise Rent A Car	Transportation/Rentals
Henry Schein	Medical/Biotech	Foundation Building Materials	Building Materials
Home Depot	Building Materials	Home Depot	Building Materials
L&W Supply (Calply)	Building Materials	Mazda of Orange	New Motor Vehicle Dealers
Mazda of Orange	New Motor Vehicle Dealers	MS International	Building Materials
MS International	Building Materials	Nike Factory Store	Shoe Stores
Nike Factory Store	Shoe Stores	Nordstrom Rack	Department Store
SC Fuels	Petroleum Prod/Equipment	SC Fuels	Petroleum Prod/Equipment
SC Fuels	Petroleum Prod/Equipment	Sears	Department Store
SC Fuels	Petroleum Prod/Equipment	Selman Chevrolet	New Motor Vehicle Dealers
SC Lubricants	Petroleum Prod/Equipment	Stadium Nissan	New Motor Vehicle Dealers
Selman Chevrolet	New Motor Vehicle Dealers	Target	Discount Department Stores
Stadium Nissan	New Motor Vehicle Dealers	Tesoro	Service Stations
Target	Discount Department Stores	Thompson Building Materials	Building Materials
Thompson Building Materials	Building Materials	Toyota Lease Trust	Auto Lease
Toyota Scion of Orange	New Motor Vehicle Dealers	Toyota Scion of Orange	New Motor Vehicle Dealers
Verco Decking	Contractors	Villa Ford of Orange	New Motor Vehicle Dealers
Walmart	Discount Department Stores	Walmart	Discount Department Stores

Notes:
 Firms listed alphabetically
 *New in FY 2024-25

Source:
 HdL Coren & Cone
 State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

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

Taxpayer	2025		2016	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	(1) Taxable Assessed Value	Percentage of Total Taxable Assessed Value
St Joseph Hospital of Orange	418,019,091	1.45%	98,696,747	0.52%
Orange City Mills LP	249,264,393	0.87%	152,616,753	0.81%
Fairfield Town and Country LLC	193,807,585	0.67%	-	0.00%
Gateway Apartments I	170,364,843	0.59%	-	0.00%
Bex Portfolio Inc	148,210,164	0.51%	124,743,554	0.66%
City Tower Properties LLC	146,004,114	0.51%	85,353,344	0.45%
Mainstay Main Place LP	140,794,299	0.49%	-	0.00%
OC OET Owner LLC	130,391,095	0.45%	-	0.00%
WaterFord Property	127,912,800	0.44%	-	0.00%
RexFord Industrial Realty LP	125,328,124	0.43%	-	0.00%
Irvine Company LLC	-	0.00%	152,065,579	0.80%
Children's Hospital of Orange County	-	0.00%	136,643,953	0.72%
GPI-OCS LLC	-	0.00%	115,461,664	0.61%
Passco TVO-S LLC	-	0.00%	100,353,028	0.53%
TPG of Mullrock Orange Fee LLC	-	0.00%	84,000,000	0.44%
Orange County Realty Investors LLC	-	0.00%	82,000,000	0.43%
	<u>1,850,096,508</u>	6.42%	<u>1,131,934,622</u>	5.97%

Source:

HdL Coren & Cone

Orange County Assessor 2015/16 and 2024/25 Tax Rolls and the SBE Non Unitary Tax Roll

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
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%
2025	51,720,479	39,188,356	75.77%	273,909	(116,299)	39,345,966	76.07%

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		Total Primary Government	Percentage of Personal Income	Debt Per Capita
	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	29,930,000	295,408,776	21,006,224	21,006,224	316,415,000	5.98%	2,303
2022	258,348,004	29,410,000	287,758,004	20,441,996	20,441,996	308,200,000	5.29%	2,239
2023	248,970,043	28,860,000	277,830,043	19,699,957	19,699,957	297,530,000	4.84%	2,140
2024	238,632,971	28,290,000	266,922,971	18,882,028	18,882,028	285,804,999	4.28%	2,062
2025	228,231,037	27,695,000	255,926,037	18,058,963	18,058,963	273,985,000	3.89%	1,961

Notes:

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

Source:

HdL Coren & Cone

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

2024-2025 Assessed Valuation: \$28,802,541,429

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2025	% Applicable¹	City's Share of Debt 6/30/25
Metropolitan Water District	\$ 17,155,000	0.707%	\$ 121,286
Irvine Ranch Water District, Improvement District No. 125	150,979,527	0.856	1,292,385
Irvine Ranch Water District, Improvement District No. 225	222,230,406	0.008	17,778
Irvine Ranch Water District, Improvement District No. 153-253	17,739,735	0.044	7,805
North Orange County Joint Community College District	275,134,676	0.106	291,643
Rancho Santiago Community College District	132,145,756	27.798	36,733,877
Anaheim Union High School District	424,313,955	0.305	1,294,158
Anaheim School District	339,869,734	0.522	1,774,120
Tustin Unified School District School Facilities Improvement District No. 2002-1	32,340,000	0.046	14,876
Tustin Unified School District School Facilities Improvement District No. 2008-1	69,670,000	0.047	32,745
Tustin Unified School District School Facilities Improvement District No. 2012-1	42,090,000	0.034	14,311
Orange Unified School District	275,590,000	59.852	164,946,127
Orange Unified School District Community Facilities District No. 2005-1	4,845,000	100	4,845,000
Orange Unified School District Community Facilities District No. 2005-2	4,525,000	100	4,525,000
City of Orange Community Facilities District No. 91-2	12,714,000	100	12,714,000
City of Orange Community Facilities District No. 06-1	19,485,000	100	19,485,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 248,110,111.00</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$ 429,065,000	3.553%	\$ 15,244,679.00
Orange County Board of Education Certificates of Participation	9,120,000	3.553	324,034
North Orange County Regional Occupation Program Certificates of Participation	6,880,000	0.109	7,499
Orange Unified School District Certificates of Participation and Benefit Obligations	62,080,000	59.852	37,156,122
Anaheim Union High School District Certificates of Participation	26,880,000	0.305	81,984
<i>City of Orange General Fund Obligations</i>	<i>27,695,000</i>	<i>100</i>	<i>27,695,000</i>
<i>City of Orange Pension Obligation Bonds</i>	<i>246,290,000</i>	<i>100</i>	<i>246,290,000</i>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 326,799,318</u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	\$ 21,410,000	100	\$ 21,410,000
TOTAL DIRECT DEBT			<u>\$ 273,985,000</u>
TOTAL OVERLAPPING DEBT			<u>\$ 322,334,429</u>
COMBINED TOTAL DEBT²			<u>\$ 596,319,429</u>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2024-2025 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.86%
Total Direct Debt (\$273,985,000)	0.95%
Combined Total Debt	2.07%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$5,811,961,042):

Total Overlapping Tax increment Debt	0.37%
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Source:

California Municipal Statistics, Inc.

CITY OF ORANGE
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Assessed valuation	\$ 18,945,270,477	\$ 19,566,339,049	\$ 20,543,394,187	\$ 21,575,229,978
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 4,736,317,619	\$ 4,891,584,762	\$ 5,135,848,547	\$ 5,393,807,495
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 710,447,643	\$ 733,737,714	\$ 770,377,282	\$ 809,071,124
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 710,447,643	\$ 733,737,714	\$ 770,377,282	\$ 809,071,124
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 22,770,774,454	\$ 23,615,130,468	\$ 24,746,513,410	\$ 26,398,660,316	\$ 27,254,598,562	\$ 28,811,965,271
25%	25%	25%	25%	25%	25%
\$ 5,692,693,614	\$ 5,903,782,617	\$ 6,186,628,353	\$ 6,599,665,079	\$ 6,813,649,641	\$ 7,202,991,318
15%	15%	15%	15%	15%	15%
\$ 853,904,042	\$ 885,567,393	\$ 927,994,253	\$ 989,949,762	\$ 1,022,047,446	\$ 1,080,448,698
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 853,904,042	\$ 885,567,393	\$ 927,994,253	\$ 989,949,762	\$ 1,022,047,446	\$ 1,080,448,698
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF ORANGE
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Population</u>	<u>Personal Income</u> <u>(expressed</u> <u>in thousands)</u>	<u>Per Capita</u> <u>Personal Income</u>	<u>Public School</u> <u>Enrollment¹</u>	<u>Unemployment</u> <u>Rate²</u>
2016	140,882	4,401,212	31,240	14,581	3.8%
2017	141,952	4,471,463	31,500	14,256	3.8%
2018	141,691	4,785,561	33,775	14,072	2.9%
2019	140,065	4,998,706	35,688	13,958	2.7%
2020	137,366	5,294,743	38,545	13,852	8.2%
2021	137,676	5,827,067	42,324	13,105	5.6%
2022	139,063	6,146,433	44,199	13,187	3.1%
2023	138,621	6,671,674	48,129	12,850	3.6%
2024	139,724	7,041,451	50,395	12,981	3.8%
2025	139,724	N/A*	N/A*	12,685	4.0%

Source:

HdL Coren & Cone

(1) Orange Unified School District

(2) Labor Force and Unemployment for Cities and Census Designated places

* Information for 2025 not yet available

CITY OF ORANGE
Principal Employers
Current Year and Nine Years Ago

Employer	2025		2016	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
UCI Health Medical Center	6,240	8.49%	4,000	5.67%
Rady Children's Health	3,938	5.36%	2,900	4.11%
Providence St. Joseph Hospital Orange	3,500	4.76%	4,850 ⁽¹⁾	6.87%
Chapman University	1,300	1.77%	1,235	1.75%
CalOptima Health	1,000	1.36%	900	1.28%
Wilson Automotive	915	1.24%	-	0.00%
City of Orange	875	1.19%	800	1.13%
Santiago Canyon College (SCC)	812	1.10%	913	1.29%
MS International Inc.	514	0.70%	-	0.00%
Orange County Transportation Authority	500	0.68%	500	0.71%
AECOM Technical Services	478	0.65%	450	0.64%
Alignment Healthcare USA	469	0.64%	-	0.00%
Orange County Sheriff's Dept Theo Lacy J	450	0.61%	-	0.00%
Harvest Landscape Enterprises Inc	400	0.54%	-	0.00%
Letner Roofing Company	380	0.52%	-	0.00%
SA Recycling, LLC	375	0.51%	-	0.00%
AO Architects	365	0.50%	-	0.00%
GGG Demolition, Inc.	300	0.41%	-	0.00%
Reyes Coca-Cola Bottling	300	0.41%	-	0.00%
Chapman Global Medical Center	285	0.39%	-	0.00%
Children & Family Services (CFS)	275	0.37%	490	0.69%
Orange County Assessor	260	0.35%	-	0.00%
Word and Brown Companies	260	0.35%	-	0.00%
California Choice	250	0.34%	-	0.00%
Doubletree by Hilton Anaheim-Orange Coun	250	0.34%	-	0.00%
American Advisors Group (AAG)	-	0.00%	800	1.13%
California Choice	-	0.00%	490	0.69%
NOV Rig Systems (formerly National Oilwell Varco)	-	0.00%	400	0.57%
Western Dental Services, Inc. (formerly Sybron Dental Specialists)	-	0.00%	700	0.99%

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

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

Function	Full-Time Equivalents as of June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
General Government ³	72	72	71	79	73	72	76	78	84	81
Public Safety	412	412	411	411	386	387	391	412	410	402
Public Works ⁵	67	67	68	68	68	68	67	78	67	67
Community Development ⁴	36	36	36	36	33	33	33	24	39	39
Parks and Library	111	108	109	110	105	105	106	106	105	103
Economic Development ¹	-	-	-	-	-	-	-	-	-	-
Sanitation ²	-	-	-	-	-	-	-	-	-	-
Subtotal governmental activities	698	695	695	704	665	665	673	698	705	692
Business-Type Activities:										
Water	45	45	45	45	45	45	45	45	45	45
Sanitation ²	21	21	21	22	19	19	19	22	22	22
Subtotal business-type activities	66	66	66	67	64	64	64	67	67	67
Total activities	764	761	761	771	729	729	737	765	772	759

Notes

- (1) In fiscal year 2012-13, the Economic Development was transferred to City Manager, under General Government
- (2) In fiscal year 2015-16, the Sanitation fund was reclassified as a Business-Type Activity
- (3) In fiscal year 2018-19, Information Technology transferred from contract to in-house, under General Government
- (4) In fiscal year 2022-23, Building & Safety was transferred from Community Development to Public Works
- (5) In fiscal year 2023-24, Building & Safety was transferred back to Community Development

Source:

City of Orange, Adopted Budget

CITY OF ORANGE
Operating Indicators by Department
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
City Attorney:				
Number of claims/cases handled	441	428	414	534
Number of resolutions/ordinances/agreements	288	240	288	292
City Clerk:				
Number of passports processed ^(1, 3)	2,669	3,183	2,611	2,686
Number of documents scanned ⁽⁴⁾	2,184	2,544	4,658	7,168
Number of public records requested ⁽⁴⁾	-	-	230	374
Finance:				
Number of business licenses issued	20,721	20,487	20,659	20,659
Number of water accounts billed	35,380	35,388	35,216	36,490
Human Resources:				
Number of recruitments held	60	87	81	100
Number of applications processed	8,968	7,590	7,193	10,744
Library:				
Number of items checked out ^(2, 5)	616,388	541,270	536,202	418,033
Total library cards ⁽⁵⁾	59,162	57,078	55,644	56,992
Number of patrons/visitors	469,700	426,861	413,582	422,142
Fire:				
Number of calls:				
Medical	12,327	12,048	12,463	12,592
Fire	622	664	688	692
Other	3,022	2,336	2,457	2,218
Number of inspections performed	6,866	6,868	4,999	5,612
Police:				
Number of calls for service	99,728	100,876	109,192	108,371
Number of arrests	4,771	4,568	5,667	5,353
Public Works:				
Lane miles of streets resurfaced	35	37	24	23
Miles of streets swept	39,850	40,766	37,617	39,664
Water Division:				
Number of active water connections	36,372	36,391	36,431	36,435
Million gallons of daily average distribution	21	23	25	24
Sanitation Division:				
Number of active sewer connections	33,950	33,951	33,956	33,950
Number of catch basins inspected	1,983	1,983	1,910	1,985
Community Development:				
Number of permits issued	4,153	4,229	3,552	3,396
Combined construction valuation	\$ 235,315,312	\$ 114,940,690	\$ 132,814,044	\$ 156,630,767
Community Services:				
Number of contract classes held ⁽³⁾	1,148	1,044	1,188	1,201
Total participants at all activities/events ⁽³⁾	918,805	1,060,893	1,060,872	1,000,000

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.
- (5) 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, rather than the total number of library cards.

Source:
City of Orange

2020	2021	2022	2023	2024	2025
413	234	453	467	537	573
312	396	342	315	410	358
1,726	1,106	1,634	1,000	1,375	824
5,890	2,423	-	-	-	-
439	669	1,203	810	934	1,154
20,771	20,849	20,678	20,385	19,526	18,157
36,456	36,508	35,492	35,513	35,547	35,387
68	83	123	128	114	77
5,725	7,051	7,622	7,851	6,836	6,025
402,449	266,537	462,847	602,683	654,713	435,034
60,209	61,107	5,354	6,664	6,981	6,369
339,659	76,152	217,211	258,478	311,012	276,129
13,426	11,789	13,014	14,467	14,993	15,194
709	729	845	806	731	790
2,348	2,291	2,496	2,457	2,443	2,379
4,004	3,421	4,864	5,949	5,466	5,837
92,730	88,853	91,179	94,091	97,836	89,876
4,589	5,715	5,339	5,335	5,969	5,175
22	22	27	30	42	11
39,664	39,664	39,664	40,872	40,872	40,872
36,485	36,508	36,508	36,536	36,593	33,617
24	24	24	20	21	22
33,647	33,662	33,667	33,667	33,460	33,483
1,985	1,985	1,985	1,983	1,983	1,862
3,406	3,576	3,676	4,151	3,572	3,676
\$ 174,844,204	\$ 158,963,749	\$ 192,982,847	\$ 408,001,641	\$ 151,134,837	\$ 178,533,190
863	278	611	521	500	465
622,373	32,039	878,457	804,521	856,677	755,923

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

	Fiscal Year				
	2025	2024	2023	2022	2021
Library:					
Number of libraries	3.00	3.00	3.00	3	3
Number of books & other items held ¹	161,980.00	161,221.00	170,539.00	168,012	202,641
Fire:					
Number of fire stations	8.00	8.00	8.00	8	8
Number of vehicles in fleet	64.00	63.00	62.00	62	62
Police:					
Number of stations/sub-stations	2.00	2.00	2.00	2	2
Number of vehicles in fleet	136.00	132.00	136.00	133	131
Public Works:					
Streets (in miles)	322.00	322.00	322.00	324	324
Number of streetlights	7,842.00	7,896.00	7,842.00	7,842	7,842
Number of traffic signals	158.00	158.00	158.00	158	158
Number of street trees	26,000.00	25,000.00	23,000.00	20,000	20,000
Water Division:					
Number of wells	12.00	10.00	12.00	12	12
Water mains (in miles)	462.00	463.00	462.00	445	445
Number of hydrants	4,490.00	4,502.00	4,475.00	4,434	4,431
Sanitation Division:					
Miles of sewer lines/storm drains	426.00	422.00	422.00	422	422
Facilities Maintenance Division:					
Number of city buildings owned	82.00	82.00	82.00	82	82
Square feet of city buildings ²	533,384.00	533,384.00	533,384.00	533,384	533,384
Number of other city vehicles	275.00	269.00	270.00	277	275
Community Services:					
Number of parks	22.00	22.00	22.00	22	22
Acres of parkland ¹	290.00	278.00	267.00	267	267
Number of community pools	2.00	2.00	2.00	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.

Fiscal Year				
2020	2019	2018	2017	2016
3	3	3	3	3
192,927	196,198	218,688	231,715	223,161
8	8	8	8	8
59	58	58	58	58
2	2	2	2	2
132	133	132	132	132
324	324	324	324	331
7,836	7,836	7,836	3,182	3,182
157	157	157	157	157
19,716	22,000	22,000	22,000	22,000
12	12	12	14	17
446	446	462	462	452
4,450	4,439	4,434	4,389	4,417
422	436	436	436	436
82	82	82	82	82
533,384	533,384	512,000	512,000	529,995
275	274	272	271	271
22	22	22	22	22
260	260	258	258	258
2	2	2	2	2



**City of Orange
Orange Civic Center
300 E. Chapman Ave.
Orange, CA 92866**

**(714) 744 - 5500
www.cityoforange.org/acfr**