



CITY OF ORLAND

**ANNUAL
FINANCIAL
REPORT**

JUNE 30, 2022

CITY OF ORLAND
ORLAND, CALIFORNIA

JUNE 30, 2022

MEMBER	OFFICE	TERM EXPIRES
Dennis H Hoffman	Mayor	2022
Jeffery A. Tolley	Vice Mayor	2024
Bruce T. Roundy	Councilmember	2024
Chris Dobbs	Councilmember	2024
William “Billy” Irvin	Councilmember	2022

ADMINISTRATION

Pete Carr	City Manager
Rebecca Pendergrass	Director of Administrative Services/Assistant City Manager
Gregory P. Einhorn	City Attorney
Jennifer Schmitke	City Clerk
Letty Espinosa	City Treasurer

ORGANIZATION

Orland City Council is comprised of five community members that are voted into office. Orland City Council is responsible for making policy decisions and directing city staff.

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CITY OF ORLAND

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
City of Orland
Orland, California

REPORT ON THE FINANCIAL STATEMENTS

Opinions

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

In our opinion, the accompanying financial statements 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 City of Orland, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Potential Component Unit Emphasis of Matter

Management has declined to include the Orland Volunteer Fire Department's ("OVFD") financial activity, nor were we engaged to audit the OVFD. The OVFD is a separate legal entity to the City. However, the City is the sponsoring agency. The size of OVFD is unknown, but it is understood they file a 990 federal tax return. Because the auditor has been unable to determine "imposition of will" and "financial burden or benefit" we cannot determine if the potential component unit is to be included or not.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

City of Orland's 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 City of Orland'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.

RIDENNIS
ACCOUNTANCY

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 City of Orland's internal control. Accordingly, no such opinion is expressed.³
- ❖ 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 City of Orland'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 budgetary comparison information, pension schedules, and other postemployment schedules on pages 39–43, respectively, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

Other Information Included in the Annual Financial Report

Management is responsible for the other information in the Annual Financial Report. The other information comprises the Combining Statements of Non-Major Governmental Funds but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in cursive script that reads "H. J. Dennis Accountancy". The signature is written in a light grey or blue ink and is positioned below the main text block.

April 13, 2023

CITY OF ORLAND

STATEMENT OF NET POSITION
 JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Equivalents	\$ 6,798,780	\$ 3,794,530	\$ 10,593,310
Receivables	8,321,008	686,054	9,007,062
Internal Balances	(150,130)	150,130	-
Capital Assets	11,289,116	6,816,287	18,105,403
Total Assets	26,258,774	11,447,001	37,705,775
Deferred Outflows of Resources	5,481,000	48,000	5,529,000
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	\$ 31,739,774	\$ 11,495,001	\$ 43,234,775
LIABILITIES			
Accrued Expenses	\$ 213,156	\$ 152,719	365,875
Unearned Revenue	6,744,962	-	6,744,962
Deposits and Retentions	63,037	179	63,216
Long-Term Liabilities, Current Portion	310,498	352,352	662,850
Long-Term Liabilities, Non-current Portion	8,474,885	3,680,800	12,155,685
Total Liabilities	15,806,538	4,186,050	19,992,588
Deferred Inflows of Resources	4,073,000	478,000	4,551,000
NET POSITION			
Net Investment in Capital Assets	10,588,528	4,115,380	14,703,908
Restricted for			
Impact fees	2,442,464	-	2,442,464
Assessment district	290,670	-	290,670
Unrestricted	(1,461,426)	2,715,571	1,254,145
Total Net Position	11,860,236	6,830,951	18,691,187
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
	\$ 31,739,774	\$ 11,495,001	\$ 43,234,775

The accompanying notes are an integral part of these financial statements.

CITY OF ORLAND

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Function/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES						
General Government	\$ 2,664,587	\$ -	\$ -	\$ (2,664,587)		\$ (2,664,587)
Public Safety	3,387,271	-	380,224	(3,007,047)		(3,007,047)
Public Ways and Facilities	989,742	199,620	965,797	175,675		175,675
Library	595,876	49,833	201,782	(344,261)		(344,261)
Recreation	799,458	133,020	33,418	(633,020)		(633,020)
Debt Service	77,911	-	-	(77,911)		(77,911)
Total Governmental Activities	8,514,845	382,473	1,581,221	(6,551,151)		(6,551,151)
BUSINESS-TYPE ACTIVITIES						
Water	1,608,724	1,834,065	-		\$ 225,341	225,341
Sewer	1,475,041	1,249,952	-		(225,089)	(225,089)
Industrial Sewer	46,111	84,531	-		38,420	38,420
Debt Service	66,007	-	-		(66,007)	(66,007)
Total Business-Type Activities	3,195,883	3,168,548	-		(27,335)	(27,335)
Total	\$ 11,710,728	\$ 3,551,021	\$ 1,581,221	(6,551,151)	(27,335)	(6,578,486)
General revenues						
Taxes and subventions						
				1,167,144	-	1,167,144
				5,189,996	-	5,189,996
				221,039	282,624	503,663
				83,491	21,400	104,891
				71,312	10,549	81,861
				6,732,982	314,573	7,047,555
CHANGE IN NET POSITION						
				181,831	287,238	469,069
				11,678,405	6,543,713	18,222,118
				\$ 11,860,236	\$ 6,830,951	\$ 18,691,187

The accompanying notes are an integral part of these financial statements.

CITY OF ORLAND

GOVERNMENTAL FUNDS'
BALANCE SHEETS
JUNE 30, 2022

	General Fund	Economic & Block Grants	IMPACT FEES	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Equivalents	\$ 2,417,785	\$ 824,458	\$ 2,443,080	\$ 1,113,457	\$ 6,798,780
Receivables	1,374,749	6,724,377	-	221,882	8,321,008
Due From Other Funds	628,891	-	-	-	628,891
TOTAL ASSETS	\$ 4,421,425	\$ 7,548,835	\$ 2,443,080	\$ 1,335,339	\$ 15,748,679
LIABILITIES					
Accrued Expenses	\$ 205,698	\$ -	\$ 616	\$ 6,842	\$ 213,156
Due To Other Funds	347,121	555	-	431,345	779,021
Unearned Revenue	-	6,724,374	-	20,588	6,744,962
Deposits and Retentions	63,037	-	-	-	63,037
Total Liabilities	615,856	6,724,929	616	458,775	7,800,176
FUND BALANCE					
Restricted Fund Balance	-	-	2,442,464	290,670	2,733,134
Assigned Fund Balance	1,842,575	823,906	-	1,018,876	3,685,357
Unassigned	1,962,994	-	-	(432,982)	1,530,012
Total Fund Balance	3,805,569	823,906	2,442,464	876,564	7,948,503
TOTAL LIABILITIES AND	\$ 4,421,425	\$ 7,548,835	\$ 2,443,080	\$ 1,335,339	\$ 15,748,679

The accompanying notes are an integral part of these financial statements.

CITY OF ORLAND

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEETS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balance - Governmental Funds \$ 7,948,503

Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation: 11,289,116

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Notes payable	4,094,748	
Net Pension Liability (Asset)	3,920,000	
Net OPEB Obligation	441,000	
Compensated absences payable	329,635	(8,785,383)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources relating to pensions	5,481,000
Deferred inflows of resources relating to pensions	(4,073,000)

Total Net Position - Governmental Activities: \$11,860,236

The accompanying notes are an integral part of these financial statements.

CITY OF ORLAND

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Economic & Block Grants	IMPACT FEES	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 5,048,429	\$ -	\$ -	\$ 404,767	\$ 5,453,196
Licenses, Permits, and Franchises	679,722	-	198,356	-	878,078
Fines, Forfeitures, and Penalties	23,268	-	-	2,598	25,866
Revenue from Use of Money	63,373	102	13,129	6,887	83,491
Intergovernmental Revenue	1,628,638	-	-	173,622	1,802,260
Charges for Services	206,292	140,338	-	35,843	382,473
Miscellaneous Revenues	34,126	-	-	37,186	71,312
Total Revenues	7,683,848	140,440	211,485	660,903	8,696,676
EXPENDITURES					
Current					
General Government	1,229,696	250	-	101,119	1,331,065
Public Safety	3,116,195	-	-	26,918	3,143,113
Public Ways and Facilities	422,274	-	30,699	289,952	742,925
Library	566,416	-	-	25,508	591,924
Recreation	740,667	-	-	5,455	746,122
Capital Outlay	261,410	-	130,557	64	392,031
Debt Service	693,409	-	-	-	693,409
Total Expenditures	7,030,067	250	161,256	449,016	7,640,589
Excess (Deficiency) of Revenues Over Expenditures					
Excess (Deficiency) of Revenue	653,781	140,190	50,229	211,887	1,056,087
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	243,230	243,230
Proceeds from Debt	3,394,160	-	-	-	3,394,160
Transfers Out	-	-	-	(243,230)	(243,230)
Other Uses	(3,324,354)	-	-	-	(3,324,354)
Net Financing Sources (Uses)	69,806	-	-	-	69,806
NET CHANGE IN FUND BALANCE	723,587	140,190	50,229	211,887	1,125,893
Beginning fund balance	3,081,982	683,716	2,392,235	664,677	6,822,610
Ending balance	\$ 3,805,569	\$ 823,906	\$ 2,442,464	\$ 876,564	\$ 7,948,503

The accompanying notes are an integral part of these financial statements.

CITY OF ORLAND

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Governmental Funds \$ 1,125,893

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 392,031	
Depreciation expense:	(554,664)	(162,633)

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

615,498

Debt proceeds:

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:

(3,394,160)

The accompanying notes are an integral part of these financial statements.

CITY OF ORLAND

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES,
Continued
FOR THE YEAR ENDED JUNE 30, 2022

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was: (16,478)

Pensions:

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: (1,288,114)

Postemployment benefits other than pensions ("OPEB"):

In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was: (22,529)

Other liabilities not normally liquidated with current financial resources:

In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were: 3,324,354

Change in net position of Governmental Activities \$ 181,831

The accompanying notes are an integral part of these financial statements.

CITY OF ORLAND

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022

	Water Enterprise	Sewer Enterprise	Industrial Sewer Enterprise	Total
ASSETS				
Current assets				
Cash and Equivalents	\$ 3,094,486	\$ 428,566	\$ 271,478	\$ 3,794,530
Receivables	403,897	282,157	-	686,054
Due From Other Funds	347,121	-	-	347,121
Total current assets	3,845,504	710,723	271,478	4,827,705
Non-current assets				
Capital Assets	3,553,000	3,211,406	51,881	6,816,287
Total Assets	7,398,504	3,922,129	323,359	11,643,992
Deferred Outflows of Resources	24,000	24,000	-	48,000
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	\$ 7,422,504	\$ 3,946,129	\$ 323,359	\$ 11,691,992
LIABILITIES				
Current liabilities				
Payables	\$ 143,011	\$ 9,708	\$ -	\$ 152,719
Due to Other Funds	167,957	29,034	-	196,991
Customer Deposits	179	-	-	179
Current portion of long-term liabilities	162,715	189,637	-	352,352
Total current liabilities	473,862	228,379	-	702,241
Long Term Debt	2,529,325	1,151,475	-	3,680,800
Total Liabilities	3,003,187	1,379,854	-	4,383,041
Deferred Inflows of Resources	239,000	239,000	-	478,000
NET POSITION				
Investment in Capital Assets, net of related	2,838,921	1,224,578	51,881	4,115,380
Unrestricted Net Position	1,341,396	1,102,697	271,478	2,715,571
Total Net Position	4,180,317	2,327,275	323,359	6,830,951
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
	\$ 7,422,504	\$ 3,946,129	\$ 323,359	\$ 11,691,992

The accompanying notes are an integral part of these financial statements.

CITY OF ORLAND

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	Water Enterprise	Sewer Enterprise	Industrial Sewer Enterprise	Total
OPERATING REVENUE				
Charges for Services	\$ 1,834,065	\$ 1,249,952	\$ 84,531	\$ 3,168,548
OPERATING EXPENSE				
Salaries	245,576	209,522	-	455,098
Benefits	129,779	489,943	3,924	623,646
Repairs and Maintenance	12,518	11,853	-	24,371
Supplies	420,238	405,030	2,539	827,807
Professional Services	106,373	20,093	-	126,466
Insurance	14,138	12,344	360	26,842
Travel	1,424	869	-	2,293
Administration	499,075	195,958	24,573	719,606
Depreciation	125,621	123,250	14,715	263,586
Total operating expenses	1,554,742	1,468,862	46,111	3,069,715
OPERATING GAIN/(LOSS)	279,323	(218,910)	38,420	98,833
NON-OPERATING REVENUES/(EXPENSES)				
Interest and investment revenue	17,348	2,843	1,209	21,400
Intergovernmental	271,255	11,369	-	282,624
Miscellaneous Revenue	3,538	7,011	-	10,549
Interest Expense	(81,570)	(44,598)	-	(126,168)
Total non-operating revenues/(expenses)	210,571	(23,375)	1,209	188,405
CHANGE IN NET POSITION	489,894	(242,285)	39,629	287,238
Net Position - Beginning	3,690,423	2,569,560	283,730	6,543,713
Net Position - Ending	\$ 4,180,317	\$ 2,327,275	\$ 323,359	\$ 6,830,951

The accompanying notes are an integral part of these financial statements.

CITY OF ORLAND

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	Water Enterprise	Sewer Enterprise	Industrial Sewer Enterprise	Total
Cash flows from operating activities				
Cash receipts from customers	\$ 1,903,645	\$ 1,258,289	\$ 84,531	\$ 3,246,465
Cash payments to employees for services	(367,020)	(686,360)	(3,924)	(1,057,304)
Cash payments to suppliers for goods and services	(1,162,493)	(627,227)	(27,472)	(1,817,192)
Net cash provided/(used) by operating activities	374,132	(55,298)	53,135	371,969
Cash flows from non-capital financing activities				
Non-operating grants received	522,457	11,800	-	534,257
Interfund transfers in/(out)	236,345	29,034	-	265,379
Net cash provided by non-capital activities	758,802	40,834	-	799,636
Cash flows from capital and related financing				
Acquisition of capital assets	(293,854)	(264,066)	-	(557,920)
Debt service payments	(270,182)	(282,125)	-	(552,307)
Capital asset adjustment	(86,705)	473,616	-	386,911
Net cash used in capital activities	(650,741)	(72,575)	-	(723,316)
Cash flows from investing activities				
Interest received	17,348	2,843	1,209	21,400
NET INCREASE/ (DECREASE) IN CASH	499,541	(84,196)	54,344	469,689
CASH				
Beginning of year	2,594,945	512,762	217,134	3,324,841
End of year	\$ 3,094,486	\$ 428,566	\$ 271,478	\$ 3,794,530
Reconciliation of operating loss to cash used in operating activities				
Operating Gain/(Loss)	\$ 279,323	\$ (218,910)	\$ 38,420	\$ 98,833
Adjustments to reconcile operating income to net cash provided by operating activities				
Cash flows reported in other categories:				
Depreciation expense	125,621	123,250	14,715	263,586
(Increase)/Decrease in accounts receivable	69,759	8,337	-	78,096
Increase/(decrease) in accounts payable	(108,727)	18,920	-	(89,807)
Customer deposits	(179)	-	-	(179)
Payroll related liabilities (comp. abs., pension, etc.)	8,335	13,105	-	21,440
Net cash used by operating activities	\$ 374,132	\$ (55,298)	\$ 53,135	\$ 371,969

The accompanying notes are an integral part of these financial statements.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 - A. Description of Financial Statements

The accompanying financial statements of the City of Orland have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), as prescribed by the Governmental Accounting Standards Board (“GASB”). The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1 - B. Financial Reporting Entity

The City of Orland was incorporated under the laws of the State of California. The City operates under a Council-Manager form of government. The City provides a full range of municipal services to its citizens including a public library, public safety, public works, planning and building regulation, recreation and parks, water and sewer services.

The financial statements of the City include those of separately administered organizations that are controlled by, or dependent on, the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

Related Organizations. The Orland Volunteer Fire Department is not included in these financial statements, but the City is the sponsoring agency. There is no apparent “imposition of will” or “financial burden or benefit” and the Orland Volunteer Fire Department is fiscally independent of the City of Orland.

Joint Powers Authority (“JPA”). The City is associated with one JPA, the Golden State Risk Management Authority (GSRMA). The JPA does not meet the criteria for inclusion as a component unit of the City. Additional information is presented in Note 12 to the financial statements.

1 - C. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (“the City”) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2022

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the LEA, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

Major Governmental Funds

General Fund. is the City's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Economic and Block Grants Fund. The City has, in past years, participated in Housing and Economic Grant Programs where by qualifying property owners could borrow funds to improve specific properties. These loans are both amortized and deferred and may or may not accrue interest. As loans are paid back, both principal and interest, the monies received are designated for specific purposes.

Impact Fees. New construction projects are charges fees for impact of future services of the City. These fees are based on estimated costs of future services, such as public safety, parks and recreation, transportation and public works.

Proprietary Funds

Enterprise Funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. An enterprise fund is accounted for on the accrual basis. Capital assets and long-term debt (including all long-term debt obligations such as vacation pay and capital leases) are recorded in the fund. All revenues and expenses (rather than expenditures) are recorded, regardless of when they are received or paid. Depreciation of capital assets is recorded.

Water Enterprise Fund. The enterprise fund is used to account for activity related to providing customers with water and billing for services provided by the City.

Sewer Enterprise Fund. The enterprise fund is used to account for activity related to providing customers with sewer services and billing for services provided by the City.

Industrial Sewer Enterprise Fund. Due to the processing requirements and volume of material the "Olive Processing" portion of the sewer operations is included as a separate fund.

1 - D. Basis of Accounting – Measurement Focus

Government-Wide and Proprietary Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2022

Net Position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their net position use.

Governmental Funds. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. All other revenue items are considered to be measurable and available only when the City receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and postemployment healthcare benefits and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Eliminating Internal Activity. Transactions between funds that would be treated as revenues, expenditures, or expenses if they involve entities external to the City are accounted for as revenues, expenditures, or expenses in the funds. At year-end, outstanding balances between funds are reported in the fund financial statements. Amounts reported in the funds as Due to or Due from Other Funds are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

The City eliminates its internal service activity in the statement of activities. This is accomplished by eliminating the revenues and expenses of the internal service funds against each other, and then distributing the residual amount among the various functions based upon the volume of activity they had during the year with each internal service fund. Any inter-fund services provided and used were not eliminated in the functional areas in which they were incurred.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental activities columns of the statement of activities.

Estimates. The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1 - E. Assets, Liabilities, and Net Position and Fund Balances

Deposits and Investments. The cash balances of substantially all funds are pooled and some are invested in LAIF for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at June 30, 2022, based on market prices.

Fair Value. The City categorizes its fair value measurements 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 asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, *Continued*
JUNE 30, 2022

Acquisition Value. The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Receivables - Economic and Community Development Loans. The majority of these loans consist of deferred repayment loans under the City's housing and economic development programs. These programs were funded from government grant awards to the City, which were reported as grant revenue in the year received, and expenditures in the year the loans were made. A deferred loan is required to be repaid in full when the secured property is sold or transferred. Prior to the sale or transfer, loan payments are generally not required. Principal and interest payments which are receivable at year end are offset by an equal amount of deferred revenue. Such payments are recognized as program revenue when received.

Capital Assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Life (Years)</u>
Buildings and improvements	15 – 50
Infrastructure	40
Vehicles	5 – 10

Interfund Balances. On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

Accrued Liabilities and Long-Term Obligations. All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as liabilities in the governmental fund financial statements when due.

Unearned Revenue. Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the City prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

Compensated Absences. Compensated absences represent the vested portion of accumulated vacation and sick leave. The City's method of calculating the liability is in accordance with GASB Statement No. 16, except that additional accruals for salary-related payments associated with the payment of compensated absences, for example, the employer's share of pension contributions or social security and medi-care taxes have not been accrued as that amount is not considered significant or material to the financial statements taken as a whole. The City accrues a liability for compensated absences which meet the following criteria:

- ❖ The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- ❖ The obligation relates to rights that vest or accumulate.
- ❖ Payment of the compensation is probable.
- ❖ The amount can be reasonably estimated.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net positions of the California Public Employee Retirement System ("CalPERS") and additions to/deductions from CalPERS' fiduciary net positions 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.

Fund Balance. Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Restricted – The portion of fund balance representing resources subject to legally enforceable constraints externally imposed either by resource providers (e.g., grantors or creditors) or by law through constitutional provisions or enabling legislation.

Assigned – The portion of fund balance representing resources that are intended to be used for specific purposes but for which the constraints do not meet the criteria to be reported as restricted or committed. Intent may be established either by the LEA's highest level of decision-making authority or by a designated body or official. Constraints giving rise to assigned fund balance may be imposed at any time before the financial statements are issued. The constraints may be modified or removed by a process less formal than is required to remove constraints that give rise to committed fund balance. In governmental fund types other than the general fund, this is the residual fund balance classification.

Unassigned – In the general fund, residual fund balance in excess of amounts reported in the nonspendable, restricted, committed, or assigned fund balance classifications and net of Reserve for Economic Uncertainties. In all governmental funds including the general fund, the excess of nonspendable, restricted, and committed fund balance over total fund balance (deficits). Assigned amounts must be reduced or eliminated if a deficit exists.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

Net Position. Net Position represents the difference of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The City has related debt outstanding as of June 30, 2022. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The entity-wide financial statements report \$2,733,134 of restricted net position.

1 - F. Revenues, Expenditures/Expense

Revenues – Exchange and Non-Exchange Transactions. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within 60 days of fiscal year-end.

The FIRST INSTALLMENT is due and payable on November 1, 2021, and will become delinquent if not paid by 5:00 p.m., or the close of business, whichever is later, on December 10, 2021; thereafter, a 10% penalty will be added.

The SECOND INSTALLMENT is due on February 1, 2022, and will become delinquent if not paid by 5:00 p.m., or the close of business, whichever is later, on April 10, 2022; thereafter, a 10% penalty will be added plus the cost to prepare the delinquent tax records and to give notice of delinquency.

BOTH INSTALLMENTS MAY BE PAID when the first installment is due. Mailed payments must be POSTMARKED BY THE DELINQUENT DATE to avoid late penalties.

Expenses/Expenditures. On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Operating Revenues and Expenses. 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 and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund's principal services.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS

2 - A. Summary of Deposit and Investment Balances

Cash and investments as of June 30, 2022 consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand	\$ 325	\$ -	\$ 325
Deposits in financial institutions	1,280,682	297,616	1,578,298
LAIF	5,517,773	3,496,914	9,014,687
Total Cash and Cash Equivalents	\$ 6,798,780	\$ 3,794,530	\$ 10,593,310

2 - B. Policies and Practices

INVESTMENT TYPE	MAX. MATURITY	MAX % OF PORTFOLIO	MIN QUALITY	GOV'T CODE §§
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% ^e	None	53601(g)
Commercial Paper— Non-Pooled Funds	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSRO	53601(h)(2)(C)
Commercial Paper— Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% ^g	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% ^k	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% ^k	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)
Medium-Term Notes	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund ("LAIF")	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

2 - C. Cash Deposits

Credit Risk. As of June 30, 2022, are as follows:

Investment Type:	S & P	Maturity	Fair Value		
	Rating	(Days)	Reported Value	Level	Fair Value
LAIF	NR	311	\$ 9,014,687	2	\$ 8,898,630

Custodial Credit Risk. There is a risk that, in the event of a bank failure, the City’s deposits may not be returned. The City’s deposit policy requires that all deposits are covered by the Federal Depository Insurance Corporation (“FDIC”) or are collateralized as required by Statutes of the State. As of June 30, 2022, the carrying amount of the City’s bank balances totaled \$1,290,102. Of the total bank balance, \$250,000 was insured through the FDIC.

NOTE 3 – ACCRUED RECEIVABLES

Receivables at June 30, 2022, were as follows:

	General Fund	Economic & Block Grants	Non-Major		Water Enterprise	Sewer Enterprise	Total Business-Type Activities
			Governmental Funds	Governmental Activities			
Property tax	\$ 816,453	\$ -	\$ 658	\$ 817,111	\$ -	\$ -	\$ -
Sales tax	398,008	-	-	398,008	-	-	-
Loans	-	5,981,896	20,588	6,002,484	-	-	-
Local Government	11,702	-	119,154	130,856	-	-	-
Interest	15,437	742,481	-	757,918	-	-	-
Accounts receivable	-	-	-	-	147,584	56,083	203,667
Grant	-	-	-	-	256,313	-	256,313
Other	133,149	-	81,482	214,631	-	226,074	226,074
Total	\$ 1,374,749	\$ 6,724,377	\$ 221,882	\$ 8,321,008	\$ 403,897	\$ 282,157	\$ 686,054

All receivables are considered by management collectible in full.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 486,096	\$ -	\$ -	\$ 486,096
Construction in progress	-	114,617	-	114,617
Non-Depreciable Capital Assets	486,096	114,617	-	600,713
Capital assets being depreciated				
Buildings & improvements	\$ 11,100,823	\$ 126,254	\$ -	\$ 11,227,077
Vehicles & equipment	3,882,634	151,160	618,115	3,415,679
Total Capital Assets Being Depreciated	14,983,457	277,414	618,115	14,642,756
Less Accumulated Depreciation	4,017,804	554,664	618,115	3,954,353
Depreciable Capital Assets, net	\$ 10,965,653	\$ (277,250)	\$ -	\$ 10,688,403
Total Capital Assets, net	\$ 11,451,749	\$ (162,633)	\$ -	\$ 11,289,116

Depreciation was charged to the following departments:

General government	\$ 6,401
Public safety	244,158
Public ways and facilities	246,817
Library	3,952
Recreation	53,336
Total depreciation	\$ 554,664

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

	Balance		Balance	
	July 01, 2021	Additions	Deductions	June 30, 2022
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 76,358	\$ -	\$ -	\$ 76,358
Construction in progress	13,039	293,854	-	306,893
Total Capital Assets not Being Depreciated	\$ 89,397	\$ 293,854	\$ -	\$ 383,251
Capital assets being depreciated				
Water infrastructure	\$ 4,792,141	\$ -	\$ 927,832	\$ 3,864,309
Sewer infrastructure	4,331,587	264,066	1,083,363	3,512,290
Industrial sewer infrastructure	588,444	-	-	588,444
Vehicles	747,387	228,909	-	976,296
Total Capital Assets Being Depreciated	10,459,559	492,975	2,011,195	8,941,339
Less Accumulated Depreciation	3,838,541	263,586	1,593,824	2,508,303
Depreciable Capital Assets, net	\$ 6,621,018	\$ 229,389	\$ 417,371	\$ 6,433,036
Total Capital Assets, net	\$ 6,710,415	\$ 523,243	\$ 417,371	\$ 6,816,287

Depreciation was charged to the following departments:

Water	\$ 125,621
Sewer	123,250
Industrial sewer	14,715
Total depreciation	\$ 263,586

NOTE 5 – INTERFUND BALANCES AND ACTIVITY

5 - A. Balances Due to/from Other Funds

Balances due to/from other funds at June 30, 2022, consist of the following:

Due To Other Funds	Due From Other Funds		
	General Fund	Water Enterprise	Total
General Fund	\$ -	\$ 347,121	\$ 347,121
Economic & Block Grants	555	-	555
Non-Major Governmental Funds	431,345	-	431,345
Water Enterprise	167,957	-	167,957
Sewer Enterprise	29,034	-	29,034
Total	\$ 628,891	\$ 347,121	\$ 976,012

The above interfund loans were a result of negative cash balances in the respective funds.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

5 - B. Transfers to/from Other Funds

Transfers to/from other funds at June 30, 2022, was \$243,230 from the RMRA SB1 Fund to the Tehema – STIP Fund for the purpose of paying for the various street projects in the prior year.

NOTE 6 – ACCRUED PAYABLES

Payables at June 30, 2022, were as follows:

	General Fund	IMPACT FEES	Non-Major Governmental Funds	Governmental Activities	Water Enterprise	Sewer Enterprise	Total Business-Type Activities
Vendors payable	\$ 125,094	\$ 616	\$ 6,842	\$ 132,552	\$ 132,748	\$ 2,791	\$ 135,539
Interest payable	80,604	-	-	80,604	10,263	6,917	17,180
Total	\$ 205,698	\$ 616	\$ 6,842	\$ 213,156	\$ 143,011	\$ 9,708	\$ 152,719

NOTE 7 – UNEARNED REVENUES

Unearned revenue at June 30, 2022, were as follows:

	Economic & Block Grants	Non-Major Governmental Funds	Governmental Activities
87-STBG	\$ -	\$ 20,588	\$ 20,588
CDBG Reuse	2,750	-	2,750
Housing related	5,544,964	-	5,544,964
POST	1,176,660	-	1,176,660
Total	\$ 6,724,374	\$ 20,588	\$ 6,744,962

NOTE 8 – LONG-TERM LIABILITIES

8 - A. Long-Term Liabilities Summary

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022	Balance Due in One Year
Governmental Activities					
Notes/loans payable	\$1,316,086	\$ 3,394,160	\$615,498	\$ 4,094,748	\$ 310,498
Net Pension Liability (Asset)	5,668,752	-	1,748,752	3,920,000	-
Net OPEB Obligation	432,295	8,705	-	441,000	-
Compensated absences payable	313,157	16,478	-	329,635	-
Total	\$ 7,730,290	\$ 3,419,343	\$ 2,364,250	\$ 8,785,383	\$ 310,498

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022	Balance Due in One Year
Business-Type Activities					
Notes/loans payable	3,127,046	665,840	426,144	\$ 3,366,742	\$ 352,352
Net Pension Liability (Asset)	1,079,762	-	651,762	428,000	-
Net OPEB Obligation	121,930	2,070	-	124,000	-
Compensated absences payable	133,572	-	19,162	114,410	-
Total	\$ 4,462,310	\$ 667,910	\$ 1,097,068	\$ 4,033,152	\$ 352,352

8 - B. Loan/Bonded Debt

	Government Activities	Business- Type Activities	Total
In March 2016 the City took out a promissory note in the amount of \$115,000 at an interest rate of 3.0% to purchase land to construct a parking lot.	\$ 60,263	\$ -	\$ 60,263
In September 2017 the City obtained financing in the amount of \$854,101 with an annual interest rate of 3.39% for the purchase of sewer pond "Blue Frogg" equipment.	-	286,273	286,273
In April 2017 the city obtained financing in the amount of \$866,000 with an annual interest rate of 2.96% for the purchase and installation of energy efficiency upgrades and equipment	124,074	528,946	653,020
In March 2016 the City obtained financing in the amount of \$655,090 with an annual interest rate of 1.71% to purchase an arial fire engine	293,823	-	293,823
In June 2017, the City obtained financing in the amount of \$1,575,066 for the purchase and installation of solar energy equipment. The stated annual interest rate is 4.10%, with a net effective interest rate of 1.8% per annum after the Clean Renewable Energy Bonds (CREB) Federal subsidy.	216,031	920,970	1,137,001
In September 2017 the City obtained financing in the amount of \$732,791 with an annual interest rate of 3.74% for the purchase of trucks, excavator/cats, asphalt equipment, and street sweeper.	6,397	33,586	39,983
In June 2021, the City obtained \$1,054,105 interest-free financing from the State Water Resources Control Board for well construction.	-	931,127	931,127
In September 2021 the City obtained financing in the amount \$4,060,000 with an annual interest rate of 2.95%, to remitted \$3,972,955 toward the unfunded actuarial liability related to CalPERS micellaneous and safety pension plans.	3,394,160	665,840	4,060,000
Total Loans/Bonds	\$ 4,094,748	\$ 3,366,742	\$ 7,461,490

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

8 - C. Debt Service Requirements to Maturity

Promissory Note			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 9,749	\$ 1,675	\$ 11,424
2024	10,045	1,379	11,424
2025	10,351	1,073	11,424
2026	10,666	758	11,424
2027	10,991	433	11,424
2028	8,461	106	8,567
Total Payments	\$ 60,263	\$ 5,424	\$ 65,687

Blue Frogg			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 118,560	\$ 7,223	\$ 125,783
2024	133,601	3,619	137,220
2025	34,112	193	34,305
Total Payments	\$ 286,273	\$ 11,035	\$ 297,308

Clean Renewable			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 53,878	\$ 18,934	\$ 72,812
2024	55,485	17,327	72,812
2025	57,140	15,672	72,812
2026	58,844	13,968	72,812
2027	60,598	12,214	72,812
2028 - 2032	331,200	32,863	364,063
2033	35,875	531	36,406
Total Payments	\$ 653,020	\$ 111,509	\$ 764,529

Ariel Fire Engine			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 68,212	\$ 8,486	\$ 76,698
2024	70,241	6,457	76,698
2025	72,330	4,367	76,697
2026	74,482	2,216	76,698
Pre-payment penalty	8,558	-	8,558
Total Payments	\$ 293,823	\$ 21,526	\$ 315,349

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

Solar Energy			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 102,331	\$ 45,571	\$ 147,902
2024	103,543	41,363	144,906
2025	104,770	37,106	141,876
2026	106,010	32,797	138,807
2027	107,266	28,438	135,704
2028 - 2032	555,690	74,973	630,663
2033	57,391	1,177	58,568
Total Payments	\$ 1,137,001	\$ 261,425	\$ 1,398,426

Pubic Works Equipment Loan			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 39,983	\$ 250	\$ 40,233

Well			
Year Ending June 30,			Total
2023			\$ 35,137
2024			35,137
2025			35,137
2026			35,137
2027			35,137
2028 - 2032			175,684
2033 - 2037			175,684
2038 - 2042			175,684
2043 - 2047			175,684
2048 - 2049			52,706
Total Payments			\$ 931,127

Pension Bonds			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 235,000	\$ 116,304	\$ 351,304
2024	225,000	109,519	334,519
2025	235,000	102,734	337,734
2026	240,000	95,728	335,728
2027	250,000	88,500	338,500
2028 - 2032	1,350,000	326,860	1,676,860
2033	1,525,000	112,911	1,637,911
Total Payments	\$ 4,060,000	\$ 952,556	\$ 5,012,556

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

8 - D. Pension Liabilities

The City's pension activities between the Cal PERS for the year ended June 30, 2022, resulted in net pension obligations and other related balances as follows:

	Government Activities	Business-Type Activities	Total
NPL Safety	\$ (1,675,000)	\$ -	\$ (1,675,000)
NPL Miscellaneous	(2,245,000)	(428,000)	(2,673,000)
Total NPL	(3,920,000)	(428,000)	(4,348,000)
Deferred Outflows of Resources - Safety	2,331,000	-	2,331,000
Deferred Outflows of Resources - Miscellaneous	3,150,000	48,000	3,198,000
Total deferred outflows of resources	5,481,000	48,000	5,529,000
Deferred Inflows of Resources - Safety	(1,568,000)	-	(1,568,000)
Deferred Inflows of Resources - Miscellaneous	(2,505,000)	(478,000)	(2,983,000)
Total Deferred Inflows of Resources	(4,073,000)	(478,000)	(4,551,000)
Effect on Net Position	\$ (2,512,000)	\$ (858,000)	\$ (3,370,000)

See Note 9 for additional information regarding the pension plans and activities.

8 - E. Other Postemployment Benefits

The City's OPEB for the year ended June 30, 2022, resulted in an OPEB obligation of \$565,000. See Note 10 for additional information regarding the pension plans and activities.

8 - F. Compensated Absences

City employees accumulate earned but unused vacation benefits. No expenditure is reported for these accrued amounts in the governmental funds financial statements. However, in the statement of activities, the expenditure is allocated to each function based on usage. Vested compensated absences, payable in accordance with various collective bargaining agreements, were reported in the statement of net position with 75% considered payable after one year.

NOTE 9 – DEFINED BENEFIT PENSION

Plan Description. The Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (“the Plan” or “PERF C”) is administered by the California Public Employees’ Retirement System (“CalPERS”). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. Each individual employer rate plan generally has less than 100 active members. This report and CalPERS’ audited financial statements are publicly available reports that can be found on CalPERS’ website at: <https://www.calpers.ca.gov/docs/forms-publications/acfr-2021.pdf>.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

Benefits and Contributions. Per the City of Orland’s *Annual Valuation Reports as of June 30, 2019* (provided in that report is the determination of the minimum required employer contributions for fiscal year 2021-22), the following are the benefits and employee and employer contribution requirements:

Benefit Provision:	Police Classic	Police and Fire PEPRA	Misc Classic	Misc PEPRA
Benefit Formula	3% @ 50	2.7% @ 57	2% @ 55 & 2.7% @ 55	2% @ 62
Social Security Coverage	Yes	Yes	Yes	Yes
Full/Modified	Modified	Full	Modified	Full
Employee Contribution Rate	9.00%	13.00%	NA	6.75%
Final Average Compensation Period	Three Year	Three Year	Three Year	Three Year
Sick Leave Credit	Yes	Yes	Yes	Yes
Non-Industrial Disability	Standard	Standard	Standard	Standard
Industrial Disability	Standard	Standard	No	No
Pre-Retirement Death Benefits:				
Optional Settlement 2	Yes	Yes	Yes	Yes
1959 Survivor Benefit Level	No	No	No	No
Special	Yes	Yes	No	No
Alternate (firefighters)	No	No	No	No
Post-Retirement Death Benefits:				
Lump Sum	\$500	\$500	\$500	\$500
Survivor Allowance (PRSA)	No	No	No	No
COLA	2%	2%	2%	2%
Contributions:				
Employer Normal Cost Rate	22.48%	13.13%	13.13%	7.59%
Employer Amortization of Unfunded				
Accrued Liability	\$200,628	\$4,428	\$309,621	\$2,282
Total Employer Contributions	\$2,036,935	\$82,025	\$3,142,370	\$55,090

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

At June 30, 2022, the City reported a liability of \$4,348,000 for its proportionate share of the net pension liability. The schedule of employer allocations for components of net pension liability provides allocation factors by employer for rate plans within the miscellaneous and safety risk pools based on the following allocation methodology: The schedule of employer allocations for components of net pension liability includes two ratios:

- 1) Actuarial Accrued Liability – Determined based on the actuarial accrued liability from the most recent actuarial valuation report as of June 30, 2020 used for funding purposes.
- 2) Market Value of Assets – Determined based on the sum of the market value of assets from the most recent actuarial valuation report as of June 30, 2020 used for funding purposes plus supplemental payments made by employers during the current measurement period to reduce their unfunded actuarial accrued liabilities.

The schedule of employer allocations for components of net pension liability is based on actuarial valuation reports that are one year in arrears. As such, there will be a one year lag between the time an employer enters the Plan and the fiscal year the employer is first included on the schedule of employer allocations for components of net pension liability. Employers joining the Plan during the fiscal year ended June 30, 2021, will be included in the schedule of employer allocations for components of net pension liability as of and for the fiscal year ended June 30, 2022.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

The employers' proportionate share percentages of the miscellaneous and safety risk pools were first determined at the rate plan level. The employers' total proportion of the respective miscellaneous and safety risk pools reflects the sum of the proportions of the respective miscellaneous and safety rate plans.

When applying the allocation methodology to the collective miscellaneous or safety risk pool pension amounts, employers should determine proportionate shares using the employer allocation factors as follows:

- 1) Total Pension Liability (TPL) – Allocate based on the employer's share of the actuarial accrued liability.
- 2) Fiduciary Net Position (FNP) – Allocate based on the employer's share of the market value of assets plus additional payments.
- 3) Net Pension Liability (NPL) – After completing the above calculations, subtract FNP from TPL to calculate the employer's NPL.
- 4) Deferred Outflows of Resources, Deferred Inflows of Resources – Allocate based on the employer's share of the net pension liability as noted in 3) above.
- 5) Pension Expense – After completing the above calculations, calculate the employer's share of collective pension expense based on the employer's share of changes in net pension liability, changes in deferred outflows and deferred inflows of resources, and the employer's contributions for the fiscal year ended June 30, 2021. The schedule of collective pension amounts does not reflect employer-specific amounts such as changes in proportion and employer contributions to PERF C subsequent to the measurement date. Appropriate treatment of such amounts is the responsibility of the employers.

An employers' proportionate shares of pension amounts for PERF C equals the sum of the employer's proportionate shares of pension amounts for the respective miscellaneous and safety risk pools. At June 30, 2022, the City's proportion was:

	Jun. 30, 2021	Jun. 30, 2020	Difference
Net Pension Liability Allocation Basis - Safety	0.0004772	0.0004075	0.0000697
Net Pension Liability Allocation Basis - Miscellaneous	0.0014075	0.0009562	0.0004513

For the year ended June 30, 2022, the City recognized pension expense of \$1,110,919. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience	\$ 586,000	\$ -	\$ 586,000
Net difference between projected and actual earnings on pension plan investments	-	3,330,000	(3,330,000)
Differences between Employer's Contributions and Proportionate Share of Contributions	-	1,191,000	(1,191,000)
Change in Employer's Proportion	120,000	30,000	90,000
District contributions subsequent to the measurement date	4,823,000	-	4,823,000
Total	\$ 5,529,000	\$ 4,551,000	\$ 978,000

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	3,757,000
2024	(973,000)
2025	(887,000)
2026	(919,000)
Total	\$ 978,000

Actuarial Methods and Assumptions. The collective total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The collective total pension liability was based on the following assumptions:

Investment rate of return	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table ¹	Derived using CalPERS' Membership Data for all Funds Contract COLA up to 2.50% until Purchasing Power
Post-Retirement Benefit Increase	Protection Allowance Floor on Purchasing Power applies

¹ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for 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.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

The expected real rates of return by asset class are as followed:

Asset Class ¹	Assumed Allocation	Asset Real Return Years 1 – 10 ²	Real Return Years 11+ ^{3,4}
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	(0.92)%

¹ In the System's Annual Comprehensive Financial Report (ACFR), Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation rate of 2.00% used for this period.

³ An expected inflation rate of 2.92% used for this period.

⁴ Figures are based on previous ALM of 2017

Discount Rate. The discount rate used to measure the total pension liability for PERF C was 7.15%. 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.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (-100 basis points) or one percentage point higher (+100 basis points) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Proportionate share of the net pension liability - Safety	\$ 3,069,000	\$ 1,675,000	\$ 5,530,000
Proportionate share of the net pension liability - Miscellaneous	4,547,000	2,673,000	1,123,000

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS Annual Comprehensive Financial Report.

NOTE 10 – POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description. Upon completion of twenty years of City of Orland service, and upon retiring from City service, Non-safety employees who were regular full-time employees as of July 1, 2013, shall be eligible to receive a contribution of 1% for each year of City service applied toward the cost of the employee-only medical insurance premium if the employee is covered by employee-only insurance at the time of retirement, or applied to the cost of the employee-plus-one-dependent premium if the employee and his or her dependent are covered by the City's medical insurance at the time of retirement. **No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.**

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2022

Benefits Provided. This benefit expires when the employee/retiree qualifies for Medicare. If the dependent becomes Medicare eligible prior to the retiree, the contribution shall be applied to the cost of the employee-only premium. There were six retirees when the City had CalPERS medical insurance which guaranteed a monthly benefit of \$108 for life.

Employees Covered by Benefit Terms. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	34
Active employees	34
Total	68

Total OPEB Liability. The City's total OPEB liability of \$565,000 was measured in conformity with the requirements in GASB No. 75, paragraphs 225 and 226 for the alternative measurement method, as of June 30, 2022.

Measurement Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate: 2.75%	Salary Increase: 3.25%
Discount Rate: 4%	Health Trend Rate: 8%

Changes in the Total OPEB Liability

Balances at July 01, 2021	\$ 554,225
Changes for the year:	
Service cost	29,000
Interest	22,000
Changes in assumptions or other inputs	(18,225)
Benefit payments	(22,000)
Net changes	10,775
Balances at June 30, 2022	\$ 565,000

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate and a health trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease (3%)	Current Discount Rate (4%)	1% Increase (5%)
District's proportionate share of the OPEB liability	\$ 631,000	\$ 565,000	\$ 508,000

	1% Decrease (7%)	Current Health Trend Rate (8%)	1% Increase (9%)
District's proportionate share of the OPEB liability	\$ 480,000	\$ 565,000	\$ 704,000

OPEB Expense. For the year ended June 30, 2022, the City recognized an OPEB expense of \$10,775.

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2022

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation. The City has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The City is monitoring the progress of these matters and has referred various matters to the City's attorney for consultation and representation.

NOTE 12 – PARTICIPATION IN A JOINT POWERS AUTHORITY

The City is a member of the JPA GRSMA. GRSMA provides workers' compensation, liability and property insurance. The relationship is such that the JPAs are not component units of the City for financial reporting purposes.

This entity has budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the City are included in these financial statements. Audited financial statements are available from the respective entities.

During the year ended June 30, 2022, the City made payments of \$348,910 to GSRMA.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF ORLAND

GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variances - Positive / (Negative) Final to
	Original	Final	Actual	Actual
REVENUES				
Taxes	\$ 5,151,000	\$ 5,151,000	\$ 5,048,429	\$ (102,571)
Licenses, Permits, and Franchises	324,000	324,000	679,722	355,722
Fines, Forfeitures, and Penalties	-	-	23,268	23,268
Revenue from Use of Money	58,000	58,000	63,373	5,373
Intergovernmental Revenue	1,584,500	1,584,500	1,628,638	44,138
Charges for Services	83,000	83,000	206,292	123,292
Miscellaneous Revenues	10,000	10,000	34,126	24,126
Total Revenues	7,210,500	7,210,500	7,683,848	473,348
EXPENDITURES				
Current				
General Government	1,042,329	1,042,329	1,229,696	(187,367)
Public Safety	3,203,274	3,203,274	3,116,195	87,079
Public Ways and Facilities	522,371	522,371	422,274	100,097
Library	544,800	544,800	566,416	(21,616)
Recreation	544,065	544,065	740,667	(196,602)
Capital Outlay	440,000	440,000	261,410	178,590
Debt Service	449,208	449,208	693,409	(244,201)
Total Expenditures	6,746,047	6,746,047	7,030,067	(284,020)
Excess (Deficiency) of Revenues				
Over Expenditures	464,453	464,453	653,781	189,328
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	100,000	-	(100,000)
Proceeds from Debt	-	-	3,394,160	3,394,160
Transfers Out	(300,000)	(300,000)	-	300,000
Other Uses	-	-	(3,324,354)	(3,324,354)
Net Financing Sources (Uses)	(200,000)	(200,000)	69,806	269,806
NET CHANGE IN FUND BALANCE	264,453	264,453	723,587	269,806
Beginning fund balance	3,081,982	3,081,982	3,081,982	
Ending balance	\$ 3,346,435	\$ 3,346,435	\$ 3,805,569	\$ 459,134

CITY OF ORLAND

**ECONOMIC BLOCK & GRANT FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Positive / (Negative) Final to Actual
REVENUES				
Revenue from Use of Money	\$ -	\$ -	102	\$ 102
Charges for Services	-	-	140,338	140,338
Total Revenues	-	-	140,440	140,440
EXPENDITURES				
Current				
General Government	-	-	250	(250)
Total Expenditures	-	-	250	(250)
NET CHANGE IN FUND BALANCE				
Beginning fund balance	683,716	683,716	683,716	
Ending balance	\$ 683,716	\$ 683,716	\$ 823,906	\$ 140,190

CITY OF ORLAND

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.08%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.05%
District's proportionate share of the net pension liability (asset)	\$ 4,348,000	\$ 6,749,000	\$ 6,224,000	\$ 5,742,000	\$ 5,761,000	\$ 5,003,000	\$ 3,919,000	\$ 3,151,000
District's covered payroll	\$ 2,564,000	\$ 2,318,000	\$ 2,196,000	\$ 1,970,000	\$ 1,984,000	\$ 1,741,000	\$ 1,851,000	\$ 1,799,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	170%	291%	283%	291%	290%	287%	212%	175%
Plan fiduciary net position as a percentage of the total pension liability	88%	75%	75%	75%	73%	74%	78%	82%

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

CITY OF ORLAND

SCHEDULE OF CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 850,189	\$ 779,873	\$ 684,036	\$ 588,379	\$ 493,433	\$ 467,307	\$ 413,224	\$ 294,491
Contributions in relation to the contractually required contribution	(4,823,144)	(779,873)	(684,036)	(588,379)	(493,433)	(467,497)	(413,224)	(294,491)
Contribution deficiency (excess)	\$ (3,972,955)	\$ -	\$ -	\$ -	\$ -	\$ (190)	\$ -	\$ -
District's covered payroll	\$ 2,404,302	\$ 2,563,762	\$ 2,318,470	\$ 2,196,355	\$ 1,970,481	\$ 1,984,314	\$ 1,740,811	\$ 1,851,123
Contributions as a percentage of covered payroll	35%	30%	30%	27%	25%	24%	24%	16%

CITY OF ORLAND

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

	2022	2021	2020	2019
Total OPEB Liability				
Changes for the year:				
Service cost	\$ 29,000	\$ 28,240	\$ 26,495	\$ 28,234
Interest	22,000	16,036	15,998	13,904
Changes in assumptions or other inputs	(18,225)	11,283	8,325	(24,450)
Benefit payments	(22,000)	(22,424)	(28,674)	(18,593)
Net Changes in Total OPEB Liability	10,775	33,135	22,144	(905)
Total OPEB Liability - Beginning	554,225	521,090	498,946	499,851
Total OPEB Liability - Ending	\$ 565,000	\$ 554,225	\$ 521,090	\$ 498,946
Covered Payroll	\$ 2,404,302	\$ 2,455,076	\$ 2,253,165	\$ 2,210,307
Total OPEB liability as a percentage of covered payroll	23%	23%	23%	23%

District Has No Assets Accumulated in a Trust to Pay Related Benefits

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SUPPLEMENTARY INFORMATION

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COMBINING STATEMENTS

CITY OF ORLAND

COMBINING BALANCE SHEET
JUNE 30, 2022

	Library Funds	Police Dept Grants	P.O.S.T.	GAS TAX	STIP- PAPST AVE	Tehama - STIP	Code Enforc.	RMRA, SB 1	Sixth St 2020	Assessment District	87-STBG- 247
ASSETS											
Cash and Equivalents	\$ 128,550	\$ 36,385	\$ 2,961	\$ 83,878	\$ -	\$ -	\$ -	\$ 118,537	\$ -	\$ 594,512	\$ -
Receivables	-	-	-	134,500	-	-	-	28,950	-	658	20,588
TOTAL ASSETS	\$ 128,550	\$ 36,385	\$ 2,961	\$ 218,378	\$ -	\$ -	\$ -	\$ 147,487	\$ -	\$ 595,170	\$ 20,588
LIABILITIES											
Accrued Expenses	\$ 975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,490	\$ -	\$ -	\$ -
Due To Other Funds	-	-	-	-	2,460	216,321	5,533	-	76,858	-	4,985
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	20,588
Total Liabilities	975	-	-	-	2,460	216,321	5,533	3,490	76,858	-	25,573
FUND BALANCE											
Nonspendable Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Restricted Fund Balance	-	-	-	-	-	-	-	-	-	290,670	-
Committed Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Assigned Fund Balance	121,141	36,385	2,961	218,378	-	-	-	143,997	-	304,500	-
Unassigned	6,434	-	-	-	(2,460)	(216,321)	(5,533)	-	(76,858)	-	(4,985)
Total Fund Balance	127,575	36,385	2,961	218,378	(2,460)	(216,321)	(5,533)	143,997	(76,858)	595,170	(4,985)
TOTAL LIABILITIES AND FUND BALANCE	\$ 128,550	\$ 36,385	\$ 2,961	\$ 218,378	\$ -	\$ -	\$ -	\$ 147,487	\$ -	\$ 595,170	\$ 20,588

Wdwrd Fam Apts	Liberty Bell CY	SB-2 Planning	LEAP Grant	Rec Trail Grant	Community Center	CA BSCC GRANT	USBR Park Meters	Downtown Signs	Arts Commis.	Nomlaki Dontation	Streetscape	SAFETY FUND	Tree Comm Trust	Non-Major Govt Funds
\$ 2,131	\$ 740	\$ -	\$ -	\$ -	\$ 1,387	\$ 5,823	\$ 50,159	\$ 3,692	\$ 26,283	\$ 643	\$ -	\$ 53,590	\$ 4,186	\$ 1,113,457
-	-	-	-	-	-	-	-	-	-	-	-	37,186	-	221,882
\$ 2,131	\$ 740	\$ -	\$ -	\$ -	\$ 1,387	\$ 5,823	\$ 50,159	\$ 3,692	\$ 26,283	\$ 643	\$ -	\$ 90,776	\$ 4,186	\$ 1,335,339
\$ -	\$ 2,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,842
-	-	76,179	17,995	300	-	-	-	-	-	-	30,714	-	-	431,345
-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,588
-	2,377	76,179	17,995	300	-	-	-	-	-	-	30,714	-	-	458,775
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	290,670
2,131	-	-	-	-	1,387	5,823	50,159	3,692	26,283	643	-	90,776	4,186	1,012,442
-	(1,637)	(76,179)	(17,995)	(300)	-	-	-	-	-	-	(30,714)	-	-	(426,548)
2,131	(1,637)	(76,179)	(17,995)	(300)	1,387	5,823	50,159	3,692	26,283	643	(30,714)	90,776	4,186	876,564
\$ 2,131	\$ 740	\$ -	\$ -	\$ -	\$ 1,387	\$ 5,823	\$ 50,159	\$ 3,692	\$ 26,283	\$ 643	\$ -	\$ 90,776	\$ 4,186	\$ 1,335,339

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

	Library Funds	Police Dept Grants	P.O.S.T.	GAS TAX	STIP- PAPST AVE	Tehama - STIP	Code Enforc.	RMRA, SB 1	Sixth St 2020	Assessment District	87-STBG- 247
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ 318,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,267	\$ -
Fines, Forfeitures, and Penalties	-	2,599	-	-	-	-	(1)	-	-	-	-
Revenue from Use of Money	652	179	6	370	-	-	6	1,653	-	3,294	-
Intergovernmental Revenue	-	-	2,955	-	-	-	-	170,667	-	-	-
Charges for Services	31,290	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	31,942	2,778	2,961	318,870	-	-	5	172,320	-	89,561	-
EXPENDITURES											
Current											
General Government	-	-	-	-	-	-	6,645	-	-	-	-
Public Safety	-	12,615	-	-	-	-	-	-	-	-	-
Public Ways and Facilities	-	-	-	183,817	-	-	-	28,259	-	69,549	4,985
Library	25,508	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	64	-	-	-
Total Expenditures	25,508	12,615	-	183,817	-	-	6,645	28,323	-	69,549	4,985
Excess (Deficiency) of Revenues Over Expenditures	6,434	(9,837)	2,961	135,053	-	-	(6,640)	143,997	-	20,012	(4,985)
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	-	-	243,230	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	(243,230)	-	-	-
Net Financing Sources (Uses)	-	-	-	-	-	243,230	-	(243,230)	-	-	-
NET CHANGE IN FUND BALANCE	6,434	(9,837)	2,961	135,053	-	243,230	(6,640)	(99,233)	-	20,012	(4,985)
Beginning fund balance	121,141	46,222	-	83,325	(2,460)	(459,531)	1,107	243,230	(76,858)	575,158	-
Ending balance	\$ 127,575	\$ 36,385	\$ 2,961	\$ 218,378	\$ (2,460)	\$ (216,321)	\$ (5,533)	\$ 143,997	\$ (76,858)	\$ 595,170	\$ (4,985)

Wdwrld Fam Aprts	Liberty Bell CY	SB-2 Planning	LEAP Grant	Rec Trail Grant	Community Center	CA BSCC GRANT	USBR Park Meters	Downtown Signs	Arts Commis.	Nomlaki Dontation	Streetscape	SAFETY FUND	Tree Comm Trust	Non-Major Govt Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404,767
-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,598
6	2	-	-	-	7	29	252	19	119	3	-	269	21	6,887
-	-	-	-	-	-	-	-	-	-	-	-	-	-	173,622
2,652	1,176	-	-	-	-	-	-	-	725	-	-	-	-	35,843
-	-	-	-	-	-	-	-	-	-	-	-	37,186	-	37,186
2,658	1,178	-	-	-	7	29	252	19	844	3	-	37,455	21	660,903
-	-	76,179	17,995	300	-	-	-	-	-	-	-	-	-	101,119
-	-	-	-	-	-	-	-	-	-	-	-	14,303	-	26,918
527	2,815	-	-	-	-	-	-	-	-	-	-	-	-	289,952
-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,508
-	-	-	-	-	-	-	-	-	5,455	-	-	-	-	5,455
-	-	-	-	-	-	-	-	-	-	-	-	-	-	64
527	2,815	76,179	17,995	300	-	-	-	-	5,455	-	-	14,303	-	449,016
2,131	(1,637)	(76,179)	(17,995)	(300)	7	29	252	19	(4,611)	3	-	23,152	21	211,887
-	-	-	-	-	-	-	-	-	-	-	-	-	-	243,230
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(243,230)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2,131	(1,637)	(76,179)	(17,995)	(300)	7	29	252	19	(4,611)	3	-	23,152	21	211,887
-	-	-	-	-	1,380	5,794	49,907	3,673	30,894	640	(30,714)	67,624	4,165	664,677
\$ 2,131	\$ (1,637)	\$ (76,179)	\$ (17,995)	\$ (300)	\$ 1,387	\$ 5,823	\$ 50,159	\$ 3,692	\$ 26,283	\$ 643	\$ (30,714)	\$ 90,776	\$ 4,186	\$ 876,564

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