



**CITY OF ORLAND**

**ANNUAL  
FINANCIAL  
REPORT**

**JUNE 30, 2024**



**CITY OF ORLAND**  
**ORLAND, CALIFORNIA**

**JUNE 30, 2024**

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<b>MEMBER</b>	<b>OFFICE</b>	<b>TERM EXPIRES</b>
Chris Dobbs	Mayor	November 2024
Mathew “Matt” Romano	Vice Mayor	November 2026
Jeffrey A. Tolley	Councilmember	November 2024
John McDermott	Councilmember	November 2026
Bruce T. Roundy	Councilmember	November 2024

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**ADMINISTRATION**

Pete Carr	City Manager
Rebecca Webster	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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *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") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

### ***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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- ❖ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Orland'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 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, and OPEB schedules on pages 39–43, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Orland's basic financial statements. The following schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements:

Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") requires a Schedule of Expenditures of Federal Awards ("SEFA").

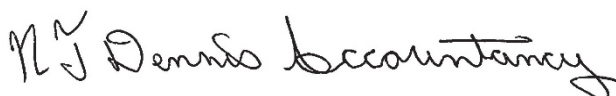
The SEFA is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and 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 SEFA is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2025 on our consideration of City of Orland'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 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 of Orland's internal control over financial reporting and compliance.



April 8, 2025

## CITY OF ORLAND

STATEMENT OF NET POSITION  
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Equivalents	\$ 8,925,760	\$ 3,240,325	\$ 12,166,085
Receivables	12,946,095	3,366,325	16,312,420
Internal Balances	(326,643)	326,643	-
Other Current Assets	524,518	119,868	644,386
Capital Assets	12,415,419	9,578,545	21,993,964
<b>Total Assets</b>	<b>34,485,149</b>	<b>16,631,706</b>	<b>51,116,855</b>
<b>Deferred Outflows of Resources</b>	<b>2,849,000</b>	<b>556,000</b>	<b>3,405,000</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 37,334,149</b>	<b>\$ 17,187,706</b>	<b>\$ 54,521,855</b>
<b>LIABILITIES</b>			
Accrued Expenses	\$ 154,019	\$ 324,636	478,655
Unearned Revenue	11,890,790	-	11,890,790
Long-Term Liabilities, Current Portion	168,644	166,285	334,929
Long-Term Liabilities, Non-current Portion	7,636,679	3,403,131	11,039,810
<b>Total Liabilities</b>	<b>19,850,132</b>	<b>3,894,052</b>	<b>23,744,184</b>
<b>Deferred Inflows of Resources</b>	<b>2,404,000</b>	<b>535,000</b>	<b>2,939,000</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	10,588,528	4,115,380	14,703,908
Restricted for			
Impact fees	3,959,885	-	3,959,885
Assessment district	353,777	-	353,777
Unrestricted	177,827	8,643,274	8,821,101
<b>Total Net Position</b>	<b>15,080,017</b>	<b>12,758,654</b>	<b>27,838,671</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 37,334,149</b>	<b>\$ 17,187,706</b>	<b>\$ 54,521,855</b>

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

CITY OF ORLAND

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

Function/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
<b>GOVERNMENTAL ACTIVITIES</b>						
General Government	\$ 5,819,331	\$ 224,400	\$ 3,955,769	\$ -	\$ (1,639,162)	\$ (1,639,162)
Public Safety	2,835,775	22,761	300,915	104,536	(2,407,563)	(2,407,563)
Public Ways and Facilities	1,871,564	-	464,755	71,667	(1,335,142)	(1,335,142)
Library	1,000,690	38,772	132,524	83,834	(745,560)	(745,560)
Recreation	990,732	143,384	-	236,305	(611,043)	(611,043)
Debt Service	162,118	-	-	-	(162,118)	(162,118)
<b>Total Governmental Activities</b>	<b>12,680,210</b>	<b>429,317</b>	<b>4,853,963</b>	<b>496,342</b>	<b>(6,900,588)</b>	<b>(6,900,588)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Water	3,063,213	2,484,627	-	-	\$ (578,586)	(578,586)
Sewer	905,581	1,376,484	-	-	470,903	470,903
Industrial Sewer	21,847	97,601	-	-	75,754	75,754
Debt Service	158,078	-	-	-	(158,078)	(158,078)
<b>Total Business-Type Activities</b>	<b>4,148,719</b>	<b>3,958,712</b>	<b>-</b>	<b>-</b>	<b>(190,007)</b>	<b>(190,007)</b>
<b>Total</b>	<b>\$ 16,828,929</b>	<b>\$ 4,388,029</b>	<b>\$ 4,853,963</b>	<b>\$ 496,342</b>	<b>(6,900,588)</b>	<b>(7,090,595)</b>
General revenues						
Taxes and subventions						
Property taxes, levied for general purposes					1,247,059	-
Sales, gas, and other taxes					5,560,152	-
Federal and state aid not restricted for specific purposes					-	4,064,550
Interest and investment earnings					389,800	162,082
Miscellaneous					458,602	222,224
<b>Subtotal, General Revenue</b>					<b>7,655,613</b>	<b>4,448,856</b>
<b>CHANGE IN NET POSITION</b>					<b>755,025</b>	<b>4,258,849</b>
<b>Net Position - Beginning</b>					<b>14,324,992</b>	<b>8,499,805</b>
<b>Net Position - Ending</b>					<b>\$ 15,080,017</b>	<b>\$ 12,758,654</b>
						<b>\$ 27,838,671</b>

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

## CITY OF ORLAND

**GOVERNMENTAL FUNDS'**  
**BALANCE SHEETS**  
**JUNE 30, 2024**

	General Fund	Economic & Block Grants	IMPACT FEES	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Equivalents	\$ 1,214,759	\$ 633,395	\$ 3,959,885	\$ 3,117,721	\$ 8,925,760
Receivables	1,175,363	11,670,201	-	100,531	12,946,095
Due From Other Funds	429,738	-	-	-	429,738
Other Current Assets	523,035	-	-	1,483	524,518
<b>TOTAL ASSETS</b>	<b>\$ 3,342,895</b>	<b>\$ 12,303,596</b>	<b>\$ 3,959,885</b>	<b>\$ 3,219,735</b>	<b>\$ 22,826,111</b>
<b>LIABILITIES</b>					
Accrued Expenses	\$ 98,473	\$ -	\$ -	\$ 55,546	\$ 154,019
Due To Other Funds	326,643	209,578	-	220,160	756,381
Unearned Revenue	-	11,670,202	-	220,588	11,890,790
<b>Total Liabilities</b>	<b>425,116</b>	<b>11,879,780</b>	<b>-</b>	<b>496,294</b>	<b>12,801,190</b>
<b>FUND BALANCE</b>					
Restricted Fund Balance	-	-	3,959,885	353,777	4,313,662
Assigned Fund Balance	1,346,341	423,816	-	2,582,438	4,352,595
Unassigned	1,571,438	-	-	(212,774)	1,358,664
<b>Total Fund Balance</b>	<b>2,917,779</b>	<b>423,816</b>	<b>3,959,885</b>	<b>2,723,441</b>	<b>10,024,921</b>
<b>TOTAL LIABILITIES AND</b>	<b>\$ 3,342,895</b>	<b>\$ 12,303,596</b>	<b>\$ 3,959,885</b>	<b>\$ 3,219,735</b>	<b>\$ 22,826,111</b>

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, 2024

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**Total Fund Balance - Governmental Funds** \$10,024,921

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: 12,415,419

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	3,093,350	
Net Pension Liability (Asset)	3,692,000	
Net OPEB Obligation	488,000	
Compensated absences payable	394,092	
Lease payable	137,881	(7,805,323)

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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	2,849,000
Deferred inflows of resources relating to pensions	(2,404,000)

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**Total Net Position - Governmental Activities:** \$15,080,017

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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, 2024

	General Fund	Economic & Block Grants	IMPACT FEES	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 4,906,108	\$ -	\$ -	\$ 461,815	\$ 5,367,923
Licenses, Permits, and Franchises	442,222	-	955,401	14,106	1,411,729
Fines, Forfeitures, and Penalties	25,587	-	-	1,972	27,559
Revenue from Use of Money	140,157	21,384	144,497	83,762	389,800
Intergovernmental Revenue	2,029,358	3,079,062	-	241,885	5,350,305
Charges for Services	385,373	-	-	43,944	429,317
Miscellaneous Revenues	71,899	-	12,791	73,431	158,121
<b>Total Revenues</b>	<b>8,000,704</b>	<b>3,100,446</b>	<b>1,112,689</b>	<b>920,915</b>	<b>13,134,754</b>
<b>EXPENDITURES</b>					
Current					
General Government	1,223,165	3,880,256	-	353,467	5,456,888
Public Safety	3,765,884	-	-	32,604	3,798,488
Public Ways and Facilities	861,883	-	123,858	208,270	1,194,011
Library	665,226	-	-	44,172	709,398
Recreation	851,682	-	-	30,049	881,731
Capital Outlay	458,481	-	540	292,829	751,850
Debt Service	707,469	-	-	-	707,469
<b>Total Expenditures</b>	<b>8,533,790</b>	<b>3,880,256</b>	<b>124,398</b>	<b>961,391</b>	<b>13,499,835</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	(533,086)	(779,810)	988,291	(40,476)	(365,081)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	84,805	-	-	295,639	380,444
Proceeds from Debt	268,457	-	-	-	268,457
Transfers Out	(39,284)	(544)	(273,976)	(66,640)	(380,444)
<b>Net Financing Sources (Uses)</b>	<b>313,978</b>	<b>(544)</b>	<b>(273,976)</b>	<b>228,999</b>	<b>268,457</b>
<b>NET CHANGE IN</b>					
<b>FUND BALANCE</b>	(219,108)	(780,354)	714,315	188,523	(96,624)
<b>Beginning fund balance</b>	<b>3,136,887</b>	<b>1,204,170</b>	<b>3,245,570</b>	<b>2,534,918</b>	<b>10,121,545</b>
<b>Ending balance</b>	<b>\$ 2,917,779</b>	<b>\$ 423,816</b>	<b>\$ 3,959,885</b>	<b>\$ 2,723,441</b>	<b>\$ 10,024,921</b>

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, 2024

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Net Change in Fund Balances - Governmental Funds \$ (96,624)

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:	\$ 751,850	
Depreciation expense:	(622,325)	129,525

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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:

545,351

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:

(268,457)

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, 2024**

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Gain or loss from the disposal of capital assets:

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported.

The difference between the proceeds from disposal of capital assets and the resulting gain or loss is: 300,481

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: 8,749

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: 161,000

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: (25,000)

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**Change in net position of Governmental Activities** \$ 755,025

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

## CITY OF ORLAND

PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	Water Enterprise	Sewer Enterprise	Industrial Sewer Enterprise	Total
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and Equivalents	\$ 2,237,617	\$ 572,157	\$ 430,551	\$ 3,240,325
Receivables	3,061,440	304,885	-	3,366,325
Due From Other Funds	1,990,885	45,185	-	2,036,070
Prepaid Expenses	63,626	52,736	3,506	119,868
<b>Total current assets</b>	7,353,568	974,963	434,057	8,762,588
<b>Non-current assets</b>				
Capital Assets	6,104,411	3,451,683	22,451	9,578,545
<b>Total Assets</b>	13,457,979	4,426,646	456,508	18,341,133
<b>Deferred Outflows of Resources</b>	325,000	231,000	-	556,000
<b>TOTAL ASSETS AND DEFERRED</b>				
<b>OUTFLOWS OF RESOURCES</b>	\$ 13,782,979	\$ 4,657,646	\$ 456,508	\$ 18,897,133
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	\$ 321,198	\$ 3,438	\$ -	\$ 324,636
Due to Other Funds	1,664,242	45,185	-	1,709,427
Current portion of long-term liabilities	128,472	37,813	-	166,285
<b>Total current liabilities</b>	2,113,912	86,436	-	2,200,348
<b>Long Term Debt</b>	2,437,620	965,511	-	3,403,131
<b>Total Liabilities</b>	4,551,532	1,051,947	-	5,603,479
<b>Deferred Inflows of Resources</b>	313,000	222,000	-	535,000
<b>NET POSITION</b>				
Investment in Capital Assets, net of related debt	4,385,749	1,464,855	22,451	5,873,055
Unrestricted Net Position	4,532,698	1,918,844	434,057	6,885,599
<b>Total Net Position</b>	8,918,447	3,383,699	456,508	12,758,654
<b>TOTAL LIABILITIES, DEFERRED</b>				
<b>INFLOWS OF RESOURCES, AND</b>				
<b>NET POSITION</b>	\$ 13,782,979	\$ 4,657,646	\$ 456,508	\$ 18,897,133

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, 2024**

	Water	Sewer	Industrial	
	Enterprise	Enterprise	Sewer	Total
	Enterprise	Enterprise	Enterprise	
<b>OPERATING REVENUE</b>				
Charges for Services	\$ 2,484,627	\$ 1,376,484	\$ 97,601	\$ 3,958,712
<b>OPERATING EXPENSE</b>				
Salaries	323,972	230,182	-	554,154
Benefits	199,080	59,421	-	258,501
Repairs and Maintenance	26,368	39,644	-	66,012
Supplies	293,778	150,170	2,699	446,647
Professional Services	1,622,119	24,883	-	1,647,002
Insurance	19,765	17,008	502	37,275
Travel	903	332	-	1,235
Administration	414,390	199,462	3,931	617,783
Depreciation	162,838	184,479	14,715	362,032
<b>Total operating expenses</b>	<b>3,063,213</b>	<b>905,581</b>	<b>21,847</b>	<b>3,990,641</b>
<b>OPERATING GAIN/(LOSS)</b>	<b>(578,586)</b>	<b>470,903</b>	<b>75,754</b>	<b>(31,929)</b>
<b>NON-OPERATING REVENUES/(EXPENSES)</b>				
Interest and investment revenue	129,869	15,406	16,807	162,082
Intergovernmental	4,046,933	17,617	-	4,064,550
Miscellaneous Revenue	140,812	81,412	-	222,224
Interest Expense	(94,981)	(63,097)	-	(158,078)
<b>Total non-operating revenues/(expenses)</b>	<b>4,222,633</b>	<b>51,338</b>	<b>16,807</b>	<b>4,290,778</b>
<b>CHANGE IN NET POSITION</b>	<b>3,644,047</b>	<b>522,241</b>	<b>92,561</b>	<b>4,258,849</b>
Net Position - Beginning	5,274,400	2,861,458	363,947	8,499,805
Net Position - Ending	\$ 8,918,447	\$ 3,383,699	\$ 456,508	\$ 12,758,654

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, 2024**

	Water Enterprise	Sewer Enterprise	Industrial Sewer Enterprise	Total
<b>Cash flows from operating activities</b>				
Cash receipts from customers	\$ 3,083,412	\$ 1,393,583	\$ 97,601	\$ 4,574,596
Cash payments to employees for services	(499,743)	(219,886)	-	(719,629)
Cash payments to suppliers for goods and services	(2,422,768)	(430,578)	(7,132)	(2,860,478)
<b>Net cash provided/(used) by operating activities</b>	160,901	743,119	90,469	994,489
<b>Cash flows from non-capital financing activities</b>				
Non-operating inflows/(outflows)	783,155	(131,985)	13,356	664,526
Interfund transfers in/(out)	6,889	(38,109)	256,890	225,670
<b>Net cash provided by non-capital activities</b>	790,044	(170,094)	270,246	890,196
<b>Cash flows from capital and related financing</b>				
Acquisition of capital assets	(1,569,601)	(57,908)	-	(1,627,509)
Debt service payments	(223,064)	(134,487)	-	(357,551)
<b>Net cash used in capital activities</b>	(1,792,665)	(192,395)	-	(1,985,060)
<b>Cash flows from investing activities</b>				
Interest received	129,869	15,406	16,807	162,082
<b>NET INCREASE/ (DECREASE) IN CASH</b>	(711,851)	396,036	377,522	61,707
<b>CASH</b>				
Beginning of year	2,949,468	176,121	53,029	3,178,618
End of year	\$ 2,237,617	\$ 572,157	\$ 430,551	\$ 3,240,325
<b>Reconciliation of operating loss to cash used in operating activities</b>				
Operating Gain/(Loss)	\$ (578,586)	\$ 470,903	\$ 75,754	\$ (31,929)
Adjustments to reconcile operating income to net cash provided by operating activities				
Cash flows reported in other categories:				
Depreciation expense	162,838	184,479	14,715	362,032
(Increase)/Decrease in accounts receivable	598,785	17,099	-	615,884
Increase/(decrease) in accounts payable	(45,445)	921	-	(44,524)
Payroll related liabilities (comp. abs., pension, etc.)	23,309	69,717	-	93,026
<b>Net cash used by operating activities</b>	\$ 160,901	\$ 743,119	\$ 90,469	\$ 994,489

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

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

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***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.

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2024

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**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.



NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2024

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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, 2024, 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.

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2024

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**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.

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2024

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**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, 2024

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**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, 2024. 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 \$4,313,662 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; and will become delinquent if not paid by 5:00 p.m., or the close of business, whichever is later, on December 10; thereafter, a 10% penalty will be added.

The SECOND INSTALLMENT is due on February 1; and will become delinquent if not paid by 5:00 p.m., or the close of business, whichever is later, on April 10; 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, 2024

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**2 - A. Summary of Deposit and Investment Balances**

Cash and investments as of June 30, 2024 consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand	\$ 325	\$ -	\$ 325
Deposits in financial institutions	6,819,517	2,474,449	9,293,966
LAIF	14,204	5,156	19,360
Money market	2,091,714	760,720	2,852,434
Total Cash and Cash Equivalents	\$ 8,925,760	\$ 3,240,325	\$ 12,166,085

**2 - B. Policies and Practices**

INVESTMENT TYPE	MAX. MATURITY	MAX % OF PORTFOLIO	MIN QUALITY	GOV'T CODE \$s
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% <sup>oE</sup>	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% <sup>oJ</sup>	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% <sup>oK</sup>	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% <sup>oK</sup>	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, 2024

2 - C. Cash Deposits

*Credit Risk.* As of June 30, 2024, are as follows:

Investment Type:	S & P Rating	Maturity (Days)	Fair Value Level	Fair Value
LAIF	NR	217	2	\$ 19,360
Money Market Fund	NR	1	1	2,852,434
<b>Total</b>				<b>\$ 2,871,794</b>

*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, 2024, the carrying amount of the City's bank balances totaled \$10,168,761. Of the total bank balance, \$750,000 was insured through the FDIC.

**NOTE 3 – ACCRUED RECEIVABLES**

Receivables at June 30, 2024, were as follows:

	General Fund	Economic & Block Grants	Non-Major Governmental Funds	Governmental Activities	Water Enterprise	Sewer Enterprise	Industrial Sewer	Total Business- Type Activities
Property tax	\$ 19,887		\$ 655	\$ 20,542	\$ -	\$ -	\$ -	\$ -
Sales tax	416,440		-	416,440	-	-	-	-
Sales tax Measure A	234,922		-	234,922	-	-	-	-
Loans	-	5,674,524	20,588	5,695,112	-	-	-	-
Liberty Apartments	-	5,127,919	-	5,127,919	-	-	-	-
Interest	218	867,758	-	867,976	-	-	-	-
Accounts receivable	395,118		78,689	473,807	763,067	304,885	-	1,067,952
Grant	25,988		-	25,988	2,297,838	-	-	2,297,838
Other	82,790		599	83,389	535	-	-	535
<b>Total</b>	<b>\$ 1,175,363</b>	<b>\$ 11,670,201</b>	<b>\$ 100,531</b>	<b>\$ 12,946,095</b>	<b>\$ 3,061,440</b>	<b>\$ 304,885</b>	<b>\$ -</b>	<b>\$ 3,366,325</b>

All receivables are considered by management collectible in full.

## CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2024**NOTE 4 – CAPITAL ASSETS**

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

	Balance July 01, 2023	Additions / Adjustments	Deductions	Balance June 30, 2024
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 486,096	\$ -	\$ -	\$ 486,096
Construction in progress	34,180	-	34,180	-
<b>Non-Depreciable Capital Assets</b>	520,276	-	34,180	486,096
Capital assets being depreciated				
Buildings & improvements	\$ 11,426,909	\$ 309,305	\$ -	\$ 11,736,214
Vehicles & equipment	4,559,303	1,033,643	-	5,592,946
Total Capital Assets Being Depreciated	15,986,212	1,342,948	-	17,329,160
Less Accumulated Depreciation	4,521,075	878,762	-	5,399,837
<b>Depreciable Capital Assets, net</b>	\$ 11,465,137	\$ 464,186	\$ -	\$ 11,929,323
<b>Total Capital Assets, net</b>	\$ 11,985,413	\$ 464,186	\$ 34,180	\$ 12,415,419

Depreciation was charged to the following departments:

General government	\$ 17,192
Public safety	264,287
Public ways and facilities	323,553
Library	7,292
Recreation	10,001
<b>Total depreciation</b>	<b>\$ 622,325</b>



## CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2024

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024
<b>Business-Type Activities</b>				
Capital assets not being depreciated				
Land	\$ 76,358	\$ -	\$ -	\$ 76,358
Construction in progress	1,281,293	1,511,693	-	2,792,986
Total Capital Assets not Being Depreciated	\$ 1,357,651	\$ 1,511,693	\$ -	\$ 2,869,344
Capital assets being depreciated				
Water infrastructure	\$ 3,864,309	\$ -	\$ -	\$ 3,864,309
Sewer infrastructure	3,771,873	-	-	3,771,873
Industrial sewer infrastructure	588,444	-	-	588,444
Vehicles	1,540,256	115,816	-	1,656,072
Total Capital Assets Being Depreciated	9,764,882	115,816	-	9,880,698
Less Accumulated Depreciation	2,809,465	362,032	-	3,171,497
<b>Depreciable Capital Assets, net</b>	<b>\$ 6,955,417</b>	<b>\$ (246,216)</b>	<b>\$ -</b>	<b>\$ 6,709,201</b>
<b>Total Capital Assets, net</b>	<b>\$ 8,313,068</b>	<b>\$ 1,265,477</b>	<b>\$ -</b>	<b>\$ 9,578,545</b>

Depreciation was charged to the following departments:

Water	\$ 162,838
Sewer	184,479
Industrial sewer	14,715
<b>Total depreciation</b>	<b>\$ 362,032</b>

**NOTE 5 – INTERFUND BALANCES AND ACTIVITY****5 - A. Balances Due to/from Other Funds**

Balances due to/from other funds at June 30, 2024, consist of the following:

Due To Other Funds	Due From Other Funds		
	General Fund	Water Enterprise	Total
<b>General Fund</b>	\$ -	\$ 326,643	\$ 326,643
<b>Economic &amp; Block Grants</b>	209,578	-	209,578
<b>Non-Major Governmental Funds</b>	220,160	-	220,160
<b>Water Enterprise</b>	-	1,664,242	1,664,242
<b>Sewer Enterprise</b>	-	-	45,185
<b>Total</b>	<b>\$ 429,738</b>	<b>\$ 1,990,885</b>	<b>\$ 2,465,808</b>

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, 2024**5 - B. Transfers to/from Other Funds**

Transfers in/out for the year-ended June 30, 2024, consist of the following:

Due To Other Funds	Due From Other Funds		
	Non-Major Governmental		Total
	General Fund	Funds	
General Fund	\$ 39,284	\$ -	\$ 39,284
Economic & Block Grants	544	-	544
IMPACT FEES	-	273,976	273,976
Non-Major Governmental Funds	44,977	21,663	66,640
<b>Total</b>	<b>\$ 84,805</b>	<b>\$ 295,639</b>	<b>\$ 380,444</b>

General Fund transferred to Measure A for equipment purchases	39,284
POST 1992 transferred to General Fund for supplies/equipment	544
Impact Fees transferred to STIP-PAPST AVE for activity	2,460
Impact Fees transferred to Tehama - STIP for activity	216,321
Impact Fees transferred to Sixth St 2020 for activity	55,195
CA BSCC Grant transferred to Sixth St 2020 to close the fund	5,933
USBRPark Meters transferred to the General Fund to close the fund	44,977
USBRPark Meters transferred to the Sixth St 2020 to close the fund	6,129
USDA Police Grant transferred to Sixth St 2020 to purchase equipment	2,763
OTS STEP PT 1526 transferred to Sixth St 2020 to close the fund	6,838
<b>Total</b>	<b>\$ 380,444</b>

**NOTE 6 – ACCRUED PAYABLES**

Payables at June 30, 2024, were as follows:

	Non-Major Governmental			Water	Sewer	Total Business-Type
	General Fund	Funds	Governmental Activities	Enterprise	Enterprise	Activities
Payroll	\$ 2,615	\$ -	\$ 2,615	\$ -		\$ -
Vendors payable	95,516	55,546	151,062	319,776	3,402	323,178
Interest payable	342	-	342	1,422	36	1,458
<b>Total</b>	<b>\$ 98,473</b>	<b>\$ 55,546</b>	<b>\$ 154,019</b>	<b>\$ 321,198</b>	<b>\$ 3,438</b>	<b>\$ 324,636</b>

## CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2024**NOTE 7 – UNEARNED REVENUES**

Unearned revenue at June 30, 2024, 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	5,457,590	-	5,457,590
POST	6,209,862	-	6,209,862
ARPA Grant	-	200,000	200,000
<b>Total</b>	<b>\$ 11,670,202</b>	<b>\$ 220,588</b>	<b>\$ 11,890,790</b>

**NOTE 8 – LONG-TERM LIABILITIES****8 - A. Long-Term Liabilities Summary**

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Balance Due in One Year
<b>Governmental Activities</b>					
Notes/loans payable	\$3,508,125	\$ -	\$414,775	\$ 3,093,350	\$ 30,763
Net Pension Liability (Asset)	3,525,000	167,000	-	3,692,000	-
Net OPEB Obligation	463,000	25,000	-	488,000	-
Compensated absences payable	402,841	-	8,749	394,092	-
Lease payable	-	268,457	130,576	137,881	137,881
<b>Total</b>	<b>\$ 7,898,966</b>	<b>\$ 460,457</b>	<b>\$ 554,100</b>	<b>\$ 7,805,323</b>	<b>\$ 168,644</b>

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Balance Due in One Year
<b>Business-Type Activities</b>					
Notes/loans payable	\$ 2,846,680	\$ -	\$ 239,389	\$ 2,607,291	\$ 166,285
Net Pension Liability (Asset)	700,000	27,000	30,000	697,000	-
Net OPEB Obligation	130,000	8,000	-	138,000	-
Compensated absences payable	131,151	-	4,026	127,125	-
<b>Total</b>	<b>\$ 3,807,831</b>	<b>\$ 35,000</b>	<b>\$ 273,415</b>	<b>\$ 3,569,416</b>	<b>\$ 166,285</b>

## CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 20248 - B. Loan/Bonded Debt

	Government Activities	Business- Type Activities	Total
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	\$ 103,295	\$ 440,361	\$ 543,656
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.	176,915	754,217	931,132
In June 2021, the City obtained \$1,054,105 interest-free financing from the State Water Resources Control Board for well construction.	-	860,853	860,853
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 miscellaneous and safety pension plans.	2,813,140	551,860	3,365,000
<b>Total Loans/Bonds</b>	<b>\$ 3,093,350</b>	<b>\$ 2,607,291</b>	<b>\$ 5,700,641</b>

8 - C. Debt Service Requirements to Maturity

	Clean Renewable		
Year Ending June 30,	Principal	Interest	Total
2025	\$ 57,140	\$ 15,672	\$ 72,812
2026	58,844	13,968	72,812
2027	60,598	12,214	72,812
2028	62,405	10,407	72,812
2029	64,266	8,546	72,812
2030 - 2033	240,403	14,441	254,844
<b>Total Payments</b>	<b>\$ 543,656</b>	<b>\$ 75,248</b>	<b>\$ 618,904</b>

## CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2024

Solar Energy				
Year Ending June 30,	Principal	Interest	Total	
2025	\$ 104,770	\$ 37,106	\$	141,876
2026	106,010	32,797		138,807
2027	107,266	28,438		135,704
2028	108,537	24,027		132,564
2029	109,823	19,564		129,387
2030 - 2033	394,726	32,559		427,285
<b>Total Payments</b>	<b>\$ 931,132</b>	<b>\$ 174,491</b>	<b>\$</b>	<b>1,105,623</b>

Well				
Year Ending June 30,				Total
2025			\$	35,137
2026				35,137
2027				35,137
2028				35,137
2029				35,137
2030 - 2034				175,684
2035 - 2039				175,684
2040 - 2044				175,684
2045 - 2049				158,116
<b>Total Payments</b>			<b>\$</b>	<b>860,853</b>

Pension Bonds				
Year Ending June 30,	Principal	Interest	Total	
2025	\$ -	\$ 49,634	\$	49,634
2026	240,000	95,728		335,728
2027	250,000	88,500		338,500
2028	255,000	81,051		336,051
2029	260,000	73,455		333,455
2030 - 2034	1,435,000	244,776		1,679,776
2035 - 2037	925,000	40,489		965,489
<b>Total Payments</b>	<b>\$ 3,365,000</b>	<b>\$ 673,633</b>	<b>\$</b>	<b>4,038,633</b>

# CITY OF ORLAND

## NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2024

### 8 - D. Pension Liabilities

The City's pension activities between the Cal PERS for the year ended June 30, 2024, resulted in net pension obligations and other related balances as follows:

	Government Activities	Business-Type Activities	Total
NPL Safety	\$ (1,845,000)	\$ -	\$ (1,845,000)
NPL Miscellaneous	(1,847,000)	(697,000)	(2,544,000)
Total NPL	(3,692,000)	(697,000)	(4,389,000)
Deferred Outflows of Resources - Safety	1,373,000	-	1,373,000
Deferred Outflows of Resources - Miscellaneous	1,476,000	556,000	2,032,000
Total deferred outflows of resources	2,849,000	556,000	3,405,000
Deferred Inflows of Resources - Safety	(988,000)	-	(988,000)
Deferred Inflows of Resources - Miscellaneous	(1,416,000)	(535,000)	(1,951,000)
Total Deferred Inflows of Resources	(2,404,000)	(535,000)	(2,939,000)
<b>Effect on Net Position</b>	<b>\$ (3,247,000)</b>	<b>\$ (676,000)</b>	<b>\$ (3,923,000)</b>

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, 2024, resulted in an OPEB obligation of \$626,000. 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-2024.pdf>.

**CITY OF ORLAND**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2024**

**Benefits and Contributions.** Per the City of Orland's *Annual Valuation Reports as of June 30, 2021* (provided in that report is the determination of the minimum required employer contributions for fiscal year 2023-24), the following are the benefits and employee and employer contribution requirements:

<b>Benefit Provision:</b>	<b>Police Classic</b>	<b>Police and Fire PEPRA</b>	<b>Misc Classic</b>	<b>Misc PEPRA</b>
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%	8.00%	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%
<b>Contributions:</b>				
Employer Normal Cost Rate	25.65%	13.54%	15.17%	7.68%
Employer Amortization of Unfunded				
Accrued Liability	\$71,391	\$2,216	\$94,186	\$ -
Total Employer Contributions	\$183,013	\$94,002	\$242,741	\$85,023

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

At June 30, 2024, the City reported a liability of \$4,389,000 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, 2022 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, 2022 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, 2023, 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, 2024.

**CITY OF ORLAND**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2024**

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, 2024, the City's proportion was:

	<b>Jun. 30, 2023</b>	<b>Jun. 30, 2022</b>	<b>Difference</b>
Net Pension Liability Allocation Basis - Safety	0.0002469	0.0002599	-0.0000131
Net Pension Liability Allocation Basis - Miscellaneous	0.0005087	0.0005212	-0.0000125

For the year ended June 30, 2024, the City recognized pension expense of \$347,000. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Total</b>
Differences between expected and actual experience	\$ 234,000	\$ -	\$ 234,000
Changes of assumptions	261,000	-	261,000
Net difference between projected and actual earnings on pension plan investments	664,000	-	664,000
Differences between Employer's Contributions and Proportionate Share of Contributions	1,622,000	435,000	1,187,000
Change in Employer's Proportion	19,000	2,504,000	(2,485,000)
City contributions subsequent to the measurement date	605,000	-	605,000
<b>Total</b>	<b>\$ 3,405,000</b>	<b>\$ 2,939,000</b>	<b>\$ 466,000</b>

# CITY OF ORLAND

## NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2024

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:

2025	\$	230,000
2026		(192,000)
2027		409,000
2028		19,000
<b>Total</b>	<b>\$</b>	<b>466,000</b>

**Actuarial Methods and Assumptions.** The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

Investment rate of return	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality rate table <sup>1</sup>	Derived using CalPERS' Membership Data for all Funds Contract COLA up to 2.30% until Purchasing Power
Post-Retirement Benefit Increase	Protection Allowance Floor on Purchasing Power applies

<sup>1</sup> The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

**Long-Term Expected Rate of Return.** In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

Asset Class <sup>1</sup>	Assumed Asst Allocation	Real Return Year 1 -10 <sup>1,2</sup>
Global equity - cap-weighted	30.00%	4.54%
Global equity non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

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

<sup>2</sup> Figures are based on the 2021-22 Asset Liability Management study.



# CITY OF ORLAND

## NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2024

**Discount Rate.** The discount rate used to measure the total pension liability for PERF C was 6.90%. 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 collective net pension liability calculated using a discount rate of 6.90%, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

		Current	
	1% Decrease	Discount Rate	1% Increase
Proportionate share of the net pension liability - Safety	\$ 3,371,000	\$ 1,845,000	\$ 598,000
Proportionate share of the net pension liability - Miscellaneous	4,682,000	2,544,000	784,000

**Pension Plan Fiduciary Net Position.** The components of the employers' collective net pension liability related to the Plan as of June 30, 2022 are as follows (amounts in thousands):

	Miscellaneous Risk Pool	Safety Risk Pool	Total
Total pension liability	\$ 22,693,312	\$ 29,748,672	\$ 52,441,984
Less:			
Plan fiduciary net position	17,692,895	22,273,739	39,966,634
Net Pension Liability of Employers	\$ 5,000,417	\$ 7,474,933	\$ 12,475,350

### 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.**

**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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	34
Active employees	34
<b>Total</b>	<b>68</b>

CITY OF ORLAND

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2024

**Total OPEB Liability.** The City's total OPEB liability of \$626,000 was measured was measured in conformity with the requirements in GASB No. 75, paragraphs 225 and 226 for the alternative measurement method, as of June 30, 2024.

**Measurement Assumptions and Other Inputs.** The total OPEB liability in the June 30, 2024 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%  
Discount Rate: 4.3%

Salary Increase: 3.25%  
Health Trend Rate: 8%

**Changes in the Total OPEB Liability**

Balances at July 01, 2023	\$	593,000
Changes for the year:		
Service cost		35,000
Interest		23,000
Benefit payments		(25,000)
Net changes		33,000
Balances at June 30, 2024	\$	626,000

**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:

	Current Discount		
	1% Decrease	Rate	1% Increase
City's proportionate share of the OPEB liability	\$ 625,000	\$ 626,000	\$ 626,000

	Current Health		
	1% Decrease	Trend Rate	1% Increase
City's proportionate share of the OPEB liability	\$ 626,000	\$ 626,000	\$ 625,000

**OPEB Expense.** For the year ended June 30, 2024, the City recognized an OPEB expense of \$33,000.

**CITY OF ORLAND**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2024**

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***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, 2024, the City made payments of \$487,556 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, 2024**

	<u>Budgeted Amounts</u>			<b>Variances - Positive / (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$6,711,000	\$6,711,000	\$ 4,906,108	\$ (1,804,892)
Licenses, Permits, and Franchises	-	-	442,222	442,222
Fines, Forfeitures, and Penalties	-	-	25,587	25,587
Revenue from Use of Money	71,600	71,600	140,157	68,557
Intergovernmental Revenue	249,000	249,000	2,029,358	1,780,358
Charges for Services	346,000	346,000	385,373	39,373
Miscellaneous Revenues	283,000	283,000	71,899	(211,101)
<b>Total Revenues</b>	<b>7,660,600</b>	<b>7,660,600</b>	<b>8,000,704</b>	<b>340,104</b>
<b>EXPENDITURES</b>				
Current				
General Government	1,258,997	1,258,997	1,223,165	35,832
Public Safety	4,286,720	4,286,720	3,765,884	520,836
Public Ways and Facilities	1,262,728	1,262,728	861,883	400,845
Library	658,434	658,434	665,226	(6,792)
Recreation	329,595	329,595	851,682	(522,087)
Capital Outlay	-	-	458,481	(458,481)
Debt Service	60,999	60,999	707,469	(646,470)
<b>Total Expenditures</b>	<b>7,857,473</b>	<b>7,857,473</b>	<b>8,533,790</b>	<b>(676,317)</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<b>(196,873)</b>	<b>(196,873)</b>	<b>(533,086)</b>	<b>(336,213)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	84,805	84,805
Proceeds from Debt	-	-	268,457	268,457
Transfers Out	-	-	(39,284)	(39,284)
<b>Net Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>313,978</b>	<b>313,978</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(196,873)</b>	<b>(196,873)</b>	<b>(219,108)</b>	<b>313,978</b>
<b>Beginning fund balance</b>	<b>3,136,887</b>	<b>3,136,887</b>	<b>3,136,887</b>	
<b>Ending balance</b>	<b>\$ 2,940,014</b>	<b>\$ 2,940,014</b>	<b>\$ 2,917,779</b>	<b>\$ (22,235)</b>

## CITY OF ORLAND

**ECONOMIC BLOCK & GRANT FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>			<b>Variances - Positive / (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Revenue from Use of Money	\$ -	\$ -	\$ 21,384	\$ 21,384
Intergovernmental Revenue	-	-	3,079,062	3,079,062
<b>Total Revenues</b>	-	-	3,100,446	3,100,446
<b>EXPENDITURES</b>				
Current				
General Government	-	-	3,880,256	(3,880,256)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	-	(779,810)	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(544)	(544)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(780,354)	(780,354)
<b>Beginning fund balance</b>	1,204,170	1,204,170	1,204,170	
<b>Ending balance</b>	\$ 1,204,170	\$ 1,204,170	\$ 423,816	\$ (780,354)



CITY OF ORLAND

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.04%	0.04%	0.08%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.05%
City's proportionate share of the net pension liability	\$4,389,000	\$4,225,000	\$4,348,000	\$6,749,000	\$6,224,000	\$5,742,000	\$5,761,000	\$5,003,000	\$3,919,000	\$3,151,000
City's covered payroll	\$2,536,000	\$2,404,000	\$2,564,000	\$2,318,000	\$2,196,000	\$1,970,000	\$1,984,000	\$1,741,000	\$1,851,000	\$1,799,000
City's proportionate share of the net pension liability as a percentage of its covered payroll	173%	176%	170%	291%	283%	291%	290%	287%	212%	175%
Plan fiduciary net position as a percentage of the total pension liability	76%	77%	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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 604,778	\$ 567,251	\$ 850,189	\$ 779,873	\$ 684,036	\$ 588,379	\$ 493,433	\$ 467,307	\$ 413,224	\$ 294,491
Contributions in relation to the contractually required contribution	(604,778)	(567,251)	(4,823,144)	(779,873)	(684,036)	(588,379)	(493,433)	(467,497)	(413,224)	(294,491)
Contribution deficiency	\$ -	\$ -	\$ (3,972,955)	\$ -	\$ -	\$ -	\$ -	\$ (190)	\$ -	\$ -
City's covered payroll	\$ 3,018,023	\$ 2,536,216	\$ 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	20%	22%	35%	30%	30%	27%	25%	24%	24%	16%

CITY OF ORLAND

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

	2024	2023	2022	2021	2020	2019
<b>Total OPEB Liability</b>						
<b>Changes for the year:</b>						
Service cost	\$ 35,000	\$ 30,000	\$ 29,000	\$ 28,240	\$ 26,495	\$ 28,234
Interest	23,000	22,000	22,000	16,036	15,998	13,904
Changes in assumptions or other inputs	-	-	(18,225)	11,283	8,325	(24,450)
Benefit payments	(25,000)	(24,000)	(22,000)	(22,424)	(28,674)	(18,593)
<b>Net Changes in Total OPEB Liability</b>	<b>33,000</b>	<b>28,000</b>	<b>10,775</b>	<b>33,135</b>	<b>22,144</b>	<b>(905)</b>
<b>Total OPEB Liability - Beginning</b>	<b>593,000</b>	<b>565,000</b>	<b>554,225</b>	<b>521,090</b>	<b>498,946</b>	<b>499,851</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 626,000</b>	<b>\$ 593,000</b>	<b>\$ 565,000</b>	<b>\$ 554,225</b>	<b>\$ 521,090</b>	<b>\$ 498,946</b>
<b>Covered Payroll</b>	<b>\$ 3,018,023</b>	<b>\$ 2,536,216</b>	<b>\$ 2,404,302</b>	<b>\$ 2,455,076</b>	<b>\$ 2,253,165</b>	<b>\$ 2,210,307</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>21%</b>	<b>23%</b>	<b>23%</b>	<b>23%</b>	<b>23%</b>	<b>23%</b>
<b>City Has No Assets Accumulated in a Trust to Pay Related Benefits</b>						

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*SUPPLEMENTARY INFORMATION*

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## CITY OF ORLAND

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster</b>	<b>Assistance Listing Number ("ALN")</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through the CA State Water Resources Control Board			
Community Facilities Loans and Grants	10.766	04-011-532934947	\$ 53,343
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Home Investment Partnerships Program [1]	14.239	19-HOME-15980	3,880,682
Home Investment Partnerships Program [1]	14.239	07-HOME-3902	2,527,175
Home Investment Partnerships Program [1]	14.239	08-HOME-4730	516,263
Home Investment Partnerships Program [1]	14.239	04-HOME-Orland Apt	1,740,583
Home Investment Partnerships Program [1]	14.239	05-HOME-1685	223,991
Home Investment Partnerships Program [1]	14.239	09-HOME-6205	449,578
HOME Subtotal			9,338,272
Community Development Block Grant [1]	14.218	1987 STBG	20,588
Community Development Block Grant [1]	14.218	CDBG Reuse	2,750
		Post 1992 CDBG	
Community Development Block Grant [1]	14.218	Program	4,961,802
			4,985,140
<b>Total U. S. Department of Housing and Urban Development</b>			<b>14,323,412</b>
U. S. DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction (Federal-Aid High	20.205	DF	118
U. S. DEPARTMENT OF THE TREASURY			
Coronavirus Relief Fund	21.019	DF	39,110
Coronavirus State and Local Fiscal Recovery Fund [1]	21.027	DF	496,272
<b>Total U. S. Department of the Treasury</b>			<b>535,382</b>
<b>Total Federal Expenditures</b>			<b>\$ 14,912,255</b>

[1] - Major Program

DF - Direct Funded

No amount provided to subrecipients

## CITY OF ORLAND

**SCHEDULE OF GENERAL FUNDS – BALANCE SHEETS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Measure A Sales	Total General Funds
<b>ASSETS</b>			
Cash and Equivalents	\$ 384,262	\$ 830,497	\$ 1,214,759
Receivables	845,356	330,007	1,175,363
Due From Other Funds	-	429,738	429,738
Other Current Assets	523,035	-	523,035
<b>TOTAL ASSETS</b>	<b>\$ 1,752,653</b>	<b>\$ 1,590,242</b>	<b>\$ 3,342,895</b>
<b>LIABILITIES</b>			
Accrued Expenses	\$ 79,669	\$ 18,804	\$ 98,473
Due To Other Funds	326,643	-	326,643
Unearned Revenue	-	-	-
<b>Total Liabilities</b>	<b>406,312</b>	<b>18,804</b>	<b>425,116</b>
<b>FUND BALANCE</b>			
Assigned Fund Balance	-	1,146,222	1,146,222
Unassigned	1,346,341	425,216	1,771,557
<b>Total Fund Balance</b>	<b>1,346,341</b>	<b>1,571,438</b>	<b>2,917,779</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,752,653</b>	<b>\$ 1,590,242</b>	<b>\$ 3,342,895</b>



## CITY OF ORLAND

**SCHEDULE OF GENERAL FUNDS – REVENUE, EXPENDITURES, AND CHANGES IN FUND  
BALANCE  
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Measure A Sales	Total General Funds
<b>REVENUES</b>			
Taxes	\$ 3,587,973	\$ 1,318,135	\$ 4,906,108
Licenses, Permits, and Franchises	442,222	-	442,222
Fines, Forfeitures, and Penalties	25,587	-	25,587
Revenue from Use of Money	88,155	52,002	140,157
Intergovernmental Revenue	1,867,657	161,701	2,029,358
Charges for Services	385,373	-	385,373
Miscellaneous Revenues	71,899	-	71,899
<b>Total Revenues</b>	<b>6,468,866</b>	<b>1,531,838</b>	<b>8,000,704</b>
<b>EXPENDITURES</b>			
Current			
General Government	1,223,091	74	1,223,165
Public Safety	2,809,136	956,748	3,765,884
Public Ways and Facilities	847,313	14,570	861,883
Library	665,226	-	665,226
Recreation	851,682	-	851,682
Capital Outlay	161,104	297,377	458,481
Debt Service	561,875	145,594	707,469
<b>Total Expenditures</b>	<b>7,119,427</b>	<b>1,414,363</b>	<b>8,533,790</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(650,561)</b>	<b>117,475</b>	<b>(533,086)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	45,521	39,284	84,805
Proceeds from Debt	-	268,457	268,457
Transfers Out	(39,284)	-	(39,284)
<b>Net Financing Sources (Uses)</b>	<b>6,237</b>	<b>307,741</b>	<b>313,978</b>
<b>NET CHANGE IN FUND BALANCE</b>			
Beginning fund balance	1,990,665	1,146,222	3,136,887
Ending balance	\$ 1,346,341	\$ 1,571,438	\$ 2,917,779

CITY OF ORLAND

NONMAJOR FUNDS COMBINING BALANCE SHEET  
JUNE 30, 2024

	Library Funds	Police Dept Grants	P.O.S.T.	Covid Relief	ARPA	Gen Plan Surch	Libr Bld Forwar	GAS TAX	Code Enforc.	RMRA, SB 1	District
ASSETS											
Cash and Equivalents	\$ 148,374	\$ 27,820	\$ 47,539	\$ -	\$ 559,620	\$ 141,914	\$ -	\$ 682,213	\$ 1,112	\$ 489,711	\$ 687,361
Receivables	-	-	3,101	-	-	-	-	19,196	-	56,392	655
Other Current Assets	-	-	-	-	-	-	-	-	-	-	1,483
TOTAL ASSETS											
	\$ 148,374	\$ 27,820	\$ 50,640	\$ -	\$ 559,620	\$ 141,914	\$ -	\$ 701,409	\$ 1,112	\$ 546,103	\$ 689,499
LIABILITIES											
Accrued Expenses	\$ -	\$ -	\$ -	\$ -	\$ 11,949	\$ -	\$ -	\$ 41,330	\$ -	\$ -	\$ -
Due To Other Funds	-	-	-	70,178	-	-	9,369	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-
Deposits and Retentions	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities											
	-	-	-	70,178	11,949	-	9,369	41,330	-	-	-
FUND BALANCE											
Restricted Fund Balance	-	-	-	-	-	-	-	-	-	-	353,777
Assigned Fund Balance	148,374	27,820	50,640	-	547,671	141,914	(9,369)	660,079	1,112	546,103	335,722
Unassigned	-	-	-	(70,178)	-	-	-	-	-	-	-
Total Fund Balance											
	148,374	27,820	50,640	(70,178)	547,671	141,914	(9,369)	660,079	1,112	546,103	689,499
TOTAL LIABILITIES											
AND FUND BALANCE	\$ 148,374	\$ 27,820	\$ 50,640	\$ -	\$ 559,620	\$ 141,914	\$ -	\$ 701,409	\$ 1,112	\$ 546,103	\$ 689,499

87-STBG- 247	ARPA- County	Parks Pass	Wdwrdr Fam Aprts	Liberty Bell CY	SB-2 Planning	LEAP Grant	Rec Trail Grant	Community Center	Downtown Signs	Arts Commis.	Nomlaki Dontation	SAFETY FUND	Tree Comm Trust	Non-Major Govt Funds
\$	-	\$ 200,000	\$ 1,405	\$ -	\$ -	\$ -	\$ -	\$ 1,413	\$ 3,762	\$ 35,440	\$ 656	\$ 85,116	\$ 4,265	\$ 3,117,721
20,588	-	-	315	284	-	-	-	-	-	-	-	-	-	100,531
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,483
\$ 20,588	\$ 200,000	\$ -	\$ 1,720	\$ 284	\$ -	\$ -	\$ -	\$ 1,413	\$ 3,762	\$ 35,440	\$ 656	\$ 85,116	\$ 4,265	\$ 3,219,735
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,546
-	-	1,033	-	3,188	76,179	18,509	41,704	-	-	-	-	-	-	220,160
20,588	200,000	-	-	-	-	-	-	-	-	-	-	-	-	220,588
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20,588	200,000	1,033	-	3,188	76,179	18,509	43,971	-	-	-	-	-	-	496,294
-	-	-	-	-	-	-	-	-	-	-	-	-	-	353,777
-	-	-	1,720	-	-	-	-	1,413	3,762	35,440	656	85,116	4,265	2,582,438
-	-	(1,033)	-	(2,904)	(76,179)	(18,509)	(43,971)	-	-	-	-	-	-	(212,774)
-	-	(1,033)	1,720	(2,904)	(76,179)	(18,509)	(43,971)	1,413	3,762	35,440	656	85,116	4,265	2,723,441
\$ 20,588	\$ 200,000	\$ -	\$ 1,720	\$ 284	\$ -	\$ -	\$ -	\$ 1,413	\$ 3,762	\$ 35,440	\$ 656	\$ 85,116	\$ 4,265	\$ 3,219,735

CITY OF ORLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2024

	Library Funds	Police Dept		P.O.S.T.	Covid Relief	ARPA	Gen Plan		Libr Bld	GAS TAX	STIP-		RMRA, SB	Sixth St	Assessment	
		Grants	Grants				Surch	Forwar			PAPST AVE	Tehama - STIP				Code Enforc.
REVENUES																
Taxes	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	94,686
Licenses, Permits, and Franchises	-	-	-	-	-	-	14,106	-	-	-	-	-	-	-	-	-
Fines, Forfeitures, and Penalties	1,623	349	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from Use of Money	3,441	-	-	-	-	-	-	-	-	21,198	-	-	16,632	-	-	38,071
Intergovernmental Revenue	7,768	-	-	16,366	-	-	-	-	-	-	-	-	212,951	-	-	-
Charges for Services	19,738	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	32,570	349	16,366	-	-	-	14,106	-	-	388,327	-	-	229,583	-	-	132,757
EXPENDITURES																
Current																
General Government	-	-	-	-	15,763	337,704	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Ways and Facilities	-	-	-	-	-	-	-	-	-	124,804	-	-	7,232	-	-	76,234
Library	20,826	-	-	-	23,346	-	-	-	-	-	-	-	-	-	-	-
Recreation	86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	158,568	-	134,261	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	20,912	-	-	-	39,109	496,272	-	134,261	-	124,804	-	-	7,232	-	-	76,234
Excess (Deficiency) of Revenues																
Over Expenditures	11,658	349	16,366	(39,109)	(496,272)		14,106	(134,261)		263,523			222,351			56,523
OTHER FINANCING SOURCES (USES)																
Transfers In	-	-	-	-	-	-	-	-	-	2,460	216,321		-	-	76,858	-
Transfers Out	-	(9,601)	-	-	-	-	-	-	-	-	-		-	-	-	-
Net Financing Sources (Uses)	-	(9,601)	-	-	-	-	-	-	-	2,460	216,321		-	-	76,858	-
NET CHANGE IN FUND BALANCE																
Beginning fund balance	136,716	37,072	34,274	(31,069)	1,043,943		127,808	124,892		396,556			323,752		(76,858)	632,976
Ending balance	\$ 148,374	\$ 27,820	\$ 50,640	\$ (70,178)	\$ 547,671	\$ 141,914	\$ (9,369)	\$ 660,079	\$ -	\$ -	\$ -	\$ 1,112	\$ 546,103	\$ -	\$ 689,499	



## CITY OF ORLAND

**SCHEDULE OF WATER FUNDS – STATEMENT OF NET POSITIONS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	WATER ENTERPRIS	ECWAG/DWR Grant	EVA WELL RESERV	Total
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and Equivalents	\$ 2,199,983	\$ -	\$ 37,634	\$ 2,237,617
Receivables	763,602	2,297,838	-	3,061,440
Due From Other Funds	1,990,885	-	-	1,990,885
Prepaid Expenses	63,626	-	-	63,626
<b>Total current assets</b>	5,018,096	2,297,838	37,634	7,353,568
<b>Non-current assets</b>				
Capital Assets	3,311,425	2,792,986	-	6,104,411
<b>Total Assets</b>	8,329,521	5,090,824	37,634	13,457,979
<b>Deferred Outflows of Resources</b>	325,000	-	-	325,000
<b>TOTAL ASSETS AND DEFERRED</b>				
<b>OUTFLOWS OF RESOURCES</b>	\$ 8,654,521	\$ 5,090,824	\$ 37,634	\$ 13,782,979
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	\$ 25,073	\$ 296,125	\$ -	\$ 321,198
Due to Other Funds	-	1,664,242	-	1,664,242
Current portion of long-term liabilities	128,472	-	-	128,472
<b>Total current liabilities</b>	153,545	1,960,367	-	2,113,912
<b>Long Term Debt</b>	2,437,620	-	-	2,437,620
<b>Total Liabilities</b>	2,591,165	1,960,367	-	4,551,532
<b>Deferred Inflows of Resources</b>	313,000	-	-	313,000
<b>NET POSITION</b>				
Investment in Capital Assets, net of related debt	1,592,763	2,792,986	-	4,385,749
Unrestricted Net Position	4,157,593	337,471	37,634	4,532,698
<b>Total Net Position</b>	5,750,356	3,130,457	37,634	8,918,447
<b>TOTAL LIABILITIES, DEFERRED</b>				
<b>INFLOWS OF RESOURCES, AND</b>				
<b>NET POSITION</b>	\$ 8,654,521	\$ 5,090,824	\$ 37,634	\$ 13,782,979

## CITY OF ORLAND

**SCHEDULE OF WATER FUNDS – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>WATER ENTERPRIS</b>	<b>ECWAG/DWR Grant</b>	<b>EVA WELL RESERV</b>	<b>Total</b>
<b>OPERATING REVENUE</b>				
Charges for Services	\$ 2,484,627	\$ -	\$ -	\$ 2,484,627
<b>OPERATING EXPENSE</b>				
Salaries	296,751	27,221	-	323,972
Benefits	180,789	18,291	-	199,080
Repairs and Maintenance	26,368	-	-	26,368
Supplies	185,243	108,535	-	293,778
Professional Services	43,088	1,579,031	-	1,622,119
Insurance	19,765	-	-	19,765
Travel	903	-	-	903
Administration	414,390	-	-	414,390
Depreciation	162,838	-	-	162,838
<b>Total operating expenses</b>	<b>1,330,135</b>	<b>1,733,078</b>	<b>-</b>	<b>3,063,213</b>
<b>OPERATING GAIN/(LOSS)</b>	<b>1,154,492</b>	<b>(1,733,078)</b>	<b>-</b>	<b>(578,586)</b>
<b>NON-OPERATING REVENUES/(EXPENSES)</b>				
Interest and investment revenue	129,869	-	-	129,869
Intergovernmental	20,653	4,026,280	-	4,046,933
Miscellaneous Revenue	140,812	-	-	140,812
Interest Expense	(94,981)	-	-	(94,981)
<b>Total non-operating revenues/(ex</b>	<b>196,353</b>	<b>4,026,280</b>	<b>-</b>	<b>4,222,633</b>
<b>CHANGE IN NET POSITION</b>	<b>1,350,845</b>	<b>2,293,202</b>	<b>-</b>	<b>3,644,047</b>
Net Position - Beginning	4,399,511	837,255	37,634	5,274,400
Net Position - Ending	\$ 5,750,356	\$ 3,130,457	\$ 37,634	\$ 8,918,447

## CITY OF ORLAND

**SCHEDULE OF SEWER FUNDS – STATEMENT OF NET POSITIONS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	SEWER CAPITAL	SEWER ENTERPRIS	Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and Equivalents	\$ -	\$ 572,157	\$ 572,157
Receivables	-	304,885	304,885
Due From Other Funds	-	45,185	45,185
Prepaid Expenses	-	52,736	52,736
<b>Total current assets</b>	-	974,963	974,963
<b>Non-current assets</b>			
Capital Assets	-	3,451,683	3,451,683
<b>Total Assets</b>	-	4,426,646	4,426,646
<b>Deferred Outflows of Resources</b>	-	231,000	231,000
<b>TOTAL ASSETS AND DEFERRED</b>			
<b>OUTFLOWS OF RESOURCES</b>	\$ -	\$ 4,657,646	\$ 4,657,646
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	\$ -	\$ 3,438	\$ 3,438
Due to Other Funds	45,185	-	45,185
Current portion of long-term liabilities	-	37,813	37,813
<b>Total current liabilities</b>	45,185	41,251	86,436
<b>Long Term Debt</b>	-	965,511	965,511
<b>Total Liabilities</b>	45,185	1,006,762	1,051,947
<b>Deferred Inflows of Resources</b>	-	222,000	222,000
<b>NET POSITION</b>			
Investment in Capital Assets, net of related debt	-	1,464,855	1,464,855
Unrestricted Net Position	(45,185)	1,964,029	1,918,844
<b>Total Net Position</b>	(45,185)	3,428,884	3,383,699
<b>TOTAL LIABILITIES, DEFERRED INFLOWS</b>			
<b>OF RESOURCES, AND NET POSITION</b>	\$ -	\$ 4,657,646	\$ 4,657,646



## CITY OF ORLAND

**SCHEDULE OF SEWER FUNDS – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>SEWER CAPITAL</b>	<b>SEWER ENTERPRIS</b>	<b>Total</b>
<b>OPERATING REVENUE</b>			
Charges for Services	\$ -	\$ 1,376,484	\$ 1,376,484
<b>OPERATING EXPENSE</b>			
Salaries	3,688	226,494	230,182
Benefits	3,388	56,033	59,421
Repairs and Maintenance	-	39,644	39,644
Supplies	-	150,170	150,170
Professional Services	-	24,883	24,883
Insurance	-	17,008	17,008
Travel	-	332	332
Administration	-	199,462	199,462
Depreciation	-	184,479	184,479
<b>Total operating expenses</b>	<b>7,076</b>	<b>898,505</b>	<b>905,581</b>
<b>OPERATING GAIN/(LOSS)</b>	<b>(7,076)</b>	<b>477,979</b>	<b>470,903</b>
<b>NON-OPERATING REVENUES/(EXPENSES)</b>			
Interest and investment revenue	-	15,406	15,406
Intergovernmental	-	17,617	17,617
Miscellaneous Revenue	-	81,412	81,412
Interest Expense	-	(63,097)	(63,097)
<b>Total non-operating revenues/(expenses)</b>	<b>-</b>	<b>51,338</b>	<b>51,338</b>
<b>CHANGE IN NET POSITION</b>	<b>(7,076)</b>	<b>529,317</b>	<b>522,241</b>
Net Position - Beginning	(38,109)	2,899,567	2,861,458
Net Position - Ending	\$ (45,185)	\$ 3,428,884	\$ 3,383,699

# CITY OF ORLAND

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2024

### Schedule of Expenditures of Federal Awards

NOTE A – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the City of Orland, California (the City) under programs of the federal government for year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the City's operations, it is not intended to be and does not present the financial position, changes in financial position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenses reported on the Schedule are reported on the modified accrual basis of accounting, save for the accounts receivable balances, which are not current year expenditures. Such expenses are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST ALLOCATION PLAN The City did not elect to use the 10 percent de minimis indirect costs as covered in CFR 200.414.

NOTE E – LOAN PROGRAMS The outstanding balances of loan programs, with a continuing compliance requirement, carried balances as of June 30, 2024, as follows:

Federal Grantor/Pass-Through Grantor/Program or Cluster	ALN	Loans Outstanding as of June 30, 2024	
Home Investment Partnerships Program			
07-HOME-3902	14.239	\$	2,527,175
08-HOME-4730	14.239		516,263
04-HOME-Orland Apt	14.239		1,740,583
05-HOME-1685	14.239		223,991
09-HOME-6205	14.239		449,578
<b>Total HOME</b>			<b>5,457,590</b>
Community Development Block Grant			
1987 STBG	14.218	\$	20,588
CDBG Reuse	14.218		2,750
Post 1992 CDBG Program	14.218		4,961,802
<b>Total CDBG</b>			<b>4,985,140</b>
<b>Total Loans Outstanding</b>		<b>\$</b>	<b>10,442,730</b>

### Combining Statements – General Funds, Non-Major Governmental Funds, Water Funds, and Sewer Funds

The Combining Balance Sheet/Statement of Net Position and Combining Statements of Revenues, Expenditures, and Changes in Fund Balances/Net Position is included to provide information regarding the individual funds that have been included in the General, Non-Major Governmental, Water, and Sewer Funds columns.

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*OTHER INDEPENDENT AUDITOR'S REPORT*

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS***

The Board of Trustees  
City of Orland  
Orland, California

We have audited, 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, 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, 2024, and the related notes to the financial statements, which collectively comprise City of Orland's basic financial statements, and have issued our report thereon dated April 8, 2025.

***REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING***

In planning and performing our audit of the financial statements, we considered City of Orland's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Orland's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Orland's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

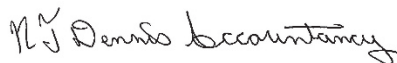
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***REPORT ON COMPLIANCE AND OTHER MATTERS***

As part of obtaining reasonable assurance about whether City of Orland's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*. The reported noncompliance are the proposed audit adjustments, which were accepted by the City.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads 'RT Dennis Accountancy'.

April 8, 2025





**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH THE UNIFORM GUIDANCE**

Board of Trustees  
City of Orland  
Orland, California

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

***Opinion on Each Major Federal Program***

We have audited City of Orland's compliance with the types of compliance requirements<sup>1</sup> identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Orland's major federal programs for the year ended June 30, 2024. City of Orland's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Orland complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Orland and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Orland's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of Orland's federal programs.





### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Orland's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Orland's compliance with the requirements of each major federal program as a whole.

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

- ❖ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ❖ Identify and assess the risks of material noncompliance, 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 City of Orland's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- ❖ Obtain an understanding of City of Orland's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Orland's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

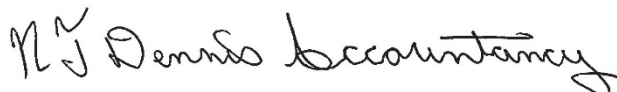
## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.<sup>5</sup>



April 8, 2025

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*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*

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## CITY OF ORLAND

### SUMMARY OF AUDITORS' RESULTS FOR THE YEAR ENDED JUNE 30, 2024

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#### FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>Yes</u>

#### FEDERAL AWARDS

Internal control over major federal program(s):	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditor's report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

ALN

Name of Federal Program of Cluster

14.239

Home Investment Partnerships Program

21.027

Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

**CITY OF ORLAND**

**FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

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No Financial Statement Findings were noted in the current year.

**CITY OF ORLAND**

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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No Federal Award Findings were noted in the current year.

**CITY OF ORLAND**

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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There were no findings noted in the prior fiscal year.