

City of Orinda, California
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013



CITY OF ORINDA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared by:
Susan Mahoney, Finance Director

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TABLE OF CONTENTS

	Page Number
INTRODUCTORY SECTION:	
Letter of Transmittal	5 – 7
List of Officials	8
Mission Statement & Map of City	9
Organization Chart	10
FINANCIAL SECTION:	
Independent Auditor’s Report	13– 14
Management’s Discussion and Analysis	15 – 25
Basic Financial Statements	
Government-Wide Financial Statements	
Statement 1 Statement of Net Position	28
Statement 2 Statement of Activities	29
Fund Financial Statements	
Description of Major Funds	31
Statement 3 Balance Sheet – Governmental Funds	32 – 33
Statement 4 Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	34 – 35
Statement 5 Statement of Net Position – Internal Service Funds	36
Statement 6 Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	37
Statement 7 Statement of Cash Flows – Internal Service Funds	39
Description of Fiduciary Funds	40
Statement 8 Statement of Net Position – Fiduciary Funds	41
Notes to Basic Financial Statements	42 – 64
Required Supplementary Information	
Notes to Required Supplementary Information	66
Exhibit 1 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	67
Combining Fund Financial Statements	
Exhibit 2 Combining Balance Sheet – General Fund	70
Exhibit 3 Combining Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund	71
Description of Other Governmental Funds	72 – 73
Exhibit 4 Combining Balance Sheet – Other Governmental Funds	74 – 75

Exhibit 5	Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Other Governmental Funds	76 – 77
	Description of Capital Projects Funds	79
Exhibit 6	Combining Balance Sheet – Capital Projects Funds	80
Exhibit 7	Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Capital Projects Funds	81
	Description of Internal Service Funds	83
Exhibit 8	Combining Statement of Net Position – Internal Service Funds	84
Exhibit 9	Combining Statement of Revenues, Expenditures and Changes in Fund Net Position – Internal Service Funds	85

STATISTICAL SECTION:

Statistical Section Overview	88
Net Position by Component	89
Changes in Net Position	90 – 91
Fund Balances, Governmental Funds	92
Changes in Fund Balances, Governmental Funds	93
Assessed Value and Actual Value of Taxable Property	94
Direct and Overlapping Property Tax Rates	96 – 97
Principal Property Tax Payers	98
Schedule of Top 25 Principal Sales Tax Remitters	99
Property Tax Levies and Collections	100
Direct and Overlapping Debt	101
Legal Debt Margin Information	102 – 103
Demographic and Economic Statistics	104
Capital Asset Statistics by Function	105
Operating Indicators by Function	106
Full-time and Part-time City Employees by Function	107
Principal Employers	108

INTRODUCTORY SECTION

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December 19, 2013

To the Honorable Mayor and Members of the City Council and Citizens of the City of Orinda:

We are pleased to submit the City of Orinda's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. Since incorporation, the City has submitted an annual audited financial report to the Council and Citizens. This is the first year the City has completed a CAFR which includes the annual audited financial report and additional statistical and required supplementary information. It is the policy of the Council that a licensed certified public accountant conducts an annual audit at the end of each fiscal year and issue a complete set of financial statements to be submitted to them. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. We believe the data presented in this report is accurate in material respects and all statements and disclosures necessary for the reader to obtain a thorough understanding of the city's financial activities have been included. Management of the city has established an internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

While traditionally addressed to the governing body of the City, this report is intended to provide relevant financial information to the citizens of the City of Orinda, City staff, creditors, investors, and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

The City's financial statements have been audited by Cropper Accountancy Corporation, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2013, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unqualified opinion, which states that the City's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with

legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These report are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Orinda

The City of Orinda operates under a Council-Manager form of government and provides municipal services that include public safety, public works, parks and recreation, and community development. This report includes all funds of the City of Orinda. The City does not have a Redevelopment Agency.

The City Council establishes annual budgets for the General Fund and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The City of Orinda was incorporated on July 1, 1985, after 100 years of gradual development. One of the primary reasons cited by many Orindans for supporting incorporation was the desire for local decision making. With a population of more than 17,600 in a 12.8 square-mile area, Orinda is 85% developed. Most of residential Orinda is comfortably mature, with trees dominating roads and buildings. The retail floor area has remained constant during the last 15 years, but Orinda's prestige and convenience as an office location has brought a doubling of office space. Now, little land remains for additional development.

The City of Orinda City Council consist of five members, elected at-large to four-year overlapping terms. Council members must be residents of the City. The position of Mayor and Vice Mayor are chosen by the City Council through policy direction determined by the City Council. The Mayor conducts the Council meetings and represents the City on ceremonial occasions.

The City Council serves as the policy board for the municipality. As an elected Board of Directors, the City Council provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, City Attorney, and all members of advisory boards and commissions.

Orinda is a residential oriented community with more than 60 percent of the City's 6,300 homes built between 1940 and 1970. Access provided by the Caldecott Tunnel makes Orinda an accessible "country" environment in the East Bay.

In the City of Orinda the total labor force is approximately 9,000. Unemployment in Orinda is approximately 2.6%. Orinda is divided by Highway 24 and BART, which provide an easy commute to the cities of Berkeley, Oakland, and San Francisco.

Current Economic Conditions and Outlook

The City’s economic development efforts and implementation of the City’s financial policies help to promote Orinda’s long-term fiscal stability. Since incorporation in 1985, at the direction of the Council, staff has conducted a systematic review of operations, resulting in some cases in the transition from contract service to an in-house operational model; in other instances a renegotiation of existing service contracts; and in other instances, retention of the contraction operational model with a different service provider. These operations analyses and reforms are intended to promote long-term savings to the City and ensure long-term stability. The City anticipates minimal growth for the next ten years for sales tax and franchise tax revenue and moderate growth for property tax revenue.

Awards and Acknowledgements

The City of Orinda will submit the fiscal year ended June 30, 2013 Comprehensive Annual Financial Report for the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). This will be the first time the City has submitted for the award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that this report will meet the program requirements to receive the award.

The preparation of the Comprehensive Annual Financial Report could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department and auditing firm of Cropper Accountancy. I would like to express my appreciation to John Cropper, CPA, Katy Perry, and Bryce Rojas of Cropper Accountancy and to the members of the Finance Department who assisted and contributed to its preparation – Norma Costa, Accountant, Jenni Flores, Accounting Technician III, and Linda Thompson, Accounting Technician II.

I would also like to thank members of the City Council, the City Manager, and the various departments for their cooperation and support in planning and conducting the financial operations of the City during the fiscal year.

Respectfully submitted,



Susan Mahoney
Finance Director

City of Orinda
List of City Officials
At June 30, 2013

City Council

Amy R. Worth, Mayor
Sue Severson, Vice Mayor
Steve Glazer, Councilmember
Dean Orr, Councilmember
Victoria Smith, Councilmember

City Officials

Janet Keeter, City Manager
Scott Haggard, Police Chief
Michelle Lacy, Parks & Recreation Director
Susan Mahoney, Finance Director
Michele Olsen, City Clerk
Charles Swanson, Public Works Director
Emmanuel Ursu, Planning Director

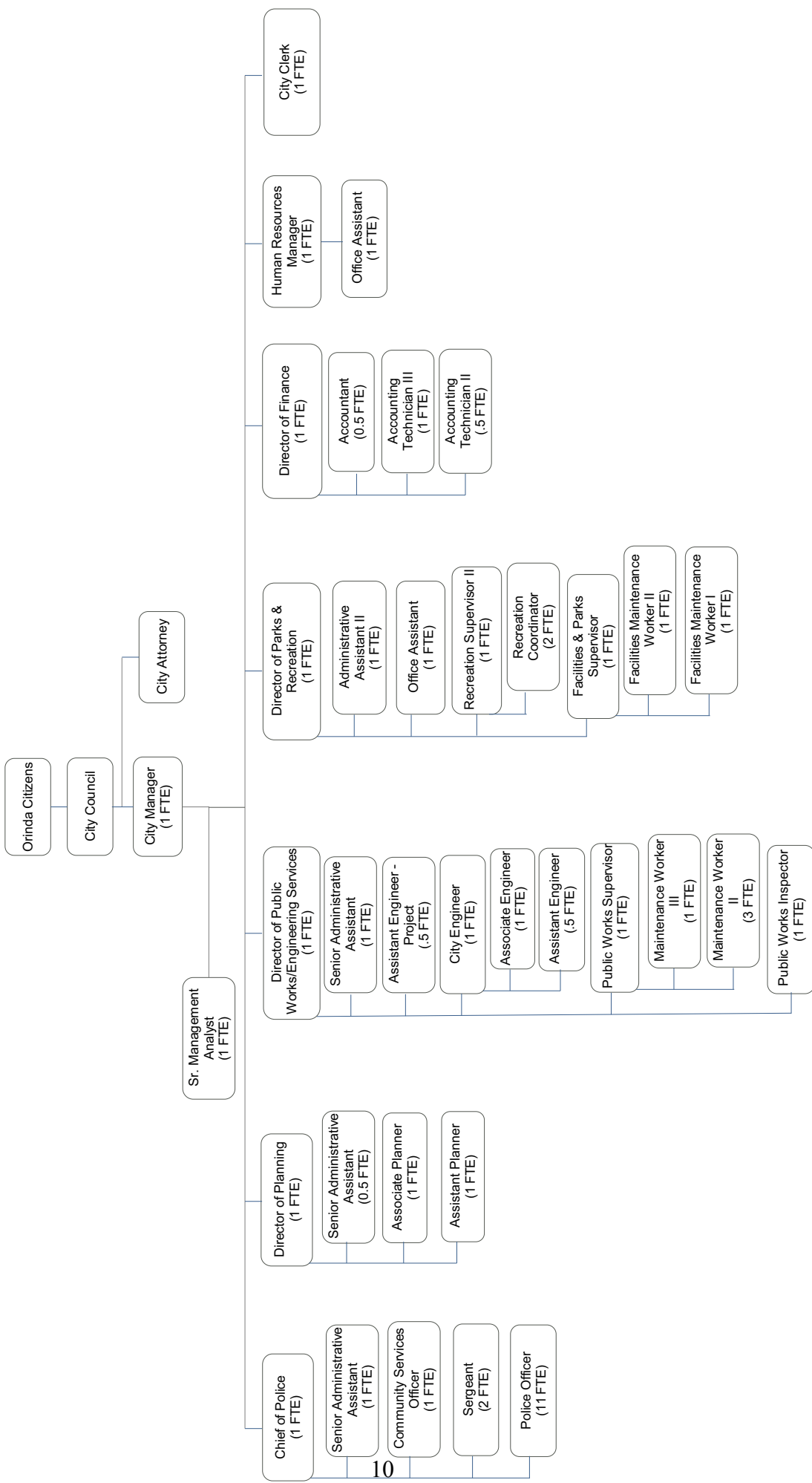
CITY OF ORINDA MISSION STATEMENT

“Orinda strives to provide excellent service in a fiscally responsible manner and to promote a safe, healthy and vibrant community.”



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FY 13 City of Orinda Organizational Chart



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the City Council
Orinda, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Orinda, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City of Orinda's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

City of Orinda's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Unqualified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City of Orinda, as of June 30, 2013, 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.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 15 – 25 and 67 be presented to supplement the basic financial statements. Such 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. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Orinda's basic financial statements. The combining and individual nonmajor fund financial statements as well as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements as well as the introductory and statistical sections are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.


CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
November 21, 2013

Management's Discussion and Analysis

INTRODUCTION

As management of the City of Orinda (the City), we offer readers this discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2013. The accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures in this report, are the responsibility of the City. The report has been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Readers are encouraged to consider the information presented here in conjunction with additional information, which can be found in the City's financial statements, which follow this discussion. Management's discussion and analysis is designed to:

1. assist the reader in focusing on significant financial issues;
2. provide an overview of the City's financial activity and any changes in financial position;
3. explain any material deviations from the financial plan (approved budget); and
4. identify any issues or concerns and the City's ability to address future challenges.

FINANCIAL HIGHLIGHTS

The City of Orinda ended the fiscal year with a balanced budget and a General Fund reserve equal to 50% of General Fund revenues. Through prudent budget planning, service levels were maintained and operating expenses were reduced. In July 2012, the City Council adopted the Ten Year Road and Drainage Repairs Plan. This plan consists of four phases in which the City will fund, plan and manage the construction and repair of public roads and drains. The first phase includes the passage of a half-cent sales tax increase which was approved by voters in the November 2012 election. The City began receiving the half-cent sales tax revenue in April 2013.

The City's desirable location and relatively stable real estate market made it less vulnerable to the effects of the recent economic downturn and as a result, the City sustained minor declines when compared to other cities in Contra Costa County. Improvement in the statewide economy is reflected in the City's slight increase in property tax revenue this year after four years of decreases. The City's sales tax revenue (not including the add-on tax) increased by 6.5% over the prior year which is consistent with the overall increase in sales tax across Contra Costa County and reflects the increased consumer confidence seen throughout the state. The City provides funding for its Capital Improvement Program on a pay-as-you-go basis including maximizing grant funding when available.

The following are some key highlights of note:

1. At the end of Fiscal Year (FY) 2012/13, the unassigned fund balance for the General Fund was \$7,309,966. The General Fund operating results for the fiscal year was a surplus of \$603,559. Expenditures were on target with budget. Revenues were slightly higher than expected due mainly to increased Planning and Public Works fees. This resulted in a favorable variance of \$327,400.

2. The City's total assets exceeded its liabilities by \$52,207,808 (net position) for FY 2012/13. This compares to assets exceeding liabilities by \$51,102,518 in FY 2011/12, an increase of \$1,105,290. Total net position is comprised of the following:
 - a. Investment in capital assets (net of related debt) of \$39,082,158, which includes parklands, buildings, furniture and equipment and infrastructure, all net of accumulated depreciation and debt.
 - b. Net assets of \$5,005,803 are restricted by constraints imposed from outside the City, including grantors, lenders, laws or regulations, consisting primarily of the Senior Affordable Housing commitment (\$.20 million), Community Facilities Maintenance Endowment Fund (\$1.64 million), Park Dedication Fees (\$0.51 million), Transportation Impact Fees (\$1.02 million), Library Assessment Fund (\$0.27), and other Special Revenue Funds (\$1.37 million).
 - c. Unrestricted net position of \$8,119,847 (\$7,309,966 in the general fund plus \$809,881 from the internal service funds) for the government-wide statements represents the portion available to maintain the City's continuing obligations to citizens and creditors.
3. The General Fund unrestricted reserve including the current year surplus funded: 1) a transfer of \$1,869,484 to the Capital Projects Fund for the Glorietta, El Toyonal, and Tarabrook Drain projects; and 2) transfers to Internal Service Funds to fund future replacement and repair costs for computer systems, vehicles, equipment and buildings.

FINANCIAL ANALYSIS OF GENERAL FUND

Fund Balance

The General Fund is the primary operating fund of the City. The City Council has set a General Fund reserve policy which requires an operating reserve of \$5,000,000 plus 20% of the amount of budgeted General Fund revenues in excess of \$10,000,000 not including Measure L revenue (add-on tax). The reserve is fully funded at June 30, 2013.

As of June 30, 2013, the fund balance was \$7,511,111 (\$8,838,067 in FY 2011/12), a decrease of \$1,326,956 in FY 2012/13 (decrease of \$162,274 in FY 2011/12) compared to the prior year. The fund balance is made up of \$201,145 in restricted funds and \$7,309,966 in unassigned funds. During FY 2012/13, fund balance was used to pay for the Glorietta storm drain project.

Revenues

Property tax assessments are the largest revenue source for the City. Currently, the City receives approximately seven cents for every dollar in property taxes paid by its residents. Sales tax is also an important revenue source of the City. Sales tax revenue increased approximately 14.7% during the year. Of this amount, 6.5% is from the increase in the 1% local sales and use tax imposed on all taxable sales in the county and 8.2% (\$72,564) is from the new 0.5% add-on tax (Measure L). The add-on tax is dedicated by the Council through budget appropriations to road and drainage repairs. The tax sunsets in 2023. Because Orinda has a relatively small retail base, the impact of fluctuations in sales tax, both positive and negative, is less severe than in other cities that rely more heavily on big box, mall or auto retailers for their sales tax revenue.

Expenses

As a policy, the City has endeavored to keep its operating expenses low and the number of employees at a minimum. The major expenses for General Fund are: 1) Police (\$3,892,706, 39.1%), contracted through the County; 2) Parks & Recreation, including facilities maintenance (\$2,120,747, 21.3%) and 3) Public Works/Engineering (\$1,361,059, 13.7%). Much of the Park & Recreation operating costs are offset by fees for service.

THE CITY AS A WHOLE

The *Statement of Net Position* and the *Statement of Activities* report information about the City as a whole. These statements include all assets and liabilities using the full accrual basis of accounting. Under this method, all current year's revenues and expenses are taken into account regardless of when cash is actually received or paid.

Looking at the City's net position (the difference between assets and liabilities) is a measurement of the City's financial health. Over time, increases or decreases in the City's net position are an indication of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in the City's property tax base or the condition of the City's roads must also be considered.

The *Statement of Net Position* and the *Statement of Activities* presents consolidated financial information on the City's primary activities. These include Police, Capital Improvements, Parks and Recreation (including facility operations), Planning, Public Works and Engineering Services and City Management (City Manager, City Clerk, City Attorney and Finance). For funding activities and services, some departments generate function-specific fee revenue. Interest and lease revenues, sales taxes, franchise fees, motor vehicle license fees and property taxes, including property transfer taxes, are used to fund the balance.

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STATEMENT OF NET POSITION

The City's net position grew over the past year. In the current year, net position increased by \$1,105,290, versus a decrease of \$577,978 in FY 2011/12. The ending position at June 30, 2013 was \$52,207,808. The following table provides a summary of the City's net position for all funds at June 30, 2013 compared to June 30, 2012.

Summary of Net Position Fiscal Years 2012/13 and 2011/12 Primary Government Activities

	2012/13	2011/12	% Increase (Decrease)
Current and other assets	\$15,586,376	\$14,307,561	8.9%
Restricted assets	201,145	2,501,146	(92.0%)
Capital assets	47,394,972	44,539,347	6.4%
Total assets:	\$63,182,493	\$61,348,054	3.0%
Current liabilities	\$ 2,163,344	\$ 1,119,091	93.3%
Long-term liabilities	8,811,341	9,126,445	(3.5%)
Total liabilities:	\$10,974,685	\$10,245,536	7.1%
<u>Net position</u>			
Invested in capital assets, net of related debt	\$39,082,158	\$36,000,832	8.6%
Restricted	5,005,803	6,990,977	(28.4%)
Unrestricted	8,119,847	8,110,709	0.1%
Total net position	52,207,808	51,102,518	2.2%
Ending net position and liabilities	\$63,182,493	\$61,348,054	3.0%

STATEMENT OF ACTIVITIES

In the *Statement of Activities* (page 29), both expenses and revenues are reported for each particular program, which includes all funds. This format shows how much of each program is funded through fees, grants and taxes and highlights the relative financial burden of each program on general revenues. FY 2012/13 revenues show an increase when compared to the prior year mainly due to federal grants received for the Manzanita Bridge project.

The following table provides a summary of the City's Statement of Activities for FY 2012/13 and 2011/12 with the variance percentage between the two years.

**Summary of Change in Net Position: Primary Government Activities
Fiscal Years 2012/13 and 2011/12**

	<u>2012/13</u>	<u>2011/12</u>	<u>% Increase (Decrease)</u>
<u>Revenues:</u>			
Program revenues:			
Charges for services	\$ 5,126,001	\$ 4,076,635	25.7%
Operating grants and Contributions	268,194	125,582	113.6%
Capital Grants and Contributions	1,630,723	431,052	278.3%
General revenues:			
Sales Tax	1,021,274	890,759	14.7%
Franchise and Transfer Fees	1,187,012	1,100,776	7.8%
Property Tax	4,869,694	4,837,138	0.7%
Vehicle License Fees (VLF)	9,158	8,839	3.6%
Rent and Interest	160,612	153,896	4.4%
Unrealized gain (loss) on investments	(10,766)	(73,402)	(85.3%)
Capital contributions	0	360,000	(100.0%)
Other	214,751	55,648	285.92%
Total Revenues	<u>14,476,653</u>	<u>11,966,923</u>	21.0 %
<u>Expenditures:</u>			
City Manager	444,342	418,235	6.2%
City Attorney	311,898	345,569	(9.7%)
City Clerk	202,199	174,077	16.2%
Administrative Services	890,377	748,740	18.9%
Police	3,894,363	3,717,016	4.8%
Public Works and Engineering Services	1,327,714	952,927	39.3%
Parks and Recreation	2,278,091	2,159,879	5.5%
Planning	681,671	769,492	(11.4%)
Lighting and landscape districts	133,309	67,821	96.6%
Library operations	342,208	276,769	23.6%
Interest on long-term debt	397,959	406,959	(2.2%)
Capital improvements	2,467,232	2,507,417	1.6%
Total Expenditures	<u>13,371,363</u>	<u>12,544,901</u>	6.6%
 Change in net position	 1,105,290	 (577,978)	 291.2 %
 Beginning net position	 <u>51,102,518</u>	 <u>51,680,496</u>	 (1.12%)
Ending net position	<u>\$52,207,808</u>	<u>\$51,102,518</u>	2.2%

Overall, total revenue increased 21.0% in comparison to the prior year. The most significant changes in revenues are: 1) the increase in grant revenues - the grant revenue received in FY 2013 was mainly for the Manzanita Bridge project; and 2) the increase in sales tax – specifically the add-on sales tax (Measure L) which will be used for road and drainage projects; and 3) an increase in Planning and Engineering activities and associated charges for services.

Overall, total expenditures increased 6.6% in comparison to the prior year. The most significant increase in expenditures was in the Public Works and Engineering Services Department due to road and drainage capital projects. The Assessment District increased expenditures is due to the addition of the Wilder Community Facilities District.

GASB requires municipalities to state their investment portfolio at market value and to report the amount of gain or loss that would be realized if the investments were to be sold on the last day of the fiscal year. The City’s unrealized loss on investments was \$10,766 in Fiscal Year 2012/13. The City’s policy, however, is to keep all investments until their maturity date, so the gain or loss should not be realized.

FINANCIAL ANALYSIS OF COMBINED FUNDS

Governmental Funds

Beginning in FY 2010/11, governmental entities were required to implement the provisions of GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement improves financial reporting by providing fund balance categories and classifications that are more easily understood. The fund balance classification approach in this statement requires governments to classify amounts consistently, regardless of fund type in which they are presented. The fund balance disclosures gives users information necessary to understand the processes under which constraints are imposed upon the use of resources and how those constraints may be modified or eliminated.

The unassigned fund equity balances serve as a useful measure of the available resources when analyzing the City’s governmental funds. “Assigned” funds are set aside by City Management for anticipated purposes. “Committed” funds are those set aside by Council action for specific purposes. The Council may, at any time, change the commitment of the funds if it so chooses. “Restricted” funds, on the other hand, are so categorized because authority to reassign the funds to other uses does not lie with the Council.

As of the fiscal year ended June 30, 2013, the City’s governmental fund types (see pages 30 and 31) included combined ending fund balances of \$11,450,830 (\$13,329,044 in FY 2011/12). Of this balance, \$4,140,864 (\$6,990,977 in FY 2011/12) of these funds are “restricted”, which means that they have been conditionally committed to specific programs by their sources. The remaining balance of \$7,309,966 is unassigned and may be committed at the discretion of the City Council or assigned by Management for specific use.

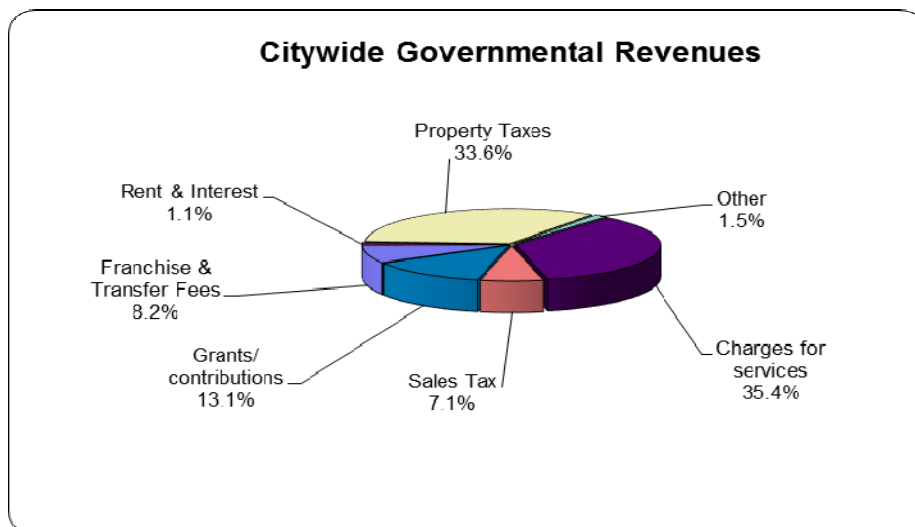
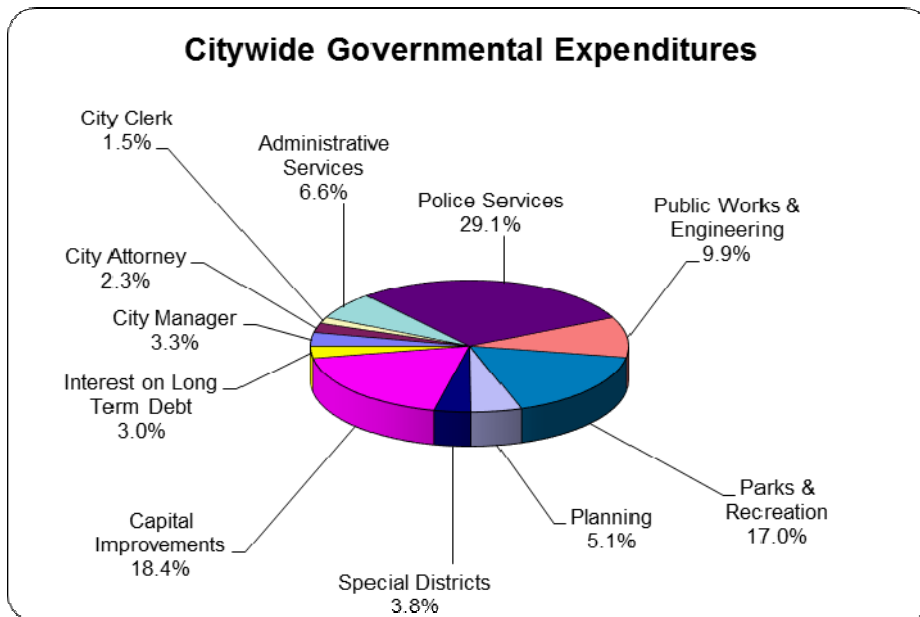
Capital Assets

The City’s capital assets as of June 30, 2013, totaled \$47,394,972 (\$44,539,347 in FY 2011/12), net of accumulated depreciation of \$61,663,775 (\$58,998,604 in FY 2011/12). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, and bridges. The fixed assets summary can be found on page 58 of the notes to the financial statements.

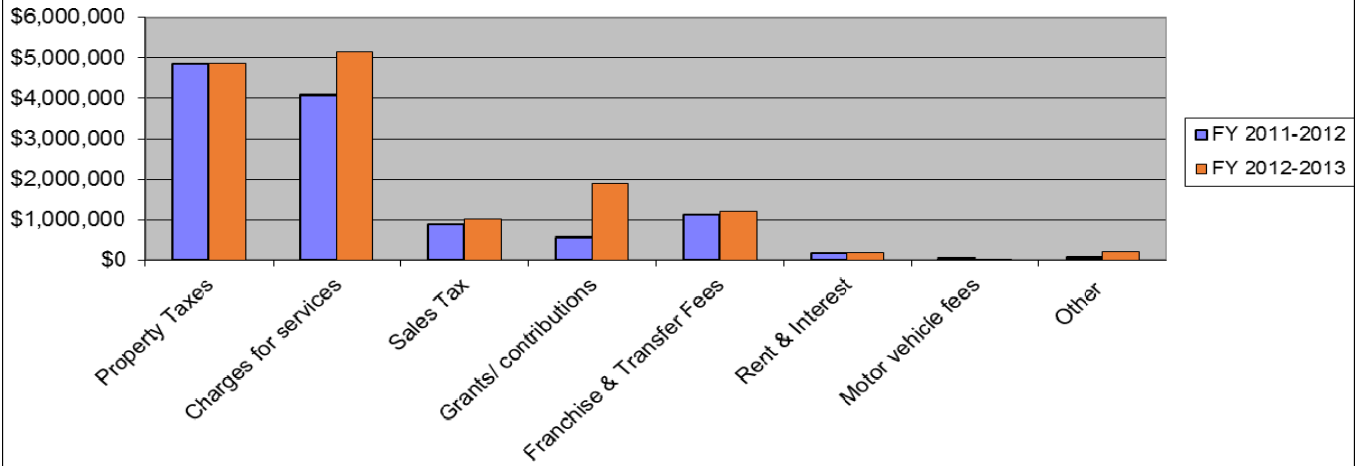
Major capital asset additions during FY 2012/13 included:

- Camino Pablo Minor Road Traffic Improvements \$12,851;
- Wilder Sports Field \$231,665;
- Motorola Terminals for Police \$43,475;
- El Toyonal Slope Stabilization \$229,221;
- Bicycle Signage \$15,936;
- Annual Pavement Improvements \$1,708,167
- Annual Drainage Facilities Improvement projects \$14,655; and
- Police Vehicle \$24,538.

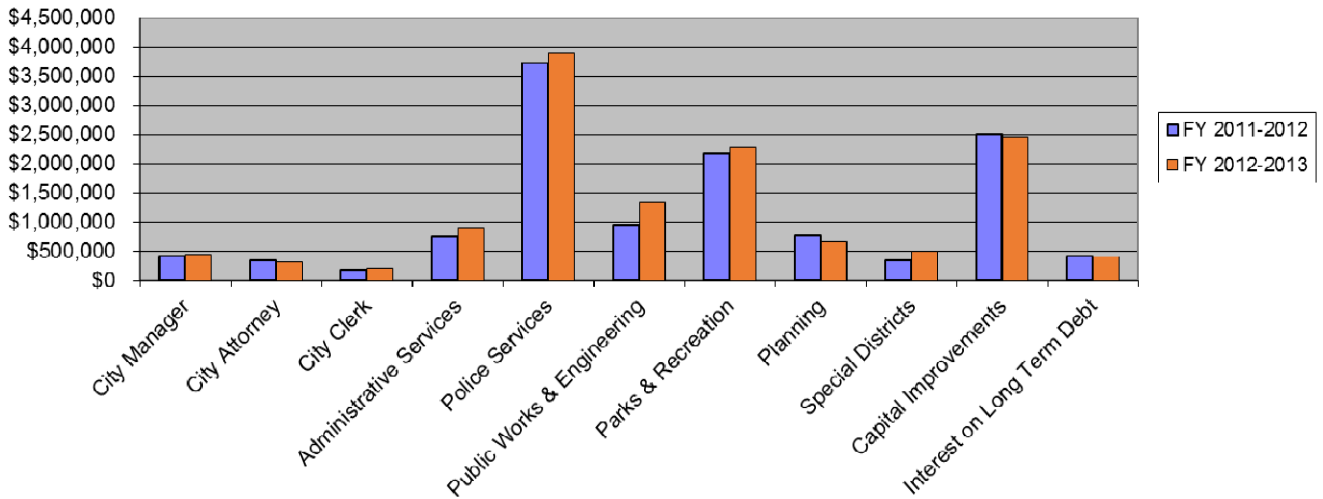
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for FY 2012/13.



**Citywide Comparative Revenues
FY 2012-2013 to FY 2011-2012**



**Citywide Comparative Expenditures
FY 2012-2013 to FY 2011-2012**



SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds. Some funds are required to be established by State law. However, the City Council establishes other funds to help control and manage money for particular purposes (e.g. Capital Project Funds) or to meet the legal responsibilities for using certain taxes and federal or state grants.

1. *Governmental funds:* The governmental fund statements on pages 32 through 35 provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps determine what financial resources are available in the near future to finance the City's programs. The relationship between the *Statement of Net Position* and the *Statement of Activities* and governmental funds statement is reconciled on the far right of pages 33 and 35.
2. *Internal Service funds:* These funds make up the internal services part of primary governmental activities. Summary financial detail is provided on pages 36 through 39, as well as additional, more detailed information on page 84 and 85.

In order to even out demands on the General Fund from year to year, the City has chosen to use internal service funds to record purchases and related depreciation if applicable. The following are the current funds being used:

- a. *Information Systems:* On a planned basis, capital outlays are required to keep the City current with industry technology. The City operates five servers and approximately forty desktops. The fund balance for the fund at FY 2012/13 year-end was \$151,080 (\$131,899 in FY 2011/12).
- b. *Building Maintenance:* Individual departments contribute to the maintenance, repair, and capital replacement of City Hall through annual contributions based on their square foot usage. The fund balance at FY 2012/13 year-end was \$204,706 (\$186,713 in FY 2011/12).
- c. *Vehicle Replacement:* The Police, Public Works and Engineering, Parks and Recreation, and Planning departments operate a number of vehicles to provide services to the residents of Orinda. Vehicles have varied life spans, depending on their use, and require replacement based on the specified useful life. Individual departments contribute to the fund annually based on estimated vehicle replacement costs. The fund balance at FY 2012/13 year-end was \$618,284 (\$595,790 in FY 2011/12).
- d. *Risk Management:* This fund was established to mitigate the effect of unfunded claims and litigation losses that would otherwise be paid from the General Fund, with \$512,000 as the desired fund reserve to be maintained. The Municipal Pooling Authority, a Joint Powers Authority that provides insurance for City operations (Police Services covered by Contra Costa County), does not cover all aspects of this risk and settlements can potentially be high per occurrence. The Council authorizes transfers from the General Fund to the Risk Management Fund as needed. The total fund balance at FY 2012/13 year-end was \$724,926 (\$746,387 in FY 2011/12).
- e. *Slope Emergency Stabilization Fund:* Orinda has within its boundaries many unstable slopes, any of which can unexpectedly give way through erosion and other earth-moving events. Due to the uncertainty of any given slope showing indications of failing, accurate annual

budgeting in the General Fund for such occurrences is not possible. The Slope Emergency Stabilization fund exists to mitigate the effect of unpredictable demands on funds to stabilize failing slopes. The fund balance at FY 2012/13 year-end was \$68,062 (\$222,140 in FY 2011/12). Funds were used in FY 2012/13 to help pay for the cost of emergency slope repairs on Tarabrook Drive. This fund, per the adopted budget, will receive a transfer of \$500,000 from the General Fund in Fiscal 2013/14. It is anticipated that the entire amount will be used to offset costs for the Tarabrook Drive slope repairs.

- f. **General Plan Update Fund:** The City's General Plan was adopted on May 20, 1987. The State provides for a comprehensive review every 10 years. The cost of a comprehensive update will correlate with: 1) the number of elements that require updates and 2) the degree to which there is community consensus regarding existing General Plan land use designations and policies. In anticipation of an update, the City Council has put aside money in past years. The General Plan Update fund balance at FY 2012/13 year-end was \$284,877 (\$298,818 in FY 2011/12). This fund, per the adopted budget, will receive a transfer of \$100,000 from the General Fund in FY 2013/14.
3. **Fiduciary Funds:** The City is the trustee, or fiduciary, for the bond funds for the Oaksprings Reassessment District 2003-1, and for performance bonds associated with development applications. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 41. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

STRENGTHS AND RISKS

Over the years, the City has strived to improve the condition of its roads system by repairing streets most traveled (ie. arterials and collectors). In order to maintain this investment, the City's General Fund (through the solid waste franchise fees) has contributed approximately \$350,000 each year to the Pavement Management Program (PMP) and the City has obtained Federal and State grants when available. This effort has brought the arterials to a Pavement Condition Index (PCI) of 79, which reflects they are in "good" condition. The collectors have a current PCI of 64, which reflects they are in "fair" condition. The residential roads have a current PCI of 39, which indicates they are in "poor" condition.

To address this issue, the City Council created a Council Roads Subcommittee in May 2011 to serve as a preliminary fact finding group working with the City's Citizens Infrastructure Oversight Commission (CIOC), the Finance Advisory Committee (FAC) and members of the public to gather options, develop facts and bring issues back to the Council for discussion and direction. The Roads Subcommittee working with staff, the CIOC, the FAC and the public, gathered information and community feedback related to roads expenditure history over 10 years, identified revenue options, developed a working timeline, communications plan and recommended alternatives. Based on this input, the City Council approved a sales tax measure for the November 2012 election. The measure was passed with a 69% approval by the residents. The City began receiving funds from the new tax measure in April 2013. At the Council's direction, 100% of the new revenue will be appropriated annually through the budget process to fund improvements to the City's road and drainage infrastructure.

Budget

A budget analysis of the General Fund, including original budget, amended budget, actual, and variance from amended budget is presented on page 67.

Direct revenues of \$10,552,995, not including accrual of unrealized gains/losses on investments, reflect a favorable variance of 2.5% (0.4% favorable in FY 2011/12) when compared to the adjusted budget. Direct expenses of \$9,949,436 reflect a favorable variance of 0.7% (1.9% favorable in FY 2011/12) when compared to the amended budget.

Economic Factors and Next Year's Budget

The City of Orinda is slowly recovering from the great recession. Property values continue to improve, although they have not reached their pre-recession levels. Revenue from development activity was 64% over the projected budget, an indication that the economy is getting better. The City maintains a conservative approach to budgeting revenues and expenditures. Management takes an active role in monitoring the application of the budget during the fiscal year to apply any necessary change to projected revenues as well as appropriated expenditures.

Acknowledging the predicted slow economic recovery nationwide and statewide in the years ahead, the City Council began adopting a biennial budget beginning with FY's ending 2010 and 2011. The biennial budget for FY 2013/14 and FY 2014/15 is comprised of General Fund revenue of \$10.6 million and \$10.8 million respectively. These numbers anticipate slight increases in property and sales tax revenue. General Fund expenses are projected to increase 3.8% in FY 2013/14 mainly due to additional Planning costs incurred as a result of increased development activity and public safety costs.

The revenue and expenses for other governmental funds remains essentially the same as last fiscal year with the exception of Federal Grants and Measure L. The City expects to receive over \$2.0 million in Federal grant revenue in FY 2013/14 to help pay for the costs of replacing the Manzanita Bridge over crossing. The City began receiving add-on sales tax revenue in April 2013 after voters approved the Measure L ballot measure in November 2012. The add-on sales tax, projected to be \$640,000 in FY 2013/14 and \$652,000 in FY 2014/15, is appropriated through the budget process to road and drainage maintenance and repair.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or request for addition financial information should be directed to:

City of Orinda
Finance Department
22 Orinda Way
Orinda, CA 94563
(925) 253-4220

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Basic Financial Statements

CITY OF ORINDA
Statement of Net Position
June 30, 2013

Statement 1

<u>ASSETS</u>	<u>Primary Government Governmental Activities</u>
Current Assets:	
Cash and cash equivalents	\$ 8,103,120
Investments	4,837,435
Restricted assets - cash deposits	1,145
Restricted assets - investments	200,000
Accounts receivable	1,744,552
Accrued interest receivable	19,605
COP prepaid issuance costs	207,186
Prepaid items and deposits	115,248
Due from other agencies	559,230
Total current assets	<u>15,787,521</u>
Noncurrent Assets:	
Capital assets not being depreciated:	
Park land and improvements	1,295,205
Capital assets, net of accumulated depreciation:	
Buildings, grounds and improvements	21,853,162
Furniture and equipment	366,348
Infrastructure	18,764,286
Work in progress	5,115,971
Total noncurrent assets	<u>47,394,972</u>
Total assets	<u>63,182,493</u>
 <u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable and accrued liabilities	1,663,483
Deferred revenue	452,487
Due to other agencies	249
Planning and engineering deposits	47,125
Total current liabilities	<u>2,163,344</u>
Noncurrent liabilities:	
COP payable	8,520,000
Accrued compensated absences	291,341
Total noncurrent liabilities	<u>8,811,341</u>
Total liabilities	<u>10,974,685</u>
 <u>NET POSITION</u>	
Invested in capital assets, net of related debt	39,082,158
Restricted	5,005,803
Unrestricted	8,119,847
Total net position	<u>\$ 52,207,808</u>

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

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Primary Government					
<i>Governmental Activities:</i>					
City management	\$ 444,342	\$ -	\$ -	\$ -	\$ (444,342)
City attorney	311,898	-	-	-	(311,898)
City clerk	202,199	-	-	-	(202,199)
Administrative services	890,377	42,302	-	-	(848,075)
Police services	3,894,363	194,153	268,194	-	(3,432,016)
Public works and engineering	1,327,714	655,472	-	-	(672,242)
Parks and recreation	2,278,091	1,756,948	-	-	(521,143)
Planning	681,671	842,645	-	-	160,974
Special districts	133,309	213,269	-	-	79,960
Library operations	342,208	300,861	-	-	(41,347)
Capital improvements	1,053,482	-	-	-	(1,053,482)
Transportation infrastr. improvements	3,073,114	1,120,351	-	1,630,723	(322,040)
Drainage improvements	(1,659,364)	-	-	-	1,659,364
Interest on bonds payable	397,959	-	-	-	(397,959)
Other	-	-	-	-	-
Total primary government	<u>\$ 13,371,363</u>	<u>\$ 5,126,001</u>	<u>\$ 268,194</u>	<u>\$ 1,630,723</u>	<u>(6,346,445)</u>
General revenues:					
					4,869,694
					1,021,274
					986,349
					200,663
					9,158
					160,612
					(10,766)
					214,751
					<u>7,451,735</u>
					1,105,290
					<u>51,102,518</u>
					<u>\$ 52,207,808</u>

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

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City of Orinda
MAJOR FUNDS

Fund	Description
Governmental Funds:	
General	Primary operating fund of the City; accounts for all activities except those legally or administratively required to be accounted for in other funds.
City Capital projects Fund	Accounts for activities related to the City's major capital projects.
Federal Grants Fund	Accounts for federal grant revenues and associated eligible project costs.
Community Facilities Wilder	Accounts for the one-time contribution made by the Orinda Gateway LLC for the purpose of funding the operations and maintenance of the Wilder Community Facilities.

CITY OF ORINDA
Balance Sheet
Governmental Funds
June 30, 2013
Statement 3

	Major Funds				
	General Fund	City Capital Projects Fund	Federal Grants Fund	Community Facilities Wilder	Other Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 3,287,446	\$ 27,861	\$ -	\$ 1,633,243	\$ 2,458,864
Investments	4,837,435	-	-	-	-
Accounts receivable	726,942	-	515,983	-	486,853
Accrued interest receivable	11,959	-	-	2,068	3,196
Prepaid items and deposits	111,752	-	-	-	3,496
Due from other agencies	-	-	501,155	-	-
Total unrestricted assets	<u>8,975,534</u>	<u>27,861</u>	<u>1,017,138</u>	<u>1,635,311</u>	<u>2,952,409</u>
Restricted assets:					
Cash deposits	1,145	-	-	-	-
Investments	200,000	-	-	-	-
Total restricted assets	<u>201,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 9,176,679</u>	<u>\$ 27,861</u>	<u>\$ 1,017,138</u>	<u>\$ 1,635,311</u>	<u>\$ 2,952,409</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Accounts payable and accrued liabilities	\$ 874,615	\$ 27,861	\$ 502,680	\$ -	\$ 213,499
Accrued administrative leave	291,341	-	-	-	-
Deferred revenue	452,487	-	-	-	-
Due to other agencies	-	-	-	-	249
Due to other funds	-	-	514,458	-	574,117
Planning and engineering deposits	47,125	-	-	-	-
Total liabilities	<u>1,665,568</u>	<u>27,861</u>	<u>1,017,138</u>	<u>-</u>	<u>787,865</u>
Fund balances					
Restricted	201,145	-	-	1,635,311	2,164,544
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned*	7,309,966	-	-	-	-
Total fund balances	<u>7,511,111</u>	<u>-</u>	<u>-</u>	<u>1,635,311</u>	<u>2,164,544</u>
Total liabilities and fund balances	<u>\$ 9,176,679</u>	<u>\$ 27,861</u>	<u>\$ 1,017,138</u>	<u>\$ 1,635,311</u>	<u>\$ 2,952,409</u>

* - Includes \$5,000,000 minimum reserve as required by City policy

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

<u>Capital Projects Funds</u>	<u>Total</u>																
<table border="0" style="width: 100%;"> <tr><td style="width: 15%;">\$ 139,687</td><td style="width: 15%; text-align: right;">\$ 7,547,101</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">4,837,435</td></tr> <tr><td style="text-align: right;">14,774</td><td style="text-align: right;">1,744,552</td></tr> <tr><td style="text-align: right;">177</td><td style="text-align: right;">17,400</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">115,248</td></tr> <tr><td style="text-align: right;"><u>58,075</u></td><td style="text-align: right;"><u>559,230</u></td></tr> <tr><td style="text-align: right;"><u>212,713</u></td><td style="text-align: right;"><u>14,820,966</u></td></tr> </table>	\$ 139,687	\$ 7,547,101	-	4,837,435	14,774	1,744,552	177	17,400	-	115,248	<u>58,075</u>	<u>559,230</u>	<u>212,713</u>	<u>14,820,966</u>		<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Total fund balances per Governmental Funds Balance Sheet \$ 11,450,830</p> <p>Capital assets expensed for "governmental fund" activities, but capitalized as fixed assets in the Statement of Net Position, less accumulated depreciation 47,017,857</p> <p>Internal service fund equity (including \$409,105 in fixed assets) (statement 5) 2,051,935</p> <p>Proceeds from bond issuance (9,800,000)</p> <p>Principal reduction applied to liability 1,280,000</p> <p>Bond issuance costs-unamortized <u>207,186</u></p> <p>Total net position per Statement of Net Position <u>\$ 52,207,808</u></p>	
\$ 139,687	\$ 7,547,101																
-	4,837,435																
14,774	1,744,552																
177	17,400																
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<table border="0" style="width: 100%;"> <tr><td style="width: 15%;"><u>\$ 212,713</u></td><td style="width: 15%;"><u>\$ 15,022,111</u></td></tr> </table>	<u>\$ 212,713</u>	<u>\$ 15,022,111</u>															
<u>\$ 212,713</u>	<u>\$ 15,022,111</u>																
<table border="0" style="width: 100%;"> <tr><td style="width: 15%;">\$ -</td><td style="width: 15%; text-align: right;">\$ 1,618,655</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">291,341</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">452,487</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">249</td></tr> <tr><td style="text-align: right;">72,849</td><td style="text-align: right;">1,161,424</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">47,125</td></tr> <tr><td style="text-align: right;"><u>72,849</u></td><td style="text-align: right;"><u>3,571,281</u></td></tr> </table>	\$ -	\$ 1,618,655	-	291,341	-	452,487	-	249	72,849	1,161,424	-	47,125	<u>72,849</u>	<u>3,571,281</u>			
\$ -	\$ 1,618,655																
-	291,341																
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<table border="0" style="width: 100%;"> <tr><td style="width: 15%;">139,864</td><td style="width: 15%; text-align: right;">4,140,864</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">-</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">-</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;"><u>7,309,966</u></td></tr> <tr><td style="text-align: right;"><u>139,864</u></td><td style="text-align: right;"><u>11,450,830</u></td></tr> </table>	139,864	4,140,864	-	-	-	-	-	<u>7,309,966</u>	<u>139,864</u>	<u>11,450,830</u>							
139,864	4,140,864																
-	-																
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<u>\$ 212,713</u>	<u>\$ 15,022,111</u>																

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

CITY OF ORINDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	Major Funds					
	General Fund	City Capital Projects Fund	Federal Grants Fund	Community Facilities Wilder	Other Governmental Funds	Capital Projects Funds
Revenues						
Taxes						
Property tax and assessments	\$ 4,834,515	\$ -	\$ -	\$ -	\$ 514,130	\$ -
Sales tax	1,021,274	-	-	-	-	-
Franchise tax	986,349	-	-	-	-	-
Property transfer tax	200,663	-	-	-	-	-
Rent and interest	159,079	-	-	12,033	17,355	1,030
Recreation fees						
Recreation class fees	1,032,271	-	-	-	-	-
OYA sports fees	208,094	-	-	-	-	-
Wagner Ranch sports fees	79,806	-	-	-	-	-
Other	436,777	-	-	-	-	-
Service fees						
Vehicle fees and parking fines	166,041	-	-	-	3,934	-
NPDES	-	-	-	-	317,985	-
Building inspection	513,367	-	-	-	-	-
Planning	329,278	-	-	-	-	-
Public works and engineering	337,487	-	-	-	-	-
Police	28,112	-	-	-	-	-
Other agencies						
Federal	-	-	993,935	-	-	-
State and local	-	-	-	-	268,194	162,101
Gasoline taxes	-	-	-	-	463,677	-
Homeowners tax reimbursement	35,179	-	-	-	-	-
Vehicle licenses fees	9,158	-	-	-	-	-
Vehicle abatement	8,226	-	-	-	-	-
Measure J - return to source	-	-	-	-	466,461	-
Measure J - projects	-	-	-	-	-	-
Development impact fees	-	-	-	-	656,674	-
Developer fees	-	-	-	-	-	-
Miscellaneous	178,085	-	19,877	-	-	-
Realized gain (loss) on investments	-	-	-	-	-	-
Unrealized gain (loss) on investments	(10,766)	-	-	-	-	-
Total revenues	<u>10,552,995</u>	<u>-</u>	<u>1,013,812</u>	<u>12,033</u>	<u>2,708,410</u>	<u>163,131</u>
Expenditures						
Current:						
City management	444,532	-	-	-	-	-
City attorney	311,898	-	-	-	-	-
City clerk	202,324	-	-	-	-	-
Administrative services	310,910	-	-	-	568,483	-
Parks and recreational department	2,120,747	-	-	-	-	-
Parks improvements	-	-	-	-	-	-
Public works and engineering	1,361,059	-	-	-	-	-
Community development	-	-	-	-	-	-
Police services	3,892,706	-	-	-	-	-
Public works	-	-	-	-	-	-
Planning department	681,600	-	-	-	-	-
Capital improvements	-	-	-	-	505,757	-
Lighting and landscaping district	-	-	-	-	133,309	-
Library operations	-	-	-	-	342,208	-
Drainage Improvements	-	-	-	-	8,177	-
Capital outlay:						
Transportation infrastructure improvements	-	1,869,484	988,958	-	1,800,682	162,101
Debt Service:						
Interest	388,660	-	-	-	-	-
Principal payments on bonds	235,000	-	-	-	-	-
Total expenditures	<u>9,949,436</u>	<u>1,869,484</u>	<u>988,958</u>	<u>-</u>	<u>3,358,616</u>	<u>162,101</u>
Excess (deficiency) of revenues over expenditures	<u>603,559</u>	<u>(1,869,484)</u>	<u>24,854</u>	<u>12,033</u>	<u>(650,206)</u>	<u>1,030</u>
Other financing sources (uses)						
Operating transfers - in	17,880	1,895,792	-	-	52,603	-
Operating transfers - out	(1,948,395)	-	(6,146)	-	(10,588)	(1,146)
Total other financing sources (uses)	<u>(1,930,515)</u>	<u>1,895,792</u>	<u>(6,146)</u>	<u>-</u>	<u>42,015</u>	<u>(1,146)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,326,956)	26,308	18,708	12,033	(608,191)	(116)
Fund balance - beginning of year	8,838,067	(26,308)	(18,708)	1,623,278	2,772,735	139,980
Fund balance - end of year	<u>\$ 7,511,111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,635,311</u>	<u>\$ 2,164,544</u>	<u>\$ 139,864</u>

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

CITY OF ORINDA
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended June 30, 2013

<p>Total Governmental Funds</p> <hr/> <p>\$ 5,348,645 1,021,274 986,349 200,663 189,497</p> <p>1,032,271 208,094 79,806 436,777</p> <p>169,975 317,985 513,367 329,278 337,487 28,112</p> <p>993,935 430,295 463,677 35,179 9,158 8,226 466,461 - 656,674 - 197,962 - <u>(10,766)</u> <u>14,450,381</u></p> <p>444,532 311,898 202,324 879,393 2,120,747 - 1,361,059 - 3,892,706 - 681,600 505,757 133,309 342,208 8,177 - 4,821,225</p> <p>388,660 <u>235,000</u></p> <p><u>16,328,595</u> <u>(1,878,214)</u></p> <p>1,966,275 <u>(1,966,275)</u> <u>-</u></p> <p>(1,878,214)</p> <p><u>13,329,044</u> <u>\$ 11,450,830</u></p>	<p>Amounts reported to governmental activities in the Statement of Activities are different because:</p> <p>Net change in fund balances - total governmental funds (1,878,214)</p> <p><i>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful life and reported as depreciation expense:</i></p> <p>General fixed assets (not including Internal Service Funds):</p> <table border="0" style="width: 100%;"> <tr> <td style="padding-left: 40px;">Cost of capital assets - additions</td> <td style="text-align: right;">5,452,782</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Depreciation expense</td> <td style="text-align: right;"><u>(2,565,167)</u></td> <td style="text-align: right;">2,887,615</td> </tr> </table> <p><i>The issuance of long-term debt provides financial resources to governmental funds while principal repayments constitute the use of current financial resources of governmental funds</i></p> <table border="0" style="width: 100%;"> <tr> <td style="padding-left: 40px;">Principal reduction applied to COP bonds liability</td> <td></td> <td style="text-align: right;">235,000</td> </tr> <tr> <td style="padding-left: 40px;">Amortization of prepaid bond costs</td> <td></td> <td style="text-align: right;"><u>(9,299)</u></td> </tr> </table> <p>Net change in fund balance - internal service fund (Statement 6) <u>(129,812)</u></p> <p>Change in net position (Statement 2) <u>\$ 1,105,290</u></p>	Cost of capital assets - additions	5,452,782		Depreciation expense	<u>(2,565,167)</u>	2,887,615	Principal reduction applied to COP bonds liability		235,000	Amortization of prepaid bond costs		<u>(9,299)</u>
Cost of capital assets - additions	5,452,782												
Depreciation expense	<u>(2,565,167)</u>	2,887,615											
Principal reduction applied to COP bonds liability		235,000											
Amortization of prepaid bond costs		<u>(9,299)</u>											

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

ASSETS

Cash and cash equivalents	\$ 1,717,443
Interest receivable	2,205
Property and equipment, net of accumulated depreciation	<u>377,115</u>
 Total assets	 <u>\$ 2,096,763</u>

LIABILITIES AND NET POSITION

Accounts payable and accrued liabilities	<u>\$ 44,828</u>
 Total liabilities	 <u>44,828</u>
 Net Position	
Invested in fixed assets, net of related debt	377,115
Restricted	864,939
Unrestricted	<u>809,881</u>
Total net position	<u>2,051,935</u>
 Total liabilities and net position	 <u>\$ 2,096,763</u>

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

CITY OF ORINDA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2013

Operating revenues	
Charges to operating departments	\$ 171,215
Other	<u>12,855</u>
Total operating revenues	<u>184,070</u>
Operating expenses	
Depreciation	100,004
Insurance	16,217
Other	<u>211,078</u>
Total operating expenses	<u>327,299</u>
Operating income	<u>(143,229)</u>
Non-operating revenues (expenses)	
Interest	<u>13,417</u>
Total non-operating revenue	<u>13,417</u>
Change in net position	(129,812)
Total net position - beginning	<u>2,181,747</u>
Total net position - ending	<u><u>\$ 2,051,935</u></u>

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

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CITY OF ORINDA
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013

Statement 7

Cash flows from operating activities	
Operating revenue	\$ 184,070
Operating expenses	<u>(198,147)</u>
Net cash provided by (used in) operating activities	<u>(14,077)</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	<u>(68,014)</u>
Net cash used by capital and related financing activities	<u>(68,014)</u>
Cash flows from investing activities	
Interest received	<u>12,265</u>
Net cash provided by investing activities	<u>12,265</u>
Net increase (decrease) in cash and cash equivalents	(69,826)
Cash and cash equivalents	
Beginning of year	<u>1,787,269</u>
End of year (statement 5)	<u>\$ 1,717,443</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ (143,229)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	100,004
Increase in accounts payable and accrued liabilities	<u>29,148</u>
Net cash provided by (used in) operating activities	<u>\$ (14,077)</u>

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

City of Orinda
FIDUCIARY FUNDS

Fund	Description
Planning and Engineering Deposits	Accounts for deposits from developers and held until completion of the project
Oaksprings Assessment District Debt Service	Accounts for activities related to the Oaksprings Assessment District debt, reserve, and expenses.

	<u>Planning and Engineering Deposits</u>	<u>Oaksprings Assessment District Debt Service</u>	<u>Total Agency Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,249,813	\$ 554,849	\$ 2,804,662
Prepaids items and deposits	-	-	-
Accounts receivable	96,915	129,475	226,390
Interest receivable	-	693	693
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,346,728</u>	<u>\$ 685,017</u>	<u>\$ 3,031,745</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	\$ 12,442	\$ -	\$ 12,442
Deposits	2,334,286	-	2,334,286
Due to bond holders - reserve fund	-	331,193	331,193
Due to bond holders - debt service	-	353,824	353,824
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 2,346,728</u>	<u>\$ 685,017</u>	<u>\$ 3,031,745</u>

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

CITY OF ORINDA
Notes to Basic Financial Statements
June 30, 2013
Index

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Financial Reporting Entity
- B. Basis of Presentation
- C. Measurement Focus and Basis of Accounting
- D. Assets, Liabilities, and Equity
- E. Revenues, Expenditures, and Expenses

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

- A. Fund Accounting Requirements
- B. Deposits and Investments Laws and Regulations
- C. Revenue Restrictions
- D. Fund Equity (Deficit)
- E. Debt Restrictions and Covenants

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

- A. Cash and Investments
- B. Accounts Receivable
- C. Capital Assets
- D. Accounts Payable
- E. Interfund Transactions and Balances
- F. Long-Term Debt

NOTE 4. OTHER NOTES

- A. Retirement Plans
- B. Risk Management
- C. Commitments and Contingencies
- D. Wilder Project
- E. New Accounting Pronouncements
- F. Subsequent Events

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Orinda have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as it applies to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

1. A. Financial Reporting Entity

The financial statements of the City of Orinda (the "City") include all the City's financial activities over which the City Council exercises oversight responsibility. Oversight responsibility is determined on the basis of budget adoption, taxing authority, funding and appointment of the governing board (i.e., - all funds and entities for which the City Council is financially accountable).

1. B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, debt issuance and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for services. *The City has no business-type activities as of June 30, 2013.*

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary (business type), and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered *major* if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

The funds of the financial reporting entity are described below:

Governmental funds

General Fund

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. Most Special Revenue Funds of the City are categorized as “Other Governmental Funds” since they do not meet the criteria individually as a major fund. In 2013, the Community Facilities Wilder special revenue fund is considered major.

Capital Project Fund

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes five Capital Project Funds which are used to account for the acquisition of capital assets with transfers made from the General Fund and other fund sources. Two of the capital projects funds are considered major for the fiscal year ended June 30, 2013.

Proprietary funds

Internal Service Fund

The internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost reimbursement basis. Under GASB 34 this fund is now rolled into the governmental activities for the government-wide statements of net position and activities. The City uses these funds to account for the costs associated with information systems, building maintenance, vehicle usage, slope stabilization, and the general plan.

Enterprise (Business-Type) Fund

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. *The City has no enterprise funds.*

Fiduciary funds (not included in government-wide statements)

Agency Funds

Agency funds account for assets held by the City in a purely custodial capacity. Since agency funds are custodial in nature, they do not involve the measurement of the results of operations. The City includes two agency funds as follows:

- Planning and Engineering Deposits - \$2,346,728
- Oaksprings Assessment District - \$685,017

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

The Oaksprings Assessment District was established to collect assessments and pay the holders of the debt instruments as payments become due. The Oaksprings AD bonds were refinanced in 2004. These bonds are not the debt of the City. As such, the amounts are not included in the governmental funds of the City.

Major and non-major funds

The funds are further classified as major or non-major as shown on pages 31 – 35 as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
General Fund	Primary operating Fund of the City
City Capital Project Fund	Accounts for activities related to infrastructure improvements
Federal Grants Fund	Accounts for expenditures of federal grant monies
Community Facilities Wilder	Accounts for the costs associated with the operations and maintenance of the Wilder Community Facilities
<i>Non-major:</i>	
Special Revenue Funds:	Used to account for proceeds of specific sources that are restricted for expenditures for specific purposes
Capital Projects Funds	Accounts for specific capital improvements

1. C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “*current financial resources*” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “*current financial resources*” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund (business-type) utilizes an “*economic resources*” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position. *The City has 6 internal service funds (see pages 84 and 85) which are included in Statements 1 and 2. The City has no enterprise funds.*

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of accounting

Government-Wide Financial Statements

These basic financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- ❖ Charges for services
- ❖ Operating grants and contributions
- ❖ Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities would not be eliminated. The following interfund activities have been eliminated:

- ❖ Due to/from other funds
- ❖ Advances to/from other funds
- ❖ Transfers in/out

The City applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. This includes pronouncements by the Financial Accounting Standards Board (FASB), Accounting Principles Board Opinions (APB), and the Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure, unless those pronouncements conflict with or contradict with GASB pronouncements.

Governmental Fund Financial Statements

Governmental fund financial statements included a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis for accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to modified accrual are recognized when due. The primary revenue sources accrued by the City are property tax, sales tax, franchise taxes, special assessments, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used.

1. D. Assets, Liabilities, and Equity

Cash and investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all cash accounts, savings accounts, certificates of deposits of the City, and the investment in the State of California fund called the “Local Agency Investment Fund (LAIF)” which is available for immediate withdrawal. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, investment in LAIF, and certificates of deposit or short-term investments with an original maturity of three months or less. Restricted cash is not considered a cash equivalent.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2.B. and 3.A.

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to/from other funds”. Short-term interfund loans are reported as “interfund receivables and payables”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 3.E for details of interfund transactions, including receivables and payables at year-end. All interfund receivables, payables or due to/from amounts netted to zero at June 30, 2013.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances in the government-wide and fund receivable balances in the fund financial statements are substantially the same for the City.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, transfer tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Government-wide Statements

Fixed assets

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets for which cost was not available.

Prior to July 1, 2002, governmental funds’ infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

<u>Type</u>	<u>Useful Life (years)</u>
Land, easements, and right of way	N/A
Building, grounds and improvements	10-39
Infrastructure	15-80
Equipment and furniture	3-15

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

The City policy has set the capitalization threshold for reporting capital assets at \$5,000 for general capital assets.

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Restricted assets

Restricted assets include cash and investments that are *legally restricted* as to their use.

In July 2006, the City received \$2,500,000 in connection with the developer agreement of the Wilder development. The \$2,500,000 was restricted for the purpose of construction of affordable housing at the site of the former library. In December 2012, the City transferred property (the former library site) to the developer, releasing \$2.3 million of the construction restriction. The remaining \$200,000 is restricted for certain City costs related to affordable housing.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the governmental-wide fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of a Certificate of Participation payable (COP).

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for a proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated absences

The City's policies regarding vacation time permit employees to accumulate earned but unused general leave. The liability for these compensated absences is recorded as noncurrent liabilities in the government-wide statements.

Equity classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. *Invested in capital assets, net of related debt*—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

- b. *Restricted net position*—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position*—All other portions of net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Balance Reporting

Under GASB Statement No. 54, Fund Balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City Council, as the highest level of decision-making authority of the City, commits fund balances through resolutions. The Council has designated certain members of management staff to assign fund balances. These captions apply only to Fund Balance classifications:

- *Nonspendable fund balance* are those amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact.
- *Restricted fund balances* are those amounts that should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation
- *Committed fund balances* are those amounts that cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- *Assigned fund balances* are those amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed, except for stabilization arrangements.
- *Unassigned fund balances* are those residual funds that have not been assigned to other funds, are not nonspendable, restricted, committed, or assigned to specific purposes. The general fund should be the only fund that reports a positive unassigned fund balance amount.

It is the policy of the City to spend funds in order from restricted to unassigned, as listed above.

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

1. E. Revenues, Expenditures, and Expenses

Property tax and assessments

State of California ("State") Constitution Article XIII provides for a maximum general property tax rate statewide of \$1.00 per \$100 of assessed value. Assessed value is calculated at 100% of market value as defined by Article XIII. The State Legislature has determined the method of distribution of receipts from the \$1.00 levy among the counties, cities, school districts and other districts. Counties, cities and school districts may levy such additional tax rate as is necessary to provide for voter approved debt service. The county uses the following calendar to assess properties, and to bill for, collect, and distribute property taxes.

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	March 1	March 1
Lien/levy dates	March/July 1	March/July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 April 10	August 31

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. Secured taxes are secured by liens on the property being taxed.

The City is part of the Teeter Plan. The Teeter Plan allows California counties to finance property tax receipts for local agencies by borrowing money to advance cash to each taxing jurisdiction (including the city) in an amount equal to the current year's delinquent property taxes. In exchange, the counties receive the penalties and interest on the delinquent taxes when collected.

Sales tax

The State presently levies a 9.25% sales tax (as of June 30, 2013) on taxable sales within the City of which 1.5% is allocated to the City. The sales tax is collected by the State and remitted to the City in the month following receipt. The State makes advances based on estimates with quarterly settlements since the City receives the sales tax approximately one to three months after collection by vendors. Sales taxes collected by the State in June and July (which represent sales for May and June) and received by the City in July and August have been accrued and are included under the caption "Accounts Receivable". The 9.25% sales tax includes some "Measure J" funds which are allocated to the City pursuant to street/pavement needs as approved by the Contra Costa Transportation Authority (CCTA). It also includes a 0.50% add-on tax approved by the Orinda voters in November 2012. The add-on tax sunsets in 2023.

Proprietary Funds

Proprietary funds recognize operating revenues and expenses separately from nonoperating items. The internal service funds are the City's only proprietary funds, and include charges to the City's other funds for services as operating revenue. Operating expenses include items such as depreciation on capital assets, administrative expenses, and insurance as operating expenses. All other revenues and expenses not meeting these definitions are reported as nonoperating items.

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

Other revenues

Other revenues as realized by the City include recreation fees, planning fees, public works/engineering fees, franchise taxes, property transfer taxes, vehicle license fees and vehicle and parking fines.

Expenditures / expenses

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds—By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, which consists of consolidated governmental funds, all interfund transfers between individual governmental funds have been eliminated.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2. A. Fund Accounting Requirements

The City complies with all federal, state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

<u>Fund</u>	<u>Required By</u>
Gas tax	State law - included in "Other Governmental"
Transportation impact	Local ordinance – included in “Other Governmental”
Drainage impact	Local ordinance – included in “Other Governmental”
Library	Local ordinance – included in “Other Governmental”
Park dedication	Local ordinance – included in “Other Governmental”
Tree mitigation	Local ordinance – included in “Other Governmental”
Measure J	County proposition - included in “Other Governmental”
SLESF (AB 3229)	State law – included in “Other Governmental”
Stormwater (NPDES)	State law – included in “Other Governmental”
Light and landscaping districts	Local ordinance – included in “Other Governmental”
Wilder Community Facilities District	Local ordinance – included in “Other Governmental”

2. B. Deposits and Investments Laws and Regulations

The City’s policy, as well as the California Government Code, requires that a financial institution secure deposits by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law requires financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits, and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (the “FDIC”). It is the City’s practice not to waive the collateral requirements.

In November of 2010, the FDIC issued a final rule implementing Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provided unlimited insurance coverage of non-interest bearing transaction accounts until December 31, 2012.

2. C. Revenue Restrictions

The City has various restrictions placed over certain revenue sources by state or local agencies. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gasoline tax	Street purposes
Measure J tax (part of sales tax)	Street purposes
Assessment districts	Lighting, landscaping, and community facilities
Developmental impact fees	Transportation, drainage and park capital projects
Library assessment	Library service supplement
Supplemental law enforcement	Police
Tree mitigation	Tree replacement
Stormwater	Pollution control
Grants	Federal or State projects

For the year ended June 30, 2013, the City complied, in all material respects, with these revenue restrictions.

2. D. Fund Equity (Deficit)

Fund Deficits

The City spent monies from the Measure J Fund in anticipation of reimbursements not received prior to the end of the fiscal year, resulting in a deficit balance of \$137,995 (see page 75) at June 30, 2013.

Management from time to time may choose to eliminate deficits as deemed appropriate.

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

2. E. Debt Restrictions and Covenants

Certificate of Participation

In September of 2005 Certificates of Participation relating to the City Offices Project totaling \$9,800,000 were issued pursuant to Resolution No. 50-05 which approved lease financing of the new city offices.

Lease payments are to be paid pursuant to a site lease between the City and the Orinda Facilities Financing Corporation (Corporation), which was formed under laws of the State of California for the purpose of providing financial assistance to the City in financing the acquisition, construction and improvement of public buildings, equipment and facilities.

The City entered into a lease with the Corporation (site lease) and agreed to leaseback the new City offices site (facilities lease) after the completion of the City offices. At the end of the lease, the offices will belong to the City, thus, the offices are assets of the City as a “lease-purchase”. Additional information can be found at 3. F. Long-Term Debt.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES / ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3. A. Cash and Investments

The City had the following cash and investments at June 30, 2013:

<u>Cash and Cash Equivalents:</u>		<u>Moody Rating</u>
Cash deposits in bank checking accounts	\$ 701,548	N/A
Investment account cash	532,597	N/A
Petty Cash	830	N/A
Local Agency Investment Fund - State of California	<u>9,673,952</u>	N/A
Total Cash and Cash Equivalents	<u>10,908,927</u>	
<u>Investments</u>		
Investment in CDs maturing in July 2013 to May 2017	4,786,175	
Investment in U.S. Treasury Notes and Corporate Bonds, at market value, maturing August 31, 2013		
Par \$250,000	<u>251,260</u>	Aaa
Total Investments	<u>5,037,435</u>	
Total Cash and Investments	<u>\$ 15,946,362</u>	

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

Reconciliation to Financial Statements:

<i>Governmental Funds Balance Sheet (Statement 3):</i>	
Cash and cash equivalents	\$ 7,547,101
Negative cash balances reclassified as ‘due to other funds’	(1,161,424)
Investments	4,837,435
Cash and investments – restricted	<u>201,145</u>
	11,424,257
<i>Internal Service Funds (Statement 5)</i>	
Cash and cash equivalents	1,717,443
<i>Fiduciary Funds (Statement 8)</i>	
Cash and cash equivalents	<u>2,804,662</u>
Total cash and investments	<u>\$ 15,946,362</u>
 <i>Statement 1:</i>	
Cash and cash equivalents	\$ 8,103,120
Investments	4,837,435
Restricted – cash and investments	<u>201,145</u>
	13,141,700
 <i>Statement 8:</i>	
Fiduciary Funds – cash and cash equivalents	<u>2,804,662</u>
	<u>\$ 15,946,362</u>

The City’s investments with the Local Agency Investment Fund (LAIF) at June 30, 2013, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2013, the City had \$9,673,952 invested in LAIF, which had invested 1.96% of the pooled investment fund in structured notes and asset-backed securities.

Investment in U. S. Treasury

	PAR	Coupon %	Maturity Date	June 30, 2013 Market Value	Moody’s Rating
<u>U. S. Treasury</u>					
U.S. Treasury notes	\$ 250,000	3.125	08/31/13	\$ 251,260	Aaa

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

At June 30, 2013, the book amount of the City's deposits were \$1,234,976; however, bank balances before outstanding checks were \$1,412,476 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed in the following.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on a quarterly basis to the various funds based on average daily cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

The City maintains a cash deposit and investment pool that is available for use by all funds. It is not used for the retirement plan and the deferred compensation plan.

The City is authorized to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper with certain minimum ratings, certificates of deposit, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool (Local Agency Investment Fund).

City Investment Policy

The City is authorized by State statutes and in accordance with the City's investment Policy (reviewed annual, last updated June 15, 2010) to invest in the following:

	Maximum Limit of Pool
Securities of the U.S. Government, or its agencies	100%
Certificates of Deposit (of Time Deposits) placed with commercial banks and/or savings and loan companies not to exceed the maximum allowed by FDIC per institution.	100%
Local Agency Investment Fund (State Pool) Demand Deposits	100%
Passbook Savings Account Demand Deposits not to exceed the maximum allowed by FDIC per institution.	100%
Shares of beneficial interest issued by Diversified Management Companies (Mutual funds). No more than 10% in any one mutual fund.	20%
Money Market Demand Accounts	100%
Banker Acceptances, maximum of 180 days (maximum 30% of pool with 1 agency).	40%
Commercial Paper, maximum 270 days of Prime Quality (not more than 10% of outstanding paper of an issuing corporation).	25%
Medium-term corporate notes	30%

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

California Government Code also allows investments in the following media:

	Maximum Limit of Pool
Repurchase Agreements and Reverse Repurchase Agreements	10%
Negotiable Certificates of Deposit	10%
Bonds issued by local agencies	10%
State warrants, treasury notes, and bonds	10%
Mortgage securities	5%

The City’s criteria for selecting investments are, in order of priority: (1) Safety, (2) Liquidity, and (3) Yield. All applicable investments are required to have an AA rating or higher. The City’s investments comply with established policy.

In addition, the City has Certificates of Participation proceeds that are invested in Guaranteed Investment Contracts (GIC). The City's Investment Policy does not specifically cover GIC investments; however, the City's Bond Trust/Indenture Agreements list GIC's as a permitted investment for the COP Proceeds.

Investment income shall accrue solely to the General Fund except where required by law, in which case interest shall accrue to other funds based upon the fund’s proportionate ratio of balances to total pooled cash. Investment income shall not be credited to individual reserve accounts, except where required by law.

The City portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates have risen, the portfolio value will have declined. If interest rates have fallen, the portfolio value will have risen.

In accordance with GASB Statement No. 31, the portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio’s change in value. These portfolio value changes are unrealized unless sold. The City’s policy is to buy and hold investments until their maturity dates.

3. B. Accounts Receivable

Accounts receivable for the governmental activities consist of various reimbursements, taxes and fees dated June 30 and prior received subsequent to June 30, 2013. They include:

Developers	\$	437,903
CCTA - Measure J		401,742
Municipal Pooling Authority		210,676
Miscellaneous Taxes		235,103
State of California		151,417
Comcast - Franchise Fees		87,274
Assessments		50,818
Miscellaneous under \$70,000		321,036
Allowance for Bad Debts		(151,417)
		\$ 1,744,552

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

The City has reasonable assurance that all receivables will be collected with the exception of the amount due from the State of California Office of Emergency Services (\$151,517) for costs incurred in 2007 for emergency operations as a result of storm damage. An allowance for bad debts has been established in the event this amount is uncollectible.

3. C. Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows (including General Fund assets and Internal Service Fund fixed assets):

	Balance July 1, 2012	Additions	Disposals	Transfers	Balance June 30, 2013
<u>Capital assets not being depreciated</u>					
Parkland & improvements	\$ 1,295,205	\$ -	\$ -	\$ -	\$ 1,295,205
Total capital assets not being depreciated	1,295,205	-	-	-	1,295,205
<u>Capital assets being depreciated</u>					
Buildings, grounds & improvements	28,803,974	231,664	-	-	29,035,638
Furniture & equipment	2,430,852	68,014	-	-	2,498,866
Infrastructure	69,132,237	245,158	-	1,735,672	71,113,067
Work in progress	1,875,683	4,975,960	-	(1,735,672)	5,115,971
Total capital assets being depreciated	102,242,746	5,520,796	-	-	107,763,542
<u>Accumulated depreciation</u>					
Buildings, grounds & improvements	6,446,267	736,209	-	-	7,182,476
Furniture & equipment	2,023,382	109,136	-	-	2,132,518
Infrastructure	50,528,955	1,819,826	-	-	52,348,781
Total accumulated depreciation	58,998,604	2,665,171	-	-	61,663,775
Net capital assets being depreciated	43,244,142	2,855,625	-	-	46,099,767
Total net capital assets	\$ 44,539,347	\$ 2,855,625	\$ -	\$ -	\$ 47,394,972

Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental activities:	
General government	\$ 323,754
Public safety	3,710
Highways and streets	1,822,898
Culture and recreation	414,805
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	100,004
Total depreciation expense – governmental activities	<u>\$ 2,665,171</u>

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

3. D. Accounts Payable

Accounts payable in the governmental funds are composed of payables to various vendors during the normal course of business. At June 30, 2013, the most significant general fund payable was the payable to the Contra Costa County Sheriff totaling \$498,013. The most significant non-major fund payable at June 30, 2013 was a \$60,000 payable to Bay Pacific Pipelines from the Gas Tax Fund for the Glorietta Storm Drain project.

3. E. Interfund Transactions and Balances

Operating transfers

Fund	Transfers In	Transfers Out
General Fund	\$ 17,880	\$ 1,948,395
City capital projects fund	1,895,792	-
Federal grants fund	-	6,146
Other governmental funds	52,603	10,588
Capital project funds	-	1,146
	\$ 1,966,275	\$ 1,966,275

Transfers are used to (a) move revenues from the fund that statute or budget requires for recording purposes to the project fund for expenditure (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

3. F. Long-Term Debt

The City's long-term debt consists of a Certificate of Participation (COP) in the original amount of \$9,800,000 issued in fiscal year 2006. The following is the scheduled debt service obligation:

Certificate of Participation – Issued 2006

	Principal	Interest	Total
2014	\$ 240,000	\$ 379,260	\$ 619,260
2015	250,000	369,660	619,660
2016	260,000	359,660	619,660
2017	270,000	349,260	619,260
2018	285,000	338,460	623,460
2019 – 2013	1,595,000	1,511,648	3,106,648
2024 – 2028	1,965,000	1,140,676	3,105,676
2029 – 2033	2,490,000	615,850	3,105,850
2034 – 2035	1,165,000	79,195	1,244,195
	\$ 8,520,000	\$ 5,143,669	\$ 13,663,669

During fiscal year 2013, interest payments were \$388,660. In addition, bond issuance costs of \$281,668 are being amortized over 30 years. The schedule assumes that July 1 is the same as June 30. See note 2.E for additional details.

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

NOTE 4. OTHER NOTES

4. A. Retirement Plans

Defined contribution plans (Internal Revenue Code Section 401 (a) Plans)

The employees of the City accumulate retirement benefits through three defined contributions plans with the ICMA Retirement Corporation. All contributions are by the City and are based on a percentage of base salary (7.5 – 10.0%), with vesting over a three-year period in accordance with the most current memorandum of understanding between the City and the General Employees bargaining unit. The Plans are administered and held in trust for the exclusive benefit of participants and are not assets of the City.

The following summarizes transactions in the Plan for the year ended June 30, 2013:

Defined contribution retirement plan:		
Balance June 30, 2012	\$	4,168,330
Contributions		319,490
Loan activity, net		21,234
Disbursements, net		(246,910)
Earnings		494,476
Balance June 30, 2013	\$	<u>4,756,620</u>

Deferred compensation plan (Internal Revenue Code Section 457)

For the fiscal year ended June 30, 2013, employees had an option of participating in a deferred compensation plan where contributions are from employee earnings at a maximum of 25% of earnings with the City matching up to 3% and with the total contributions not to exceed the IRS limit. The Plan provides for the deferral of a portion of the employee's compensation until retirement, termination, or certain other events. Under Internal Revenue Code 457, the amounts deferred under a deferred compensation plan maintained by a state or local government must be held in a trust (or custodial account or annuity contract) for the exclusive benefit of plan participants and their beneficiaries. The assets are not considered assets of the City.

The following summarizes transactions in the 457 Plan for the year ended June 30, 2013:

Deferred compensation plan:		
Balance June 30, 2012	\$	3,235,006
Contributions		324,101
Disbursements and adjustments		(276,309)
Earnings		370,638
Balance June 30, 2013	\$	<u>3,653,436</u>

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

4. B. Risk Management

Insurance coverage

The City purchases its insurance through the Municipal Pooling Authority (MPA) of Northern California of which the City is a member.

The following is a summary of coverage as of June 30, 2013:

	Participating Cities' Total Coverage	Deductible (City Portion)
All risk fire and property	\$ 1,000,000,000	\$ 25,000
Cyber Liability	\$ 2,000,000	\$ 50,000
Boiler and machinery	\$ 100,000,000	\$ 5,000
Public Entity Pollution Liability	\$ 25,000,000	\$ 100,000
Liability	\$ 29,000,000	\$ 5,000
Employment Liability	\$ 2,000,000	\$ 50,000
Auto-physical damage (Police Dept.)	\$ 250,000	\$ 3,000
Auto-physical damage (other)	\$ 250,000	\$ 2,000
Workers' compensation	Statutory	\$ -

The total coverage includes the City's deductible, the portion underwritten by MPA and the portion underwritten by other insurance companies.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

4. C. Commitments and Contingencies

Claims involving the City of Orinda

The City is a defendant in lawsuits arising in the normal course of business. The MPA is providing coverage for litigation against the City; however some litigation costs are covered by the City's insurance fund, where the City has provided additional reserves. As of June 30, 2013, the risk management fund had net position of \$724,926. Additional details are on pages 84 and 85.

Grant programs

The City participates in several federal and state grant programs. These programs have been audited when required by the City's independent accountants in accordance with the provisions of the federal Single Audit Act of 1984 as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

4. D. Wilder Project

In February 2007, the City approved Resolution 08-07 entering into an agreement with and becoming a member of the California Statewide Communities Development Authority (CSCDA), a joint powers authority formed under the Mello-Roos Community Facilities Act of 1982. At the same meeting, Resolutions 09-07 was approved authorizing CSCDA to form a Community Facilities District (CFD). The district was formed in May 2007, for the purpose of financing the construction of public improvements and provision of public services necessary to meet increased demands placed on the City as a result of the Wilder Project.

The improvements to be constructed include facilities such as the storm drain system, sanitary sewer system, water distribution system, maintenance facility, Community Facilities, ball fields, street improvements, landscaping and utilities. These improvements will be financed through the sale of Special Tax Bonds, the issuance of \$30 million occurred in December 2007. At the completion of each improvement, the improvement will be turned over to the City or major utility. At that time the developer will be reimbursed from the proceeds of the bonds, which are held in trust, for the costs related to that improvement. All costs are the responsibility of the developer, with the City having no responsibility for any costs. The repayment of the bonds will be through a special tax lien to be paid in full at close of escrow of the sale of each lot to the initial homebuyer.

Since the JPA is administering the CFD and the City has no responsibility for the bonds, the Wilder Project is not included in the City's Agency Funds.

4. E. New Accounting Pronouncements

- In November of 2010, GASB issued GASBS No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The City is required to implement the provisions of this Statement for the current fiscal year. The City has no known SCAs that required disclosure, and this Statement had no material effect on the financial statements of the City.
- In November of 2010, GASB issued GASBS No. 61, *The Financial Reporting Entity: Omnibus*. This Statement amends Statements No. 14 and 34, to modify certain requirements for inclusion of component units in the financial reporting entity. The City is required to implement the provisions of this Statement for the current fiscal. The City no longer has a component unit that required disclosure, and this Statement had no material effect on the financial statements of the City.
- In December of 2010, GASB issued GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:
 1. Financial Accounting Standards Board (FASB) Statements and Interpretations
 2. Accounting Principles Board Opinions

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

The City is required to implement the provisions of this Statement for the current fiscal year. This Statement did not result in a change in current practice, or have a material effect on the financial statements of the City.

- In June of 2011, GASB issued GASBS No. 63, *Financial Reporting and Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The City is required to implement the provisions of this Statement for the current fiscal year. This Statement did not result in a change in current practice, or have a material effect on the financial statements of the City.
- In March of 2012, GASB issued GASBS No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City is required to implement the provisions of this Statement for the year ended June 30, 2014 (effective for periods beginning after December 31, 2012). This Statement will not result in a change in current practice, or have a material effect on the financial statements of the City.
- In March of 2012, GASB issued GASBS No. 66, *Technical Corrections – 2012 – an Amendment of GASB Statements No. 10 and No. 62*. This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. The City is required to implement the provisions of this Statement for the year ended June 30, 2014 (effective for periods beginning after December 31, 2012). This Statement will not result in a change in current practice, or have a material effect on the financial statements of the City.
- In June of 2012, GASB issued GASBS No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The City is required to implement to provisions of this Statement for the year ended June 30, 2014 (effective for periods beginning after June 15, 2013). This Statement will not result in a change in current practice, or have a material effect on the financial statements of the City.
- In June of 2012, GASB issued GASBS No. 68, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. The City is required to implement to provisions of this Statement for the year ended June 30, 2015 (effective for periods beginning after June 15, 2014). This Statement will not result in a change in current practice, or have a material effect on the financial statements of the City.
- In January of 2013, GASB issued GASBS No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this

CITY OF ORINDA
Notes to Financial Statements
June 30, 2013

Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The City is required to implement provisions of this Statement for the year ended June 30, 2015 (effective for periods beginning after December 15, 2013). This Statement will not result in a change in current practice, or have a material effect on the financial statements of the City.

- In April of 2013, GASB issued GASBS No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees. The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting. The City is required to implement provisions of this Statement for the year ended June 30, 2014 (effective for periods beginning after June 15, 2013). This Statement will not result in a change in current practice, or have a material effect on the financial statements of the City.

4. F. Subsequent Events

Management has evaluated subsequent events through November 21, 2013, the date on which the financial statements were available to be issued. No material subsequent events were noted for the purposes of this report.

Required Supplementary Information

CITY OF ORINDA
Notes to Required Supplementary Information
June 30, 2013

In accordance with the state code, the City of Orinda prepares a biennial budget for City government operations that begins with a July 1 fiscal year. This budget is prepared on a modified accrual basis. In developing the biennial budget, City departments analyzed existing service levels and potential services in light of the strategic priorities and financial constraints and modified their proposed budgets accordingly. The City's operating budget summarizes planned expenditures and revenues for all City departments and programs. The detail is structured to summarize each department's costs by: type, division and funding sources.

The biennial budget process sets forth planned expenditures and revenues for two consecutive fiscal years. Year 1 and 2 expenditure and revenue plans are presented to Council in a single document. At the conclusion of the biennial budget review and deliberation process, Year 1 of the biennial budget is approved and appropriated by Council, which sets the level of authorized funding for the fiscal year.

The Year 2 budget is also approved but is subject to mid-cycle review and appropriation action in the following year. Funds not expended in Year 1 do not automatically roll into Year 2. During the mid-cycle review, staff proposes changes (if any). At that time, Council will consider the proposed changes and recommendations. At the conclusion of the deliberations, the Council will approve and appropriate funds for Year 2 of the budget.

In addition to the annual budget process, the Council reviews expenditures and revenues at the mid-year and makes changes as needed.

CITY OF ORINDA
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 General Fund
 For the Year Ended June 30, 2013

Exhibit 1

	General Funds			
	Original Budget	Amended Budget	Actual	Variance
Revenues				
Taxes				
Property tax and assessments	\$ 3,347,349	\$ 3,360,000	\$ 3,404,459	\$ 44,459
Property tax in lieu of VLF	1,401,069	1,401,069	1,430,056	28,987
Sales tax	959,293	936,968	1,021,274	84,306
Franchise tax	978,478	990,000	986,349	(3,651)
Property transfer tax	117,299	160,000	200,663	40,663
Rent and interest	214,328	197,616	159,079	(38,537)
Unrealized gain on investments	-	-	(10,766)	(10,766)
Recreation fees				
Recreation class fees	1,111,078	1,111,078	1,032,271	(78,807)
OYA sports fees	305,305	305,305	208,094	(97,211)
Wagner Ranch sports	96,446	96,446	79,806	(16,640)
Other	236,535	406,535	436,777	30,242
Service fees				
Vehicle and parking fines	176,074	176,074	166,041	(10,033)
Building inspection	230,000	340,000	513,367	173,367
Planning	200,000	200,000	329,278	129,278
Public works and engineering	141,738	150,332	337,487	187,155
Police	26,495	45,420	28,112	(17,308)
Other agencies				
Homeowners tax reimbursement	34,022	34,022	35,179	1,157
Vehicle licenses fees	-	9,158	9,158	-
Vehicle abatement	4,295	4,295	8,226	3,931
Miscellaneous	225,000	372,399	178,085	(194,314)
Total revenues	9,804,804	10,296,717	10,552,995	256,278
Expenditures				
City management/policy and legal	1,079,795	1,082,958	958,754	124,204
Finance/administrative services	766,283	710,103	699,570	10,533
Police services	4,036,596	3,880,195	3,892,706	(12,511)
Public works / engineering	1,251,696	1,355,674	1,361,059	(5,385)
Parks and recreational	2,033,663	2,100,661	2,120,747	(20,086)
Planning	636,771	655,967	681,600	(25,633)
Principal payments on bonds	-	235,000	235,000	-
Total expenditures	9,804,804	10,020,558	9,949,436	71,122
Excess (deficiency) of revenues over expenditures	-	276,159	603,559	327,400
Other financing sources (uses)				
Operating transfers - in	-	-	17,880	17,880
Operating transfers - out	-	(1,728,822)	(1,948,395)	(219,573)
Total other financing sources (uses)	-	(1,728,822)	(1,930,515)	(201,693)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ (1,452,663)	(1,326,956)	\$ 125,707
Fund equity - beginning of year			8,838,067	
Fund equity - end of year			\$ 7,511,111	

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

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Combining and Individual Fund Financial Statements and Schedules

<u>ASSETS</u>	<u>General Fund</u>	<u>Measure L Sales Tax</u>	<u>Community Improvement Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ 3,264,039	\$ 21,966	\$ 1,441	\$ 3,287,446
Investments	4,837,435	-	-	4,837,435
Accounts receivable	676,342	50,600	-	726,942
Accrued interest receivable	11,950	9	-	11,959
Prepaid items and deposits	<u>111,752</u>	<u>-</u>	<u>-</u>	<u>111,752</u>
Total unrestricted assets	<u>8,901,518</u>	<u>72,575</u>	<u>1,441</u>	<u>8,975,534</u>
Restricted Assets:				
Cash deposits with fiscal agent	1,145			1,145
Investments	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total restricted assets	<u>201,145</u>	<u>-</u>	<u>-</u>	<u>201,145</u>
 Total assets	 <u>\$ 9,102,663</u>	 <u>\$ 72,575</u>	 <u>\$ 1,441</u>	 <u>\$ 9,176,679</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Accounts payable and accrued liabilities	\$ 871,687	\$ 2,928	\$ -	\$ 874,615
Accrued administrative leave	291,341	-	-	291,341
Deferred revenue	452,487	-	-	452,487
Planning and engineering deposits	<u>47,125</u>	<u>-</u>	<u>-</u>	<u>47,125</u>
Total liabilities	<u>1,662,640</u>	<u>2,928</u>	<u>-</u>	<u>1,665,568</u>
Fund balance				
Restricted	201,145	-	-	201,145
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>7,238,878</u>	<u>69,647</u>	<u>1,441</u>	<u>7,309,966</u>
Total fund balance	<u>7,440,023</u>	<u>69,647</u>	<u>1,441</u>	<u>7,511,111</u>
 Total liabilities and fund balances	 <u>\$ 9,102,663</u>	 <u>\$ 72,575</u>	 <u>\$ 1,441</u>	 <u>\$ 9,176,679</u>

CITY OF ORINDA
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance
 General Funds
 For the Year Ended June 30, 2013

	General Fund	Measure L Sales Tax	Community Improvement Fund	Total
Revenues				
Taxes				
Property tax and assessments	\$ 4,834,515	\$ -	\$ -	\$ 4,834,515
Sales tax	948,710	72,564	-	1,021,274
Franchise tax	986,349	-	-	986,349
Property transfer tax	200,663	-	-	200,663
Rent and interest	159,068	11	-	159,079
Recreation fees				
Recreation class fees	1,032,271	-	-	1,032,271
OYA sports fees	208,094	-	-	208,094
Wagner Ranch sports fees	79,806	-	-	79,806
Other	436,777	-	-	436,777
Service fees				
Vehicle and parking fines	166,041	-	-	166,041
Building inspection	513,367	-	-	513,367
Planning	329,278	-	-	329,278
Public works and engineering	337,487	-	-	337,487
Police	28,112	-	-	28,112
Other agencies				
State and local	-	-	-	-
Homeowners tax reimbursement	35,179	-	-	35,179
Vehicle licenses fees	9,158	-	-	9,158
Vehicle abatement	8,226	-	-	8,226
Miscellaneous	178,085	-	-	178,085
Unrealized gain (loss) on investments	(10,766)	-	-	(10,766)
Total revenues	<u>10,480,420</u>	<u>72,575</u>	<u>-</u>	<u>10,552,995</u>
Expenditures				
City management	444,532	-	-	444,532
City attorney	311,898	-	-	311,898
City clerk	202,324	-	-	202,324
Administrative services	310,910	-	-	310,910
Parks and recreational department	2,120,747	-	-	2,120,747
Public works and engineering	1,358,131	2,928	-	1,361,059
Police services	3,892,706	-	-	3,892,706
Planning Department	681,600	-	-	681,600
Debt Service:				
Interest	388,660	-	-	388,660
Principal payments on bonds	235,000	-	-	235,000
Total expenditures	<u>9,946,508</u>	<u>2,928</u>	<u>-</u>	<u>9,949,436</u>
Excess (deficiency) of revenues over expenditures	<u>533,912</u>	<u>69,647</u>	<u>-</u>	<u>603,559</u>
Other financing sources (uses)				
Operating transfers - in	17,880	-	-	17,880
Operating transfers - out	(1,948,395)	-	-	(1,948,395)
Total other financing sources (uses)	<u>(1,930,515)</u>	<u>-</u>	<u>-</u>	<u>(1,930,515)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,396,603)	69,647	-	(1,326,956)
Fund balance - beginning of year	<u>8,836,626</u>	<u>-</u>	<u>1,441</u>	<u>8,838,067</u>
Fund balance - end of year	<u>\$ 7,440,023</u>	<u>\$ 69,647</u>	<u>\$ 1,441</u>	<u>\$ 7,511,111</u>

City of Orinda
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Fund	Description
Gas Tax	Accounts for the excise tax used for street maintenance and related capital projects.
Transportation Impact	Accounts for the fee imposed on new development to help fund construction of expansion of roads, bikeways, sidewalks, and traffic signals.
Drainage Impact	Accounts for the fee imposed on new development to help pay for the drainage master plan and improvements recommended in the plan.
Library	Accounts for the voter approved special library parcel tax revenue used to provide additional hours of operation of the Orinda library.
Park Dedication	Accounts for the fee imposed on new development to provide funding for new parklands, facilities, and rehabilitation of existing parks and facilities.
Tree Mitigation	Account for fees charged to developers when construction related activity may remove or destroy a protected tree.
Recycling	Accounts for the California Recycle and Recovery grant used to promote recycling of beverage containers.
Supplemental Law Enforcement (SLES)	Accounts for funds received from the State's COPS program for front-line municipal police services.
Measure J	Accounts for the voter approved transportation sales tax used for voter approved transportation programs and projects.

City of Orinda
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Fund	Description
Districts L-42, M-9, M-11	These funds account for the revenue received from benefited properties and the associated expenses to operate and maintain street lights and common\ areas.
Wilder Community Facilities District	Accounts for the revenue received from parcels in the District and expenses associated with maintenance of public playfields and police service.
Stormwater	Accounts for fees collected by the County and passed through to the City for activities necessary to comply with stormwater program elements.

CITY OF ORINDA
Combining Balance Sheet
Other Governmental Funds
June 30, 2013

	<u>Gas Tax</u>	<u>Transportation Impact</u>	<u>Drainage Impact</u>	<u>Library</u>	<u>Park Dedication</u>	<u>Tree Mitigation</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 75,150	\$ 1,005,758	\$ 95,394	\$ 329,929	\$ 514,051	\$ 88,923
Accounts receivable	37,432	-	-	-	-	-
Accrued interest receivable	100	1,341	106	434	685	113
Prepaid expenses	-	-	9	-	-	-
Total assets	<u>\$ 112,682</u>	<u>\$ 1,007,099</u>	<u>\$ 95,509</u>	<u>\$ 330,363</u>	<u>\$ 514,736</u>	<u>\$ 89,036</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Accounts payable and accrued liabilities	\$ 60,000	\$ 47,664	\$ 540	\$ 62,289	\$ 1,770	\$ -
Due to other funds	-	-	-	-	-	-
Due to other agencies	-	-	31	-	-	-
Total liabilities	<u>60,000</u>	<u>47,664</u>	<u>571</u>	<u>62,289</u>	<u>1,770</u>	<u>-</u>
Fund balance						
Restricted	52,682	959,435	94,938	268,074	512,966	89,036
Committed	-	-	-	-	-	-
Total fund balance	<u>52,682</u>	<u>959,435</u>	<u>94,938</u>	<u>268,074</u>	<u>512,966</u>	<u>89,036</u>
Total liabilities and fund equity	<u>\$ 112,682</u>	<u>\$ 1,007,099</u>	<u>\$ 95,509</u>	<u>\$ 330,363</u>	<u>\$ 514,736</u>	<u>\$ 89,036</u>

CITY OF ORINDA
Combining Balance Sheet
Other Governmental Funds
June 30, 2013

<u>Recycling</u>	State AB 3229 S.L.E.S.F. Programs	Measure J	District L-42	District M-9	District M-11	Wilder CFD	Stormwater	Total
\$ 15,160	\$ -	\$ -	\$ 4,250	\$ 2,948	\$ 5,202	\$ 151,172	\$ 170,927	\$ 2,458,864
5,079	34,552	401,742	-	-	7	-	8,041	486,853
19	-	-	6	4	-	204	184	3,196
-	-	-	1	1	382	-	3,103	3,496
<u>\$ 20,258</u>	<u>\$ 34,552</u>	<u>\$ 401,742</u>	<u>\$ 4,257</u>	<u>\$ 2,953</u>	<u>\$ 5,591</u>	<u>\$ 151,376</u>	<u>\$ 182,255</u>	<u>\$ 2,952,409</u>
\$ -	\$ -	\$ -	\$ 762	\$ 1,214	\$ 5,571	\$ 22,004	\$ 11,685	\$ 213,499
-	34,380	539,737	-	-	-	-	-	574,117
-	-	-	-	-	20	-	198	249
-	34,380	539,737	762	1,214	5,591	22,004	11,883	787,865
20,258	172	(137,995)	3,495	1,739	-	129,372	170,372	2,164,544
-	-	-	-	-	-	-	-	-
<u>20,258</u>	<u>172</u>	<u>(137,995)</u>	<u>3,495</u>	<u>1,739</u>	<u>-</u>	<u>129,372</u>	<u>170,372</u>	<u>2,164,544</u>
<u>\$ 20,258</u>	<u>\$ 34,552</u>	<u>\$ 401,742</u>	<u>\$ 4,257</u>	<u>\$ 2,953</u>	<u>\$ 5,591</u>	<u>\$ 151,376</u>	<u>\$ 182,255</u>	<u>\$ 2,952,409</u>

CITY OF ORINDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Other Governmental Funds
For the Year Ended June 30, 2013
Exhibit 5

	Gas Tax	Transportation Impact	Drainage Impact	Library	Park Dedication	Tree Mitigation
Revenues						
Property tax and assessments	\$ -	\$ -	\$ -	\$ 300,861	\$ -	\$ -
Interest	141	6,608	186	2,233	5,650	662
Gasoline tax	463,677	-	-	-	-	-
State grant	145,216	-	-	-	-	-
Development impact fees	-	398,786	191,279	-	66,609	-
C.O.P.S. - State AB 3229	-	-	-	-	-	-
Miscellaneous donations	-	-	-	-	3,000	-
NPDES revenues	-	-	-	-	-	-
Measure J return to source	-	-	-	-	-	-
	<u>609,034</u>	<u>405,394</u>	<u>191,465</u>	<u>303,094</u>	<u>75,259</u>	<u>662</u>
Expenditures						
Landscaping and street maintenance	-	-	-	-	-	1,663
Utilities	-	-	-	223	-	-
Engineering	-	-	-	-	-	-
Library services	-	-	-	342,208	-	-
Personnel Costs	26,846	554	36,517	-	-	-
Transportation infrastr. improvements	353,404	115,903	-	-	-	-
Capital projects	-	-	-	-	505,757	-
Contract Services	-	-	-	-	-	-
Drainage improvements	-	-	6,769	-	-	-
Supplies and Materials	11,067	17,665	47,803	-	-	-
Other	-	-	-	-	-	-
	<u>391,317</u>	<u>134,122</u>	<u>91,089</u>	<u>342,431</u>	<u>505,757</u>	<u>1,663</u>
Excess (deficiency) of revenues over expenditures	217,717	271,272	100,376	(39,337)	(430,498)	(1,001)
Operating transfers - in	-	-	-	-	-	-
Operating transfers - out	-	-	-	-	-	-
Net transfers in (out)	-	-	-	-	-	-
Excess of revenues over expenditures, net of transfers	217,717	271,272	100,376	(39,337)	(430,498)	(1,001)
Fund equity - beginning of year	<u>(165,035)</u>	<u>688,163</u>	<u>(5,438)</u>	<u>307,411</u>	<u>943,464</u>	<u>90,037</u>
Fund equity - end of year	<u>\$ 52,682</u>	<u>\$ 959,435</u>	<u>\$ 94,938</u>	<u>\$ 268,074</u>	<u>\$ 512,966</u>	<u>\$ 89,036</u>

CITY OF ORINDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Other Governmental Funds
For the Year Ended June 30, 2013
Exhibit 5

Recycling	State AB 3229 S.L.E.S.F. Programs	Measure J	District L-42	District M-9	District M-11	Wilder CFD	Stormwater	Total
\$ -	\$ -	\$ -	\$ 5,757	\$ 8,839	\$ 33,823	\$ 164,850	\$ -	\$ 514,130
111	-	-	26	12	-	857	869	17,355
-	-	-	-	-	-	-	-	463,677
5,079	-	17,727	-	-	-	-	-	168,022
-	-	-	-	-	-	-	-	656,674
-	100,172	-	-	-	-	-	-	100,172
-	-	-	-	-	-	449	485	3,934
-	-	-	-	-	-	-	317,985	317,985
-	-	466,461	-	-	-	-	-	466,461
<u>5,190</u>	<u>100,172</u>	<u>484,188</u>	<u>5,783</u>	<u>8,851</u>	<u>33,823</u>	<u>166,156</u>	<u>319,339</u>	<u>2,708,410</u>
-	-	-	-	-	21,620	-	-	23,283
-	-	-	4,240	7,091	21,311	36,784	337	69,986
-	-	-	713	1,024	4,579	-	-	6,316
-	-	-	-	-	-	-	-	342,208
-	-	8,533	1,022	1,021	1,068	-	310,905	386,466
-	-	1,331,375	-	-	-	-	-	1,800,682
-	-	-	-	-	-	-	-	505,757
-	100,000	-	-	-	-	-	-	100,000
-	-	-	-	-	-	-	1,408	8,177
-	-	-	-	-	4,125	-	1,357	82,017
-	-	-	-	-	33,724	-	-	33,724
<u>-</u>	<u>100,000</u>	<u>1,339,908</u>	<u>5,975</u>	<u>9,136</u>	<u>86,427</u>	<u>36,784</u>	<u>314,007</u>	<u>3,358,616</u>
5,190	172	(855,720)	(192)	(285)	(52,604)	129,372	5,332	(650,206)
-	-	-	-	-	52,603	-	-	52,603
<u>-</u>	<u>(10,588)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,588)</u>
-	(10,588)	-	-	-	52,603	-	-	42,015
5,190	(10,416)	(855,720)	(192)	(285)	(1)	129,372	5,332	(608,191)
<u>15,068</u>	<u>10,588</u>	<u>717,725</u>	<u>3,687</u>	<u>2,024</u>	<u>1</u>	<u>-</u>	<u>165,040</u>	<u>2,772,735</u>
<u>\$ 20,258</u>	<u>\$ 172</u>	<u>\$ (137,995)</u>	<u>\$ 3,495</u>	<u>\$ 1,739</u>	<u>\$ -</u>	<u>\$ 129,372</u>	<u>\$ 170,372</u>	<u>\$ 2,164,544</u>

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City of Orinda
CAPITAL PROJECTS FUNDS

Fund	Description
Oaksprings Assessment District	Accounts for activities related to the Oaksprings Assessment District improvements.
State Grants	Accounts for grant revenues made available by the State of California to support the planning and development of projects that promote sustainable communities.

	Oaksprings AD Improvement Fund	City Hall Project Fund	State Grants Fund	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 139,687	\$ -	\$ -	\$ 139,687
Accounts receivable	-	-	14,774	14,774
Accrued interest receivable	177	-	-	177
Due from other agencies	-	-	58,075	58,075
Total assets	<u>\$ 139,864</u>	<u>\$ -</u>	<u>\$ 72,849</u>	<u>\$ 212,713</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	72,849	72,849
Total liabilities	<u>-</u>	<u>-</u>	<u>72,849</u>	<u>72,849</u>
Fund balance:				
Restricted	139,864	-	-	139,864
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balance	<u>139,864</u>	<u>-</u>	<u>-</u>	<u>139,864</u>
Total liabilities and fund equity	<u>\$ 139,864</u>	<u>\$ -</u>	<u>\$ 72,849</u>	<u>\$ 212,713</u>

CITY OF ORINDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Capital Projects Funds
For the Year Ended June 30, 2013

	Oaksprings AD Improvement Fund	City Hall Project Fund	State Grants Fund	Total
Revenues				
Rent and interest	\$ 1,030	\$ -	\$ -	\$ 1,030
Other agencies				
State and Federal	-	-	162,101	162,101
Miscellaneous	-	-	-	-
Total revenue	<u>1,030</u>	<u>-</u>	<u>162,101</u>	<u>163,131</u>
Expenditures				
Capital outlay for				
Transportation infrastructure improvements	-	-	162,101	162,101
Total expenditures	<u>-</u>	<u>-</u>	<u>162,101</u>	<u>162,101</u>
Excess (deficiency) of revenues over expenditures	<u>1,030</u>	<u>-</u>	<u>-</u>	<u>1,030</u>
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	(1,146)	-	(1,146)
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,146)</u>	<u>-</u>	<u>(1,146)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,030	(1,146)	-	(116)
Fund equity - beginning of year	<u>138,834</u>	<u>1,146</u>	<u>-</u>	<u>139,980</u>
Fund equity - end of year	<u>\$ 139,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,864</u>

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City of Orinda
INTERNAL SERVICE FUNDS

Fund	Description
Information Systems	Accounts for activities related to the City's computer system and related software.
Building Maintenance	Accounts for activities related to the maintenance and capital outlays required to maintain the City Hall facility.
Vehicle Replacement	Accounts for activities related to the City's replacement of vehicles and motorized equipment.
Risk Management	Accounts for activities related to unfunded claims and litigation losses.
Slope Emergency Stabilization	Accounts for activities related to unpredictable slope failures due to erosion or other earth-moving events.
General Plan Update	Accounts for activities related to the City's comprehensive General Plan update every 10 years.

CITY OF ORINDA
Combining Statement of Net Position
Internal Service Funds
June 30, 2013

	Information Systems	Buildings Maintenance	Vehicle Replacement	Risk Management	Slope Emergency Stabilization	General Plan	Total
<u>ASSETS</u>							
Cash and cash equivalents	\$ 106,989	\$ 158,881	\$ 354,834	\$ 736,808	\$ 68,106	\$ 291,825	\$ 1,717,443
Interest receivable	138	201	450	941	103	372	2,205
Due from other funds	-	-	-	-	-	-	-
Total current assets	<u>107,127</u>	<u>159,082</u>	<u>355,284</u>	<u>737,749</u>	<u>68,209</u>	<u>292,197</u>	<u>1,719,648</u>
Fixed assets							
Equipment and vehicles	689,250	72,575	895,741	-	-	-	1,657,566
Less: accumulated depreciation	<u>(645,297)</u>	<u>(26,951)</u>	<u>(608,203)</u>	-	-	-	<u>(1,280,451)</u>
Net fixed assets	<u>43,953</u>	<u>45,624</u>	<u>287,538</u>	-	-	-	<u>377,115</u>
Total assets	<u>\$ 151,080</u>	<u>\$ 204,706</u>	<u>\$ 642,822</u>	<u>\$ 737,749</u>	<u>\$ 68,209</u>	<u>\$ 292,197</u>	<u>\$ 2,096,763</u>
<u>LIABILITIES AND NET POSITION</u>							
Liabilities							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 24,538	\$ 12,823	\$ 147	\$ 7,320	\$ 44,828
	-	-	<u>24,538</u>	<u>12,823</u>	<u>147</u>	<u>7,320</u>	<u>44,828</u>
Net Position							
Invested in fixed assets	43,953	45,624	287,538	-	-	-	377,115
Restricted	-	-	-	512,000	68,062	284,877	864,939
Unrestricted	107,127	159,082	330,746	212,926	-	-	809,881
Total net position	<u>151,080</u>	<u>204,706</u>	<u>618,284</u>	<u>724,926</u>	<u>68,062</u>	<u>284,877</u>	<u>2,051,935</u>
Total liabilities and net position	<u>\$ 151,080</u>	<u>\$ 204,706</u>	<u>\$ 642,822</u>	<u>\$ 737,749</u>	<u>\$ 68,209</u>	<u>\$ 292,197</u>	<u>\$ 2,096,763</u>

CITY OF ORINDA
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2013

	Information Systems	Building Maintenance	Vehicle Replacement	Risk Management	Slope Emergency Stabilization	General Plan	Total
Operating revenues							
Charges to operating departments	\$ 48,115	\$ 18,400	\$ 104,700	\$ -	\$ -	\$ -	\$ 171,215
Other	-	-	-	12,855	-	-	12,855
Total operating revenues	<u>48,115</u>	<u>18,400</u>	<u>104,700</u>	<u>12,855</u>	<u>-</u>	<u>-</u>	<u>184,070</u>
Operating expenses							
Depreciation expense	13,974	1,522	84,508	-	-	-	100,004
Insurance expense	-	-	-	16,217	-	-	16,217
Other	15,784	-	-	23,666	155,487	16,141	211,078
Total operating expenses	<u>29,758</u>	<u>1,522</u>	<u>84,508</u>	<u>39,883</u>	<u>155,487</u>	<u>16,141</u>	<u>327,299</u>
Operating income	<u>18,357</u>	<u>16,878</u>	<u>20,192</u>	<u>(27,028)</u>	<u>(155,487)</u>	<u>(16,141)</u>	<u>(143,229)</u>
Non-operating revenues (expenses)							
Interest and rent	824	1,115	2,302	5,567	1,409	2,200	13,417
Total non-operating revenue	<u>824</u>	<u>1,115</u>	<u>2,302</u>	<u>5,567</u>	<u>1,409</u>	<u>2,200</u>	<u>13,417</u>
Income before contributions and transfers	19,181	17,993	22,494	(21,461)	(154,078)	(13,941)	(129,812)
Transfers out	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Change in net position	19,181	17,993	22,494	(21,461)	(154,078)	(13,941)	(129,812)
Net position - beginning	131,899	186,713	595,790	746,387	222,140	298,818	2,181,747
Net position - ending	<u>\$ 151,080</u>	<u>\$ 204,706</u>	<u>\$ 618,284</u>	<u>\$ 724,926</u>	<u>\$ 68,062</u>	<u>\$ 284,877</u>	<u>\$ 2,051,935</u>

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Orinda's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

Contents	Page(s)
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	89 – 93
Revenue Capacity	
These schedules contain information to help the reader assess the City's ability to generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees and intergovernmental revenue are the City's most significant revenue sources.	94 – 100
Debt Capacity	
These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	101 – 103
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	104 – 105
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	106 – 108

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The fiscal year 2013 report is the City's first Comprehensive Annual Financial Report, therefore information is available beginning with the year ended June 30, 2013 for the financial trend schedules.

City of Orinda
 Net Position By Component
 One Fiscal Year*
 Fiscal year ended June 30, 2013
 (Accrual basis of accounting)

	2013
Governmental activities	
Invested in capital assets	\$ 47,394,972
Restricted	201,145
Unrestricted	15,586,376
Total governmental activities net position	\$ 63,182,493
Business-type activities	
Invested in capital assets	
Restricted	
Unrestricted	
Total business-type activities net position	The City of Orinda has no business-type funds
Primary government	
Invested in capital assets	\$ 47,394,972
Restricted	201,145
Unrestricted	15,586,376
Total primary government net position	\$ 63,182,493

*The City of Orinda is preparing a CAFR for the first time at fiscal year ended June 30, 2013

City of Orinda
Changes in Net Position
One Fiscal Year*
Fiscal year ended June 30, 2013
(Accrual basis of accounting)

	2013
Expenses	
Governmental Activities	
General Government	\$ 958,439
Administrative Services	890,377
Police Services	3,894,363
Public works and engineering	1,327,714
Parks and recreation	2,278,091
Planning	681,671
Special districts	133,309
Library operations	342,208
Capital improvements	2,467,232
Interest on bonds payable	397,959
Other	-
Total governmental activities expenses	13,371,363
Business-type activities	-
Total business-type activities	-
Total primary government expenses	13,371,363
 Program Revenues	
Governmental activities:	
Charges for services:	
General government	-
Administrative Services	42,302
Police Services	194,153
Public works and engineering	655,472
Parks and recreation	1,756,948
Planning	842,645
Special districts	213,269
Library operations	300,861
Capital improvements	1,120,351
Operating grants and contributions	268,194
Capital grants and contributions	1,630,723
Total governmental activities program revenues	7,024,918

Business-type activities:	
Charges for services:	-
Total business-type activities program revenues	<u>-</u>
Total primary governmental program revenues	<u>7,024,918</u>

Continued from previous page

Net (Expense)/Revenue	
Governmental activities	(6,346,445)
Business-type activities	-
Total primary government net expense	<u>(6,346,445)</u>

General Revenues and Other Changes in Net Assets:

Governmental activities:	
Taxes:	
Property taxes	4,869,694
Sales taxes	1,021,274
Franchise taxes	986,349
Transfer taxes	200,663
Shared intergovernmental revenues	9,158
Interest income	160,612
Unrealized gain (loss) on sale of assets	(10,766)
Miscellaneous	214,751
Total governmental activities	<u>7,451,735</u>
Business-type activities:	
Charges for services:	-
Total business-type activities	<u>-</u>
Total primary government	<u>7,451,735</u>

Changes in Net Assets	
Governmental activities	1,105,290
Business-type activities	-
Total primary government	<u>\$ 1,105,290</u>

*The City of Orinda is preparing a CAFR for the first time at fiscal year ended June 30, 2013

City of Orinda
Fund Balances, Governmental Funds
One Fiscal Year*
Fiscal year ended June 30, 2013
(Modified accrual basis of accounting)

	2013
General Fund:	
Restricted	\$ 201,145
Committed	-
Unassigned	-
Unassigned	7,309,966
Total general fund	7,511,111
 All Other Governmental Funds:	
Restricted	3,939,719
Committed	-
Unassigned	-
Unassigned	-
Total all other governmental funds	3,939,719
Total all governmental funds	\$ 11,450,830

*The City of Orinda is preparing a CAFR for the first time at fiscal year ended June 30, 2013

City of Orinda
 Changes in Fund Balances, Governmental Funds
 One Fiscal Year*
 Fiscal year ended June 30, 2013
 (Modified accrual basis of accounting)

	2013
Revenues:	
Taxes and assessments	\$ 7,556,931
Licenses, permits and fees	982,885
Fines and forfeitures	169,975
Intergovernmental	2,398,705
Use of money and property	189,497
Charges for services	2,965,192
Other revenues	187,196
Total revenues	14,450,381
Expenditures:	
General Government	958,754
Administrative Services	879,393
Police Services	3,892,706
Public works and engineering	1,361,059
Parks and recreation	2,120,747
Planning	681,600
Special districts	133,309
Library operations	342,208
Capital improvements	5,335,159
Debt Service:	
Interest on bonds payable	388,660
Principle payment on bonds	235,000
Total expenditures	16,328,595
Reconciliation of Governmental Revenues	
Less Expenditures to Fund Equity:	(1,878,214)
Revenues over (under) expenditures	
Other financing sources (uses):	
Transfers in	1,966,275
Transfers out	(1,966,275)
Total other financing sources (uses)	-
Net change in fund balances	\$ (1,878,214)
Debt service as a percentage of noncapital expenditures	6.01%

*The City of Orinda is preparing a CAFR for the first time at fiscal year ended June 30, 2013

Source: City Finance Department

City of Orinda
 Assessed Value and Actual Value of Taxable Property
 For the last ten fiscal years
 Fiscal year ended June 30, 2013

	<u>Secured</u>	<u>Unsecured</u>	Less: <u>Exemptions</u>	<u>Taxable Assessed Value</u>
FY 2003-04	\$ 3,209,894,767	\$ 30,192,882	\$ 54,295,110	\$ 3,185,792,539
FY 2004-05	3,454,062,993	47,903,238	56,769,404	3,445,196,827
FY 2005-06	3,761,280,589	32,029,438	58,255,298	3,735,054,729
FY 2006-07	4,072,187,872	32,691,215	62,313,761	4,042,565,326
FY 2007-08	4,321,548,584	37,020,911	64,292,843	4,294,276,652
FY 2008-09	4,528,868,045	39,614,319	65,594,343	4,502,888,021
FY 2009-10	4,775,376,797	40,036,322	66,912,526	4,748,500,593
FY 2010-11	4,762,300,926	35,512,517	66,826,727	4,730,986,716
FY 2011-12	4,615,128,899	35,124,091	67,124,228	4,583,128,762
FY 2012-13	4,656,504,710	42,645,059	93,688,762	4,605,461,007

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Contra Costa County Assessor 2003/04 - 2012/13 Combined Tax Rolls

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City of Orinda
 Direct and Overlapping Tax Rates
 For the last ten fiscal years
 Fiscal year ended June 30, 2013
 (Rate per \$1,000 of assessed value)

	Direct Rates		Overlapping Rates		
	Basic Rate	Total Direct	Acalanes Union	Bart Bond	CCC Community College
FY 2003-04	\$ 1.00000	\$ 1.00000	\$ 0.03020	\$ -	\$ 0.00380
FY 2004-05	1.00000	1.00000	0.02900	-	0.00420
FY 2005-06	1.00000	1.00000	0.02790	0.00480	0.00470
FY 2006-07	1.00000	1.00000	0.02920	0.00500	0.00430
FY 2007-08	1.00000	1.00000	0.02590	0.00760	0.01080
FY 2008-09	1.00000	1.00000	0.02890	0.00900	0.00660
FY 2009-10	1.00000	1.00000	0.02980	0.00570	0.01260
FY 2010-11	1.00000	1.00000	0.03110	0.00310	0.01330
FY 2011-12	1.00000	1.00000	0.03330	0.00410	0.01440
FY 2012-13	1.00000	1.00000	0.03330	0.00430	0.00870

Note: In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.00% fixed amount. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of Acalanes Union, Bart Bond, Contra Costa Community College, East Bay Regional Park Bond, Lafayette Elementary Bond, Moraga Elementary Bond, and Orinda Elementary Bond.

Source: Contra Costa County Assessor 2003/04 - 2012/13 Combined Tax Rolls

Overlapping Rates

East Bay Regional <u>Park Bond</u>	Lafayette Elementary <u>Bond</u>	Moraga Elementary <u>Bond</u>	Orinda Elementary <u>Bond</u>	Total Tax <u>Rate</u>
\$ 0.00570	\$ 0.04210	\$ 0.03230	\$ 0.02310	\$ 1.13720
0.00570	0.04150	0.03440	0.02470	1.13950
0.00570	0.03930	0.03250	0.02360	1.13850
0.00850	0.03770	0.03280	0.02590	1.14340
0.00800	0.03400	0.03130	0.02370	1.14130
0.01000	0.03300	0.03090	0.02470	1.14310
0.01080	0.03260	0.03020	0.02360	1.14530
0.00840	0.03260	0.03110	0.02440	1.14400
0.00710	0.02790	0.03120	0.02740	1.14540
0.00510	0.02840	0.02790	0.02730	1.13500

Source: Contra Costa County Assessor 2003/04 - 2012/13 Combined Tax Rolls

City of Orinda
Principal Property Tax Payers by Assessed Valuation Level
Current Year and Nine Years Ago
Fiscal year ended June 30, 2013

<u>Assessed Valuation Level</u>	<u>2012-13</u>			<u>2003-04</u>		
	<u>Number of Payers</u>	<u>Rank</u>	<u>% of Total</u>	<u>Number of Payers</u>	<u>Rank</u>	<u>% of Total</u>
\$50,000,000 and above	1	1	2.79%	0	N/A	N/A
\$25,000,000 - 49,999,999	1	2	0.53%	1	1	0.80%
\$10,000,000 - 24,999,999	4	3-6	1.08%	2	2-3	1.18%
\$5,000,000 - 9,999,999	4	7-10	0.53%	5	4-8	1.10%
\$1 - 4,999,999	0	N/A	N/A	2	9-10	0.28%
			<u>4.93%</u>			<u>3.36%</u>

Note: Due to confidentiality issues, the names of the individual payers are not provided. The categories presented are intended to provide alternative information regarding the sources of the City's property taxes.

Source: Contra Costa County Assessor 2003/04 Combined Tax Rolls

City of Orinda
 Schedule of Top 25 Principal Sales Tax Remitters
 Current year and Three Years Ago
 Fiscal year ended June 30, 2013
 (listed in alphabetical order)

2013 (represents 79.31% of total sales tax)	2010 (represents 76.48% of total sales tax)
Barbacoa Restaurant	Beverages & More
Beverages & More	Casa Orinda Restaurant
Casa Orinda Restaurant	Chevron Service Station
Chevron Service Station	CVS Pharmacy
CVS Pharmacy	Energy Comm
Energy Comm	Europa Hofbrau, Deli, Pub
Europa Hofbrau, Deli & Pub	F'Real! Foods
Insight Resource Group	Insight Resource Group
Juvenon	Juvenon
La Piazza Restaurant	La Piazza Restaurant
Maria Tenaglia Architecture	McCaulou's Department Store
McCaulou's Department Store	McDonnell Moraga Nursery
McDonnell Moraga Nursery	Nations Giant Hamburgers
Nations Giant Hamburgers	Orinda Country Club
Orinda Country Club	Orinda Hardware
Orinda Hardware	Orinda Motors
Orinda Motors	P & M Window Company
P & M Window Company	Pre-Insulated Metal Tech
Rite Aid Drug Store	Rite Aid Drug Store
Safeway Stores	Safeway Stores
Shell Service Stations	Shell Service Station
Siam Orchid Thai Restaurant	Sweet Dreams Toy Store
Table 24	Union 76 Service Station
Union 76 Service Station	Valero Service Station
Village Inn Café	Village Inn Café

Note: The lists above includes both public and private entities and therefore the dollar values have been omitted because the information is not public information.

Source: Muni Services, State Board of Equalization

City of Orinda
Property Tax Levies and Collections
For the last ten fiscal years
Fiscal year ended June 30, 2013

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for the <u>Fiscal Year</u>	Collected within the <u>Fiscal Year of the Levy</u>		Collections in Subsequent <u>Years</u>	Total Collections to Date	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2004	2,429,405	2,429,405	100%	\$ -	2,429,405	100%
2005	3,515,912	3,515,912	100%	-	3,515,912	100%
2006	3,966,356	3,966,356	100%	-	3,966,356	100%
2007	4,527,424	4,527,424	100%	-	4,527,424	100%
2008	3,520,493	3,520,493	100%	-	3,520,493	100%
2009	3,134,745	3,134,745	100%	-	3,134,745	100%
2010	3,472,332	3,472,332	100%	-	3,472,332	100%
2011	3,495,089	3,495,089	100%	-	3,495,089	100%
2012	3,385,663	3,085,663	100%	-	3,085,663	100%
2013	3,442,461	3,442,461	100%	-	3,442,461	100%

Note: Amounts are reported and collected under the Teeter Plan in which all taxes are distributed to the City in the year of the levy with the County retaining any interest or penalties on uncollected balances.

Source: Contra Costa County Auditor-Controller's Office

City of Orinda
Direct and Overlapping Debt
Current Year
Fiscal year ended June 30, 2013

	Percentage Applicable	Outstanding Debt 6/30/2012	Estimated Share of Overlapping Debt
City Assessed Valuation		\$ 4,698,977,509	
Incremental Valuation		-	
Adjusted Assessed Valuation		<u>\$ 4,698,977,509</u>	
Direct Assessment Debt			
2005 Certificates of Participation	100%	\$ 8,755,000	\$ 8,755,000
Overlapping Tax and Assessment Debt*:			
Contra Costa County Pension Debt	3.311%	310,110,000	10,268,438
CCC PFA 1998A Lease Revenue Bonds	3.311%	15,655,000	518,372
CCC PFA 1999A Lease Revenue Bonds	3.311%	14,175,000	469,366
CCC PFA 2001A Lease Revenue Bonds	3.311%	1,380,000	45,695
CCC PFA 2002A Lease Revenue Bonds	3.311%	8,450,000	279,798
CCC PFA 2002B Lease Revenue Bonds	3.311%	7,635,000	252,812
CCC PFA 2003A Lease Revenue Bonds	3.311%	8,085,000	267,712
CCC PFA 2007A Lease Revenue Bonds	3.311%	121,185,000	4,012,707
CCC PFA 2007B Lease Revenue Bonds	3.311%	56,785,000	1,880,279
CCC PFA 2009A Lease Revenue Bonds	3.311%	19,892,007	658,669
CCC PFA 2010A-1 Lease Revenue Bonds	3.311%	6,790,000	224,832
CCC PFA 2010A-2 Lease Revenue Bonds	3.311%	13,130,000	434,764
CCC PFA 2010A-3 Lease Revenue Bonds	3.311%	20,700,000	685,423
CCC PFA 2010B Lease Revenue Bonds	3.311%	15,495,000	513,074
CCC PFA 2012 Lease Revenue Bonds	3.311%	13,102,304	433,847
Bart Bond	3.311%	138,186,264	4,575,657
East Bay Regional Park Bond	3.311%	60,034,243	1,987,869
Acalanes Union 1997 Bond	19.741%	65,280,422	12,886,955
Acalanes Union 1988 Bond	19.741%	7,430,000	1,466,750
Acalanes Union 2002 & 2008 Bonds	19.741%	207,419,019	40,946,420
Lafayette Elementary Bond 1995	0.170%	33,040,000	56,040
Moraga Elementary Bond 1995	0.023%	14,730,000	3,383
Orinda Elementary Bond	99.253%	9,880,275	9,806,434
Contra Costa Community College 2002 Bond	3.324%	196,545,000	6,533,135
Contra Costa Community College 2006 Bond	3.324%	166,225,000	5,525,302
Total Overlapping Debt		<u>1,531,339,534</u>	<u>104,733,733</u>
Total Direct and Overlapping Debt		<u>\$ 1,540,094,534</u>	<u>\$ 113,488,733</u>

*Overlapping Tax and Assessment Debt are the financial obligations of other political jurisdictions that fall partly on the City of Orinda's taxpayers.

Source: HdL Coren & Cone, Contra Costa County Assessor and Auditor

City of Orinda
 Legal Debt Margin Information
 For the last ten fiscal years
 Fiscal year ended June 30, 2013

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Assessed Value	\$ 3,209,894,767	\$ 3,454,062,993	\$ 3,761,280,589	\$ 4,072,187,872
Conversion Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted Assessed Value	802,473,692	863,515,748	940,320,147	1,018,046,968
Debt Limit Percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt Limit	120,371,054	129,527,362	141,048,022	152,707,045
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 120,371,054</u>	<u>\$ 129,527,362</u>	<u>\$ 141,048,022</u>	<u>\$ 152,707,045</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time the legal debt margin was enacted by the State of California for local governments.

Source: City Finance Department

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 4,321,548,584	\$ 4,528,868,045	\$ 4,775,376,797	\$ 4,762,300,926	\$ 4,615,128,899	\$ 4,656,504,710
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
1,080,387,146	1,132,217,011	1,193,844,199	1,190,575,232	1,153,782,225	1,164,126,178
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
162,058,072	169,832,552	179,076,630	178,586,285	173,067,334	174,618,927
-	-	-	-	-	-
<u>\$ 162,058,072</u>	<u>\$ 169,832,552</u>	<u>\$ 179,076,630</u>	<u>\$ 178,586,285</u>	<u>\$ 173,067,334</u>	<u>\$ 174,618,927</u>

0% 0% 0% 0% 0% 0%

City of Orinda
Demographic and Economic Statistics
For the last ten fiscal years
Fiscal year ended June 30, 2013

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>		<u>Unemployment</u>	<u>% of Pop</u>		<u>% of Pop</u>
		<u>(in thousands)</u>	<u>Per Capita</u>	<u>Rate</u>	<u>25+ with</u>	<u>25+ with</u>	
		<u>City of</u>	<u>Personal</u>	<u>City of</u>	<u>Median</u>	<u>High School</u>	<u>Bachelor's</u>
		<u>Orinda</u>	<u>Income</u>	<u>Orinda</u>	<u>Age</u>	<u>Degree</u>	<u>Degree</u>
2003	17,787	\$ 1,201,496	\$ 67,549	2.1%			
2004	17,760	1,230,344	69,276	1.9%			
2005	17,673	1,253,751	70,942	1.8%			
2006	17,472	1,282,730	73,416	1.6%			
2007	17,427	1,308,088	75,061	1.7%			
2008	17,531	1,322,560	75,441	2.3%			
2009	17,687	1,313,255	74,250	4.0%	48.3	98.1%	77.8%
2010	17,866	1,471,069	82,339	4.3%	46.4	99.0%	78.5%
2011	17,819	1,357,148	76,163	4.0%	46.1	98.3%	77.2%
2012	17,925	1,352,119	75,432	2.6%	46.3	98.5%	77.4%

Sources: Population: California State Department of Finance
Unemployment Data: California Employment Development Department
2000-2009 Income, Age, and Education Data: Demographic estimates are based on the last available census. Projections are developed by incorporating all of the prior census data released to date.
2010 and later Income, Age and Education Data: - US Census Bureau, most recent American Community Survey

City of Orinda
 Capital Asset Statistics by Function
 Last Four Years
 Fiscal year ended June 30, 2013

<u>Function</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Police*				
Stations	1	1	1	1
Fire**				
Stations	3	3	3	3
Public works				
Streets (miles)	92.50	92.50	92.70	92.70
Streetlights***				
Parks and recreation				
Parks	4	4	4	5
Community centers	1	1	1	1
Ball fields	5	5	5	7
Water**				
Sewer**				

* Police services are provided by Contra Costa County

** Fire, water, and sewer services are provided by Special Districts which are separate from the City.

*** Streetlights in the City are owned and maintained by PG&E

Source: City of Orinda Finance Department

City of Orinda
 Operating Indicators by Function
 Last Four Years
 Fiscal year ended June 30, 2013

<u>Function</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Police*				
Arrests	152	159	98	113
Parking citations issued	1,655	1,715	2,230	1,578
Public works				
Street resurfacing (miles)	2.59	1.80	1.90	1.50
Encroachment permits	389	269	270	285
Parks and recreation				
Recreation classes (enrollment)	6,685	7,347	7,752	7,712
Facility rental hours	1,769	2,020	2,296	2,788
Sports field rental hours	43	3,470	3,701	3,120
Building Valuations				
Commercial/Industrial Construction		982,646	1,082,769	4,278,579
Residential Construction		8,594,717	12,618,583	10,618,786
Total building actions	not available	9,577,363	13,701,352	14,897,365

Fire, Water, Sewer**

* Police services are provided by Contra Costa County

** Fire, water, and sewer services are provided by Special Districts which are separate from the City.

Source: City of Orinda Finance Department

City of Orinda
 Full-time and Part-time City Employees by Function
 Last Four Years
 Fiscal year ended June 30, 2013

<u>Function</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	8.10	8.10	8.10	8.10
Public Safety Non-Sworn	2.00	2.00	2.00	2.00
Public Safety Sworn*	-	-	-	-
Public works	11.00	11.00	11.00	11.00
Community development	3.50	3.50	3.50	4.50
Parks and recreation	11.00	11.00	11.00	11.00
 Total	 35.60	 35.60	 35.60	 36.60

Note: Police services are provided by Contra Costa County

Source: City of Orinda Finance Department

City of Orinda
Principal Employers*
Current Year and Three Years Ago

Employer	2012-2013			2009-2010		
	Employees	Rank	Percentage of Top 10 Employment	Employees	Rank	Percentage of Top 10 Employment
City & County of San Francisco	26,182	1	15.35%	26,554	1	28.16%
University of California, San Francisco	22,493	2	13.19%	24,750	2	26.25%
Wells Fargo Bank	15,172	6	8.90%	9,214	3	9.77%
California Pacific Medical Center			0.00%	6,800	4	7.21%
Kaiser Permanente	21,789	3	12.78%	5,529	5	5.86%
State of California	16,436	5	9.64%	5,555	6	5.89%
US Postal Service	11,043	9	6.48%	4,697	7	4.98%
PG&E Corp				4,394	8	4.66%
Gap Inc.				3,804	9	4.03%
Charles Schwab & Co Inc.				3,000	10	3.18%
University of California, Berkeley	21,341	4	12.51%			
Safeway	13,661	7	8.01%			
Stanford	12,614	8	7.40%			
Contra Costa County	9,800	10	5.75%			
Total	170,531		100.00%	94,297		100.00%

* Information presented is for the San Francisco Bay Area Largest Employers since separate data is not available for the City of Orinda.

Source: San Francisco Center for Economic Development