

# City of Orinda, California Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2017



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City of Orinda, California  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017

Prepared by  
Finance Department

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# ***INTRODUCTORY SECTION***

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**CITY OF ORINDA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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February 8, 2018

To the Members of the City Council, and Residents of the City of Orinda:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Orinda (City) for the year ended June 30, 2017. The purpose of the report is to provide the City Council, City Staff, residents, bond holders, and other interested parties with useful information concerning the City's operations and financial position. The City management is responsible for the accuracy, completeness, and fairness of the data presented in this report.

To the best of our knowledge, the following report is accurate in all material respects. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. This includes conformance with directives issued by the Governmental Accounting Standards Board (GASB), and other rule-making bodies. We believe the report contains all disclosures necessary for the reader to understand the City's financial affairs.

#### **STEWARDSHIP**

Financial reports are one of several efforts undertaken by the City to promote accountability. 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.

As part of the overall efforts to provide stewardship of public funds, the City's financial statements have been audited by Maze and Associates 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, 2017, 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, Maze Associates concluded that there was reasonable basis for rendering an unmodified ("clean") opinion, on the City of Orinda's financial statements for the year ended June 30, 2017. The independent auditor's report is contained 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 reports will be available in the City's separately issued Single Audit Report.

## **REPORT FORMAT**

This report includes all funds of the City of Orinda and the report is organized in three main sections:

- Section I, the introductory section, contains the table of contents, this transmittal letter, and other general interest material.
- Section II, the financial section, contains the auditor's opinion, Management's Discussion and Analysis (MD&A), the basic financial statements, notes to the financial statements, and detailed combining and individual statements and schedules for the City's funds.
- Section III, the statistical section, includes a history of financial and non-financial data that give a context in which to understand the City's financial statements.

When reading this report users are encouraged to review the Management's Discussion and Analysis (MD&A) section, which immediately follows the independent auditor's report. This section provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE CITY OF ORINDA**

The City of Orinda incorporated as a City in 1985 after more than 100 years of gradual development. One of the primary reasons cited by voters for supporting incorporation, was the desire for local decision making. Most of residential Orinda is comfortably mature, with trees dominating roads and buildings. Orinda remains a family oriented community in an idyllic setting.

The City comprises approximately 12.8 square miles and is situated in the Oakland/Berkeley hills immediately east of the Caldecott Tunnel on Highway 24 in Contra Costa County. Orinda is a residential oriented community with a population of 18,935 where more than 60 percent of the City's 6,580 homes built between 1940 and 1970.

Orinda continues to make a mark on the region with the beautifully restored art deco Orinda Theatre, the California Shakespeare Theater, and a popular Community Center and Public Library. The City also includes a Bay Area Rapid Transit (BART) train station providing easy access to the larger Bay Area.

The City of Orinda operates under a Council-Manager form of government. Policy making and legislative authority are vested in the City Council, which consists of five members, elected at-large to four-year overlapping terms. The position of Mayor and Vice Mayor are chosen annually by the City Council. The City Council is responsible for the City's ordinances, operating resolutions, adoption of the annual budget, land use decisions in accordance with the General Plan, hiring the City Manager and City Attorney, and appointment of all members of advisory boards and commissions. The City Manager is responsible for the following activities: implementing the policies, ordinances, and directives of the City Council; and overseeing the day-to-day operations of the City. The City Attorney services are provided through a professional services agreement with a private law firm.

The City provides municipal services that include public safety, public works, parks and recreation, and planning services. The City operates with a small staff of 38.5 Full-Time Equivalent (FTE) positions supplemented by part-time employees. Sworn Police Services are provided under an agreement with the Contra Costa County Sheriff's Office. Public Works maintenance services are augmented by work performed by MCE Corporation, a private contractor. The City is not responsible for fire and emergency medical services as these are provided by the Moraga – Orinda Fire District.

## **BUDGET PROCESS**

The City Council establishes biennial (two year) budgets with a mid-cycle annual review for the General Fund and all other Funds. Budgetary control is legally maintained at the fund level for these funds. Department Directors submit budget requests to the City Manager and Finance Director. The Finance Director prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget is presented to the City Council at a public meeting. After deliberation and any amendments discussed as part of the public process, the City Council adopts the Budget by resolution on or before June 30th in accordance with the municipal code.

## **ECONOMIC CONDITIONS AND OUTLOOK**

Property tax is the single largest source of revenue to the City. As such the City reviews property valuations as a direct indicator of economic conditions. Residential property accounts for approximately 93% of the total assessed values. In Fiscal year 2016-17 the City experienced an overall 6.3% increase in assessed values. The upward trend continued with an increase of approximately 5% in 2017-2018. Beacon Economics has noted that in the East Bay region a "...constrained housing supply has maintained steady upward pressure on home prices..." This is not expected to change in the near-term, however in the coming years as more housing becomes available in the region, the steep increase in the median price of housing may be moderated. The City must prepare for the fiscal impact of smaller increases in the assessed valuation of properties. Projections prepared for the City use a 2% growth rate in future years.

Despite the growth in assessed valuation the City receives a very small share of the overall property tax rate. This is the result of the City's incorporation occurring after 1978 when a statewide measure, Proposition 13, placed limits on the maximum property tax that could be levied. The City of Orinda only receives approximately \$0.07 of each \$1.00 in property tax that is levied. The City must remain vigilant in monitoring costs and matching expenditures with projected revenue.

The second largest tax revenue for the City is Sales Tax. Given the small amount of commercial / retail development the City seeks to focus economic development activities on efforts to diversify and increase overall tax revenue. The top three business categories that contribute over one-half of the City's sales tax base are Restaurants, Service Stations, and Food Markets. HdL Companies, a sales tax consulting firm, has suggested that the Food and Drug growth in the coming years will be less than 2%. In the restaurant sector they project somewhat higher growth of 3.5% - 4%. The City expects to see larger increases in sales tax derived from gasoline sales, partially due to increases in State gas taxes that are included in the cost of gas resulting in more sales tax.

Included in the sales tax collected by the City is an add-on measure approved by the voters in 2013 (Measure L). The City has had support from the local voters with the approval of this measure as well as General Obligation bond debt used to improve streets and roadways. The electorate has also in the past approved a local parcel tax to supplement funding for the local County operated library. Without this type of support from the overall community, the City would be significantly limited in the services it is able to provide.

The City Council recognizes the importance of a continuing to develop a diverse revenue base in order to adequately support municipal services. As part of the strategic priorities adopted by the City Council "Prudent Financial Management" is a key element. At the direction of the City Council Staff began exploring opportunities to collect Transient Occupancy Tax from short-term rentals. The City Council also supported review of general fees and exploration of new sources of impact fees and charges. In terms of expenditures the City Council supports the need to be prudent when considering salary and benefit adjustments.

The City is not impacted by the current pension crisis requiring agencies throughout the State to increase contributions to the California Public Employees Retirement System (PERS). The City does not participate in PERS for retirement benefits. Instead a defined contribution plan was established after the City incorporated. The City contributes a scheduled amount to employee 401a and 457 retirement accounts. A defined contribution plan eliminates potential to create a liability, as is the case under defined benefit plans such as PERS.

Since incorporation in 1985, the City operations have been supported by both contracted services and in-house staff. This allows the City to more easily respond to adjustments in service levels if they are needed to reduce expenditures.

### **RECOGNITION**

The Government Finance Officers Association (GFOA) has recognized the City of Orinda for its Comprehensive Annual Financial Report covering the period ending June 30, 2016. A copy of the award from GFOA is included in this report. This award represents the 3<sup>rd</sup> consecutive year that the City's report was recognized by the GFOA.

In order to be recognized, the City was required to produce an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). The 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 City of Orinda will be submitting the June 30, 2017 Comprehensive Annual Financial Report for the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

### **ACKNOWLEDGEMENTS**

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 (Norma Costa, Accountant, Jennie Flores, Accounting Technician III, and Linda Thompson, Accounting Technician III). Also we wish to thank the professional staff at Maze & Associates including their entire team led by Katherine Yuen CPA and Eric Foresman of Maze & Associates.

We appreciate the effort by the City Council and Finance Advisory Committee for their cooperation and support for maintaining the highest standards of professionalism in the management of the City of Orinda's finances.

Respectfully submitted,



Steve Salomon  
City Manager



Paul S. Rankin  
Finance Director

**City of Orinda**  
**List of City Officials**  
**At June 30, 2017**

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***City Council***

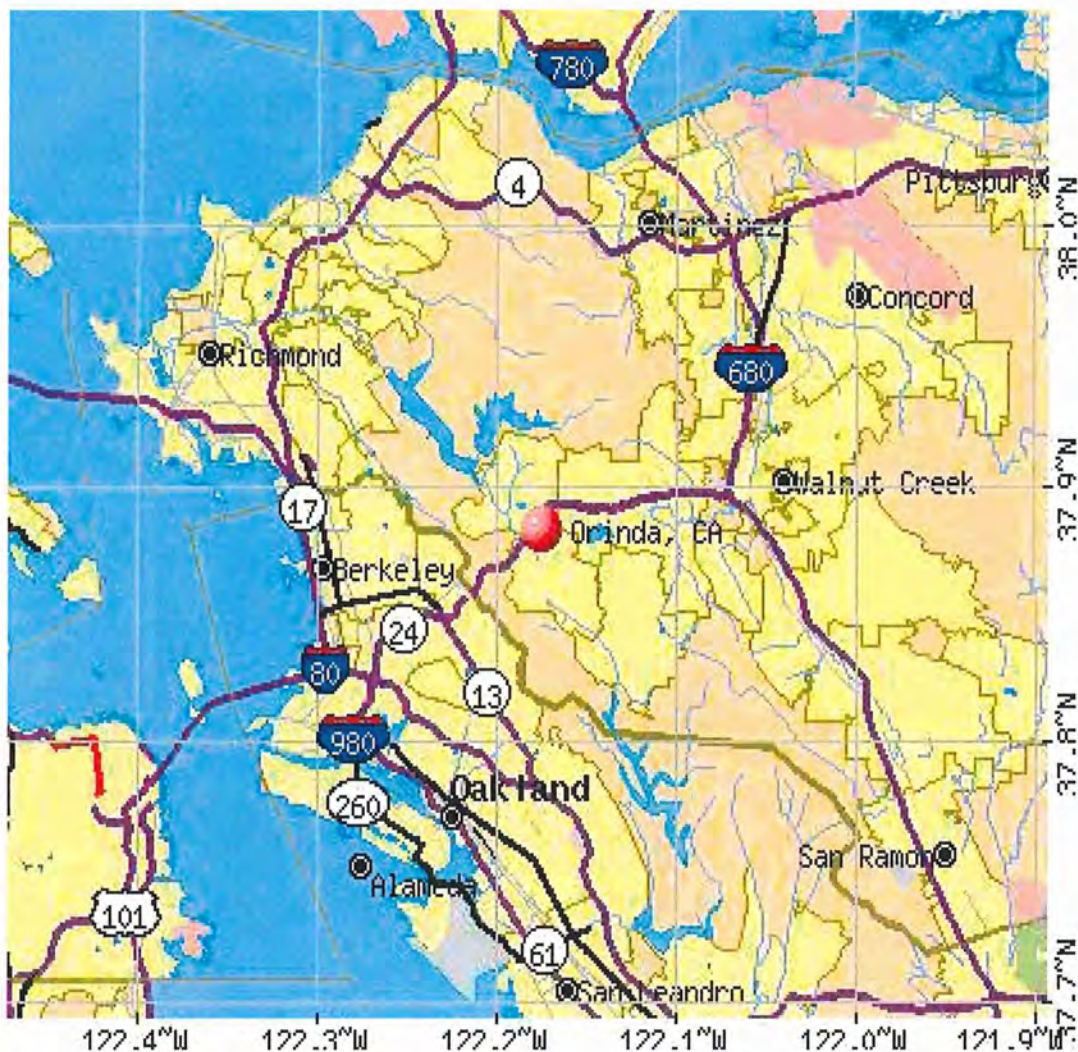
Eve Phillips, Mayor  
Amy R. Worth, Vice Mayor  
Darlene K. Gee, Councilmember  
Inga Miller, Councilmember  
Dean Orr, Councilmember

***City Officials***

Steve Salomon, Interim City Manager  
Osa Wolff, City Attorney (Contract)  
Sheri Smith, City Clerk  
Carole Wirbick, Interim Finance Director  
Pam Foster, Human Resources Manager  
Todd Trimble, Parks & Recreation Director  
Drummond Buckley, Planning Director  
Mark Nagel, Police Chief (Contract)  
Larry Theis, Public Works Director

## ORINDA MISSION STATEMENT

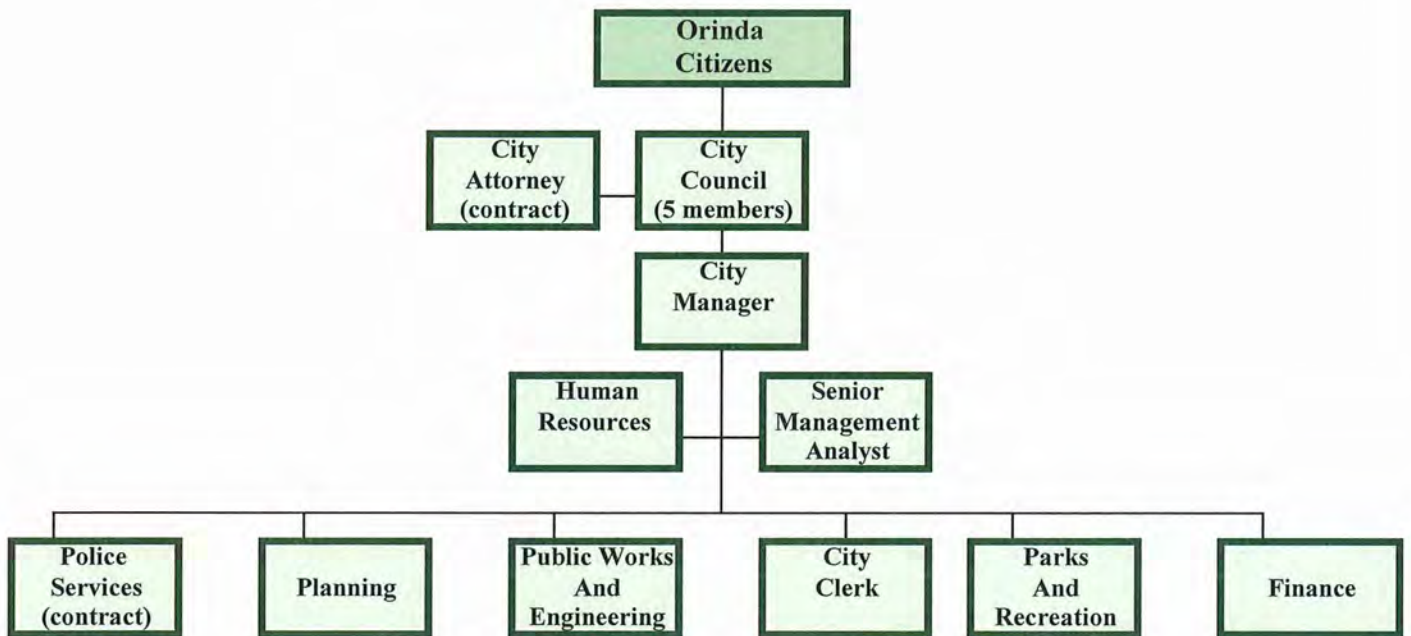
*“Orinda strives to provide excellent service in a fiscally responsible manner to promote a safe, friendly and vibrant community.”*



22 Orinda Way, Orinda, CA 94563 \* [www.cityoforinda.org](http://www.cityoforinda.org) \* 925.253.4200



### Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Orinda  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

***FINANCIAL SECTION***

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council  
City of Orinda, California

### *Report on Financial Statements*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Orinda (City), California, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### *Management's Responsibility for the Financial Statements*

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 the 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 City'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 City'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.

### *Opinions*

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 the City as of June 30, 2017, 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 other required supplementary information as listed in the Table of Contents 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. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplementary Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Maze & Associates*

Pleasant Hill, California  
February 8, 2018

**City of Orinda**  
**Management's Discussion and Analysis (MDA)**  
**June 30, 2017**

**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 (FY) ended June 30, 2017. Please read this overview in conjunction with the letter of transmittal and the accompanying basic financial statements which follow.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components:

- Government-wide Financial Statements - These include the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the City as a whole and about the overall financial condition of the City in a manner similar to a private-sector business.
- Fund Financial Statements - These statements provide additional information about the City's major funds, including how services were financed including fund balances available for financing future projects.
- Notes to the Financial Statements - The notes provide additional detail that is essential to a full understanding of the information provided in the Government-wide and Fund Financial Statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS - DESCRIPTION**

These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All current year's revenues and expenses are accounted for regardless of when the cash is paid or received. These statements report the City's net position and changes to the net position during the Fiscal Year. Net position - the difference between assets and liabilities - is one way to measure the City's financial position. Over time, increases or decreases in the net position are among indicators used to assess whether the financial condition of the City is improving or deteriorating.

The Statement of Activities and Changes in Net Position presents information showing how the City's net position for primary governmental activities have changed during the fiscal year. For the City of Orinda, governmental activities include general government, police services, public works and engineering, parks and recreation, library operations, planning, special districts, streets, and interest on bonds payable.

## GOVERNMENT WIDE FINANCIAL STATEMENTS - ANALYSIS

The net position serves as an overall indicator of the City's financial position. Table 1 provides a high level summary of year to year changes in the net position.

**Table 1: SUMMARY OF NET POSITION**  
**June 30, 2017 and 2016**

	<u>Governmental Activities</u>			
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	56,820,418	27,677,900	29,142,518	105.3%
Capital assets	68,556,439	54,986,222	13,570,217	24.7%
<b>Total Assets</b>	<b><u>125,376,857</u></b>	<b><u>82,664,122</u></b>	<b><u>42,712,735</u></b>	<b>51.7%</b>
Current liabilities	5,675,441	4,920,650	754,791	15.3%
Noncurrent liabilities	53,540,335	17,046,680	36,493,655	214.1%
<b>Total Liabilities</b>	<b><u>59,215,776</u></b>	<b><u>21,967,330</u></b>	<b><u>37,248,446</u></b>	<b>169.6%</b>
Net Position:				
Invested in capital assets	49,771,041	42,026,180	7,744,861	18.4%
Restricted for:				
Capital projects	(626,967)	20,696	(647,663)	-3129.4%
Special purpose projects	9,768,262	7,733,094	2,035,168	26.3%
Unrestricted	7,248,745	10,916,822	(3,668,077)	-33.6%
<b>Total Net Position</b>	<b><u>66,161,081</u></b>	<b><u>60,696,792</u></b>	<b><u>5,464,289</u></b>	<b>9.0%</b>

As illustrated in the table above, the City's net position increased by \$5.5 million (9%) during FY 2016-17. This is primarily due to the following:

- Total assets increased by \$42.7 million, due primarily to the issuance of \$35 million of General Obligation Bonds in April 2017, which directly increased current assets (cash). This increase was partially offset by additional spending resulting in a net change in current assets of \$29.1 million. In addition capital assets increased by a net amount of \$13.5 million. The largest type of projects completed were street and roadway improvement projects including; various paving and road rehabilitation projects (\$9.1 million); the Miner Road emergency sinkhole repair (\$2.7 million). Also included was the North Lane drainage improvements (\$2.5 million), Santa Maria Parking lot rehabilitation, and the BART Access improvements. The increase in capital assets were partially offset by \$2.7 million in asset depreciation and \$1.1 million in disposals.
- Offsetting the assets is a significant increase in noncurrent liabilities totaling \$36.5 million. This was primarily attributable to the issuance of the General Obligation bonds which result in an increase in non-current liabilities. These bonds will be repaid with a special property tax levy over the next twenty years.
- The City's nearly \$49.8 million invested in capital assets represents 75.2% of total \$66 million reported as net position. Capital asset investments include the City's investments in land, infrastructure, buildings, and equipment. As the City uses these capital assets to provide current services to residents, the assets are not available as a resource for future spending. The change in annual capital assets reflects both the addition of capital assets (including construction in progress), less accumulated depreciation.

Table 2 provides a more detailed analysis of the changes that occurred between Fiscal Year 2016 and 2017. A comparison of the Statement of Activities is based on revenue, program expenses, and transfers. Similar to the previous Table data is provided for both the current and previous fiscal year.

**Table 2: SUMMARY OF CHANGES IN NET POSITION  
June 30, 2017 and 2016**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Revenues:</b>				
<u>Program revenues:</u>				
Charges for services	\$5,312,203	\$6,123,890	(\$811,687)	-13.3%
Operating grants and contributions	168,031	1,254,815	(\$1,086,784)	-86.6%
Capital grants and contributions	2,904,294	795,526	\$2,108,768	265.1%
<u>General revenues:</u>				
Property Tax	7,648,593	7,256,358	392,235	5.4%
Sales Tax	2,106,881	2,121,297	(14,416)	-0.7%
Franchise Taxes	1,118,568	1,082,218	36,350	3.4%
Transfer Tax	262,260	250,992	11,268	4.5%
Rent and Interest	282,691	252,627	30,064	11.9%
Other	290,073	162,004	128,069	79.1%
<b>Total Revenues</b>	<b><u>20,093,594</u></b>	<b><u>19,299,727</u></b>	<b><u>793,867</u></b>	<b><u>4.1%</u></b>
<b>Expenses:</b>				
General Government	2,299,303	2,593,399	(294,096)	-11.3%
Police Services	4,102,948	4,027,414	75,534	1.9%
Public Works and Engineering	1,989,357	1,919,178	70,179	3.7%
Parks and Recreation	3,160,626	2,962,868	197,758	6.7%
Library Operations	299,905	341,982	(42,077)	-12.3%
Planning	908,403	1,011,480	(103,077)	-10.2%
Special districts	339,516	334,201	5,315	1.6%
Streets, highways, and storm drains	807,497	2,933,878	(2,126,381)	-72.5%
Interest on bonds payable	721,750	767,185	(45,435)	-5.9%
<b>Total Governmental Activities</b>	<b><u>14,629,305</u></b>	<b><u>16,891,585</u></b>	<b><u>(2,262,280)</u></b>	<b><u>-13.4%</u></b>
<b>Increase In Net Position</b>	<b><u>5,464,289</u></b>	<b><u>2,408,142</u></b>	<b><u>3,056,147</u></b>	<b><u>126.9%</u></b>
<b>Net Position Beginning of Year</b>	<b><u>60,696,792</u></b>	<b><u>58,288,650</u></b>	<b><u>2,408,142</u></b>	<b><u>4.1%</u></b>
<b>Net Position - End of Year</b>	<b><u>66,161,081</u></b>	<b><u>60,696,792</u></b>	<b><u>5,464,289</u></b>	<b><u>9.0%</u></b>

As shown in Table 2 revenues from all sources totaled \$20.1 million and expenses for all city programs totaled \$14.6 million in Fiscal Year 2016-17. The City's net position increase \$5.5 million compared to the \$2.4 million increase reported in the prior year.

### Revenues

Overall revenues increased by \$793,687 or 4%. This was largely the result of an increase in property tax revenue and grant revenue received. This was offset by decreases in Charges for Services which were attributable to decreases in the amount of development related processing services and one-time donations that did not recur in the current year.

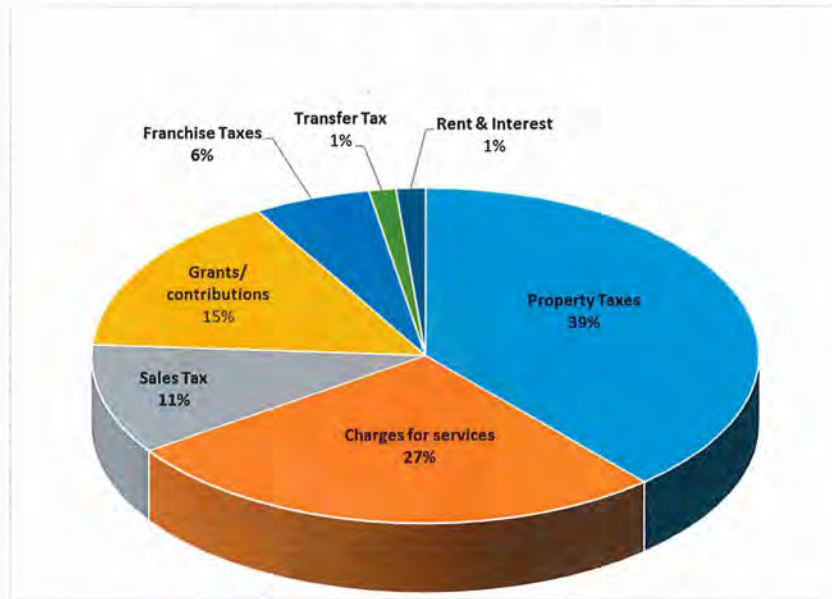
### Expenditures

Overall expenditures as shown in the Statement of Activities decreased by \$2.3 million. Some of the operating program decreases were impacted by Staff turnover and vacancies. The largest factor contributing to the decrease was the accounting for depreciation. There was approximately \$1 million decrease in depreciation expense and a \$1.095 million depreciation adjustment recorded in the current year.

## Revenues and Expenses by Category

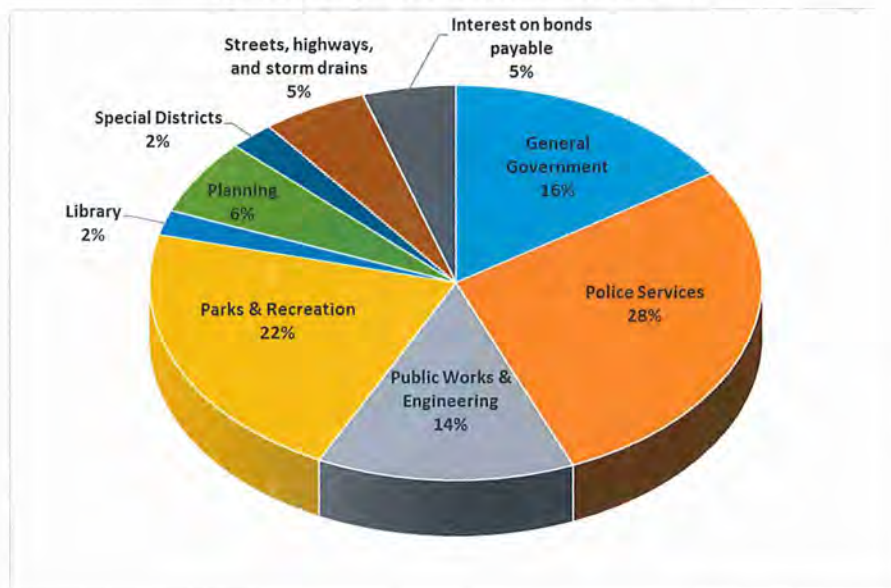
The following chart presents the Government-Wide Fiscal Year 2016-17 revenue in a pie chart format. For analysis purposes this provides a layout which graphically provides the reader with a sense of relative comparison of the different types of Revenue. Approximately 77% of the revenues come from three sources Property Taxes, Sales Tax and Charges for Services. In the prior year these accounted for approximately 80% of the total. In Fiscal Year 2016-17 Grants and Contributions represent a larger percentage of total revenues than was reported in the previous year.

### Government-Wide Revenue By Type



The following chart presents the Government-Wide Fiscal Year 2016-17 expenses in a pie chart format. For analysis purposes this provides a layout which graphically provides the reader with a sense of relative comparison of the different types of activities.

### Government-Wide Expense By Activity



Of the \$14.6 million in expenses, nearly one-third (28%) are attributable to Police Services. The next largest component is Parks and Recreation which accounts for 22% of the expenses.

## **FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Orinda, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds used by the City can be divided into three categories: Governmental funds, Proprietary funds, and Fiduciary funds.

### **Governmental funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, which focus on the long-term, governmental funds financial statements focus on short-term inflows and outflows of spendable resources and the balances of these resources that are available for spending. This information is useful in evaluating a government's short-term financing requirements.

To assist the user of these financial statements in understanding the differences and the relationship between the government-wide financial statements and the governmental funds financial statements, reconciliations between the two sets of statements have been included in this report.

The City of Orinda maintains numerous individual governmental funds that, for financial reporting, are grouped according to their type (general fund, special revenue, capital projects, and debt service). In accordance with accounting standards, Major Funds are determined based on their relative size when measured among Governmental Funds. The examination compares expenditures, assets, liabilities, and revenues. Management may also include as Major Funds, those funds that are deemed of importance to the users of the financial statements. All Major Funds are reported separately in the governmental funds statements. The criteria for defining a Major Fund can result in differences in the funds identified from one year to the next. All other funds are grouped together for reporting purposes (Other governmental funds).

Major funds for the City of Orinda as of June 30, 2017 are:

- General Fund;
- City Capital Projects;
- Federal Grants;
- Community Facilities Maintenance;
- Contra Costa Transportation Authority (CCTA);
- General Obligation Road Bonds 2014; and
- General Obligation Road Bonds 2016.
- Other Governmental Funds (Note: Individual fund data for each non-major governmental fund is provided in combining statements included in the Combining Financial Statements and Other Supplementary Information section of this report).

## **FINANCIAL HIGHLIGHTS GOVERNMENTAL FUNDS**

The following Table summarizes the activity in the Governmental Funds displaying at a high level of the revenues, expenditures and change in fund balances. Information is presented separately for each of the Major Funds and a consolidated number is presented for all other governmental funds.

As part of the overall CAFR the City has also provided information on individual funds later in the report. The total net change in fund balance for all Governmental Funds was approximately \$28.2 million. An analysis of the factors contributing to the change is discussed following Table 3.

**TABLE 3: SUMMARY GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	General Fund	City Capital Projects	Federal Grants	Community Facilities Maint.	CCTA	2014 Road Bonds	2016 Road Bonds	Other Governmental Funds	TOTAL Governmental Funds
Revenues	13,541,440	-	2,154,667	11,133	718,067	278,394	62,289	3,319,404	20,085,394
Current Expenditures	13,320,784			15,797		67,918		1,155,940	14,560,439
Capital outlay		2,873,642	2,154,667		1,125,273	5,122,292	855,829	837,095	12,968,798
Debt service	557,044							1,661,778	2,218,822
<b>Total expenditures</b>	<b>13,877,828</b>	<b>2,873,642</b>	<b>2,154,667</b>	<b>15,797</b>	<b>1,125,273</b>	<b>5,190,210</b>	<b>855,829</b>	<b>3,654,813</b>	<b>29,748,059</b>
Net transfers	(2,336,392)	2,000,000						336,392	-
Proceeds from debt						10,000,000	25,000,000		35,000,000
Premiums on bonds issued								2,908,926	2,908,926
<b>Net change in fund balances</b>	<b>(2,672,780)</b>	<b>(873,642)</b>	<b>-</b>	<b>(4,664)</b>	<b>(407,206)</b>	<b>5,088,184</b>	<b>24,206,460</b>	<b>2,909,909</b>	<b>28,246,261</b>
Fund balances, beginning of year	9,611,395	144,377	-	1,517,640	684,932	5,063,634	-	6,627,174	23,649,152
Fund balances, end of year	6,938,615	(729,265)	-	1,512,976	277,726	10,151,818	24,206,460	9,537,083	51,895,413

### General Fund

The General Fund is the principal operating fund and represents the most significant portion of Governmental Fund revenues and expenditures (67% of governmental revenue and 47% of expenditures). As of June 30, 2017 the fund balance was \$6.9 million and had decreased from \$9.6 million at the beginning of the year. This was due to the impact of storm damage that caused a sink hole in a major roadway. The City transferred \$2 million from the General Fund to the City Capital Projects Fund, to fund repairs. The General Fund also includes general fund revenue collected from Measure L a local add-on sales tax. The use of the special sales tax has been appropriated by the City Council to fund street and storm drain projects. During fiscal year 2016-17 approximately \$939,000 of fund balance derived from Measure L was used on capital roadway projects. A separate schedule detailing the combining of these funds is included as part of the Other Supplementary Information.

### Capital Projects Fund

The expenditures in this fund represented 10% of the total expenditures in Governmental Funds. The expenses were related to response and clean-up of storm damage caused by weather related storm events in January and February of 2017. The most significant project was a sink hole that occurred on a collector road. The City has submitted claims to the Federal and State government for disaster recovery, however, the timing and extent of reimbursement will depend on factors outside the City's control including the appropriation of disaster funds by the Federal government. The City will authorize an additional transfer from the General Fund in Fiscal Year 2017-18 to eliminate the deficit.

### Federal Grants

The Federal Grant Fund accounted for activity related to the North Lane Stormwater Mitigation project. The project made improvements to an undersized storm drain system and was funded by FEMA. As is common with most grant funds the City incurs expenses and submits reimbursement requests for grant funds, therefore, a fund balance is not maintained. This fund accounted for 11% of total governmental fund revenue and 7% of total expenditures.

### Community Facilities Maintenance

This fund holds monies received in 2006 that were a requirement of the Wilder (Gateway) Development Agreement. The funds were referred to as a Community Facilities Maintenance Endowment, for the purpose of funding operations and maintenance of Community Facilities. The revenue reflects interest earnings. Expenditures are approved by the City Council. As of June 30, 2017 the balance in this fund was approximately \$1.5 million.

### Contra Costa Transportation Authority (CCTA)

This fund accounts for monies distributed by CCTA to local cities for street improvement projects. CCTA administers a special one-half cent sales tax levied to support a county-wide transportation improvement plan. The City receives both project specific revenue and distributions that are made based on a formula using population and road network miles. This fund accounted for 4% of governmental revenues and expenditures. The fund balance was reduced from approximately \$685,000 to \$278,000. This was the result of road improvement expenditures being made from funds collected in previous years. The balance was also impacted due to a delay by CCTA in the timing of its distribution of Return To Source local share of the tax revenue, resulting in less revenue collected in Fiscal Year 2016-17.

### 2014 General Obligation Road Bonds

In 2014 the voters approved a general obligation property tax for up to \$20 million to complete roadway improvements. The first \$10 million of the authorized bonds was issued in 2015 and the second \$10 million was issued in April of 2017. This fund accounted for 17% of the total expenditures in governmental funds. The expenditures are made as part of an overall road improvement plan which utilizes funding from multiple sources.

### 2016 General Obligation Road Bonds

In 2016 the voters approved a general obligation property tax for up to \$25 million to complete roadway improvements. In April 2017, the full \$25 million of authorized bonds was issued. The fund accounted for only 3% of the total expenditures in governmental funds. The expenditures are made as part of an overall road improvement plan which assesses funding from multiple sources.

### Other Governmental Funds

As noted earlier this information aggregates financial results from several funds. As of June 30, 2017 the combined fund balance was approximately \$9.5 million. These funds represented 17% of the total governmental fund revenues and 12% of the expenditures. There was a net increase in fund balance of \$2.9 million. The most significant contributing factor to the change in fund balance was related to the GO Bond debt service funds accounting for \$2.3 million of the total increase.

### **Proprietary Fund**

The City maintains one type of Proprietary fund. An Internal Services Fund (ISF) is an accounting structure used to accumulate and allocate costs internally among the City's various operating functions. The City has four ISF funds to address: Information Systems, Building Maintenance, Vehicle Replacement, and Risk Management. These services solely benefit the government function. Total assets in these funds was approximately \$1.48 million as of June 30, 2017. This was \$3,864 more than was reported for the same funds in the previous year. A separate Statement of Net Position and Statement of Cash Flow is included for each of the ISF funds.

In previous years' reports two additional funds were reported as an Internal Service Fund and beginning with this report they have been reported differently. The Slope Emergency Stabilization fund is now reported as a Capital Fund and the General Plan Fund is a part of the General Fund. This presentation better reflects the nature of these funds.

### Fiduciary / Agency Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the reporting government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City utilizes Agency funds to record assets associated with the Oaksprings Assessment District Debt Service and for Planning and Engineering Deposits. These assets are fully offset by a liability and no further analysis is presented.

### GENERAL FUND BUDGETARY HIGHLIGHTS

A summary of the budgetary comparison schedule for the General Fund is shown in Table 5 below. The complete schedule which includes additional detail, as required, is included in the supplementary information following the notes to the financial statements.

**TABLE 4: SUMMARY GENERAL FUND BUDGETARY COMPARISON  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget</u>
<b><u>Resources:</u></b>				
Revenues	\$13,421,544	\$13,611,307	\$13,541,440	(\$69,867)
Transfers In	\$222,000	\$222,000	\$223,213	\$1,213
<b>Total Resources</b>	<b><u>13,643,544</u></b>	<b><u>13,833,307</u></b>	<b><u>13,764,653</u></b>	<b><u>(68,654)</u></b>
<b><u>Appropriations</u></b>				
Expenditures	14,316,497	14,473,496	13,877,828	(\$595,668)
Transfers Out	576,133	2,566,723	2,559,605	(\$7,118)
<b>Total Appropriations</b>	<b><u>14,892,630</u></b>	<b><u>17,040,219</u></b>	<b><u>16,437,433</u></b>	<b><u>(602,786)</u></b>
<b>Appropriations (over) resources</b>	<b><u>(1,249,086)</u></b>	<b><u>(3,206,912)</u></b>	<b><u>(2,672,780)</u></b>	<b><u>534,132</u></b>
<b>Fund balance beginning of year</b>			<b><u>9,611,395</u></b>	
<b>Fund balance end of year</b>			<b><u>6,938,615</u></b>	

Overall Total General Fund Revenue was within 1% of the final budget, with some revenues exceeding the estimate while others were less than the budget. The primary contributing factor resulting in the revenue being less than the budget was that in accordance with GASB pronouncements, the City recorded an unrealized negative adjustment to interest revenue of approximately \$100,919, in order to reflect the book value of investments held by the City. In general, tax revenues exceeded the budget estimate and recreation related program fees offset any positive variance in the tax revenues received. Expenditures were approximately \$596,000 less than the amount budgeted. Factors which contributed to this were: salary and benefit savings due to vacancies; contract police services were less than budgeted; Measure L Street repair expenses were less than budgeted and Planning "General and Long Term Plan" contract services, were less than budgeted.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Detailed information regarding composition and activity in capital assets is provided in Note 3C to the financial statements. The City's capital assets for governmental activities as of June 30, 2017 amounted to \$68.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, and bridges, and work in progress. A comparison to the previous year is presented in Table 5 below:

**TABLE 5: CAPITAL ASSETS NET OF ACCUMULATED DEPRECIATION**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>\$ Change</u>	<u>% Change</u>
Land	1,453,434	1,453,434	-	0.0%
Parkland and improvements	1,295,205	1,295,205	-	0.0%
Work in progress	17,947,584	12,146,059	5,801,525	47.8%
Buildings, grounds and improvements	27,682,625	27,682,625	0	0.0%
Furniture and equipment	2,060,775	1,957,042	103,733	5.3%
Infrastructure	89,509,858	80,241,364	9,268,494	11.6%
<b>Subtotal</b>	<b>139,949,481</b>	<b>124,775,729</b>	<b>15,173,752</b>	<b>12.2%</b>
Less: Accumulated depreciation	71,393,042	69,789,507	1,603,535	2.3%
<b>Total Net of Depreciation</b>	<b>68,556,439</b>	<b>54,986,222</b>	<b>13,570,217</b>	<b>24.7%</b>

Major capital asset additions during FY 2016/17 included:

- North Lane Drainage Improvements \$2,516,525
- Pavement Rehabilitation \$5,875,091
- Annual Paving Project \$969,241
- Measure J&L Street Rehabilitation \$1,929,784
- Minor Road Sinkhole \$2,733,888
- BART Access Ramps \$181,036

As shown in Table 5 the combined total net change was approximately \$13.6 million. As noted in the list above many of the projects were street improvements and were either fully completed or remained as work in progress as of June 30, 2017.

### Debt Administration

As of June 30, 2017 the total balance outstanding was approximately \$54.6 million. Approximately 86 percent of this balance is attributable to voter approved General Obligation Bonds issued to fund road and drainage projects. The combined balance outstanding increased by \$36.4 million from the prior year (a 100% increase). In April 2017 the City issued the final amount of road bonds approved by the voters in 2014, as well as the entire authorization approved by the voters in 2016. This accounts for the significant increase in the total outstanding debt. At June 30, 2017, the City had total long-term debts and obligations as summarized in Table 6 below.

**TABLE 6: OUTSTANDING LONG-TERM OBLIGATIONS**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>\$ Change</u>
2015 Refunding COP (City Hall)	7,862,382	8,168,001	(305,619)
2014 GO Bond Series A	8,939,244	10,021,046	(1,081,802)
2014 GO Bond Series B	10,606,248	0	10,606,248
2016 GO Bond Series A	27,193,027	0	27,193,027
<b>TOTAL</b>	<b>54,600,901</b>	<b>18,189,047</b>	<b>36,411,854</b>

General obligation (GO) bonds are debt instruments issued by City to raise funds for public works. The source of repayment is a special additional ad valorem property tax that is levied solely to address the outstanding debt. The Certificate of Participation (COP) is a lease financing transaction that was entered into to pay for the cost of City Hall. The current obligation represents the refunding of an earlier transaction. Significant details related to outstanding debt can also be found in Note 3F of the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The City of Orinda is responsible for providing important and essential services required by its citizens. The City's ability to provide high level of services to its citizens is dependent upon a balancing expenditure growth with what is occurring to City revenue.

The City has been challenged in the past year to address damage caused by the early 2017 storms. The City will need to use additional General Fund reserves in the upcoming year to fully complete the repair project. These emergency expenditures are expected to result in the depletion of General Fund reserves below the adopted policy which calls for \$5 million plus 20% of General Fund Revenue in excess of \$10 million. It is expected that the targeted reserve will be at least \$1 million below the goal established in the policy. The City recognizes the need to examine revenue opportunities as well as cost savings that will allow for a replenishment of General Fund reserves over time.

The economic health is tied to the regional, State and the Nation's economy. The challenge is that the City receives a small percentage of property tax and the retail / commercial land uses are vastly outnumbered by residential properties. Non-residential properties offer an opportunity for a City to diversify its tax base beyond just the property tax.

The City adopts a two-year budget and therefore the initial appropriations for Fiscal Year 2018-19 have already been adopted. The General Fund is balanced, however, it will be important to monitor this as the City now has additional information on trends in Fiscal Year 2017-18. The current MOU with represented employees and established salaries for unrepresented employee policies have established salaries through June 30, 2019. A significant focus for spending in the near term will be one-time capital project efforts, especially those with a dedicated source of funding such as the GO Road bonds. In terms of operations, the City must be prudent to avoid establishing on-going operating costs that cannot be sustained in the long term. The Two Year Budget can be viewed on the City website at [www.cityoforinda.org](http://www.cityoforinda.org).

## **REQUESTS 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

# ***Basic Financial Statements***

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CITY OF ORINDA  
Statement of Net Position  
June 30, 2017

	Primary Government Governmental Activities
<u>ASSETS</u>	
Current Assets:	
Cash, cash equivalents and investments (Note 3A)	\$14,250,418
Restricted cash (Note 3A)	39,580,182
Accounts receivable (Note 3B)	1,604,238
Accrued interest receivable	68,818
Prepaid items and deposits	118,754
Due from other agencies	1,198,008
Total current assets	56,820,418
Noncurrent Assets:	
Capital assets not being depreciated (Note 3C):	
Land	1,453,434
Parkland and improvements	1,295,205
Work in progress	17,947,584
Capital assets, net of accumulated depreciation (note 3C):	
Buildings, grounds and improvements	17,619,738
Furniture and equipment	592,128
Infrastructure	29,648,350
Total noncurrent assets	68,556,439
Total assets	125,376,857
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable and accrued liabilities (Note 3D)	3,692,770
Interest payable	344,228
Unearned revenue	302,983
Current portion of long-term debt (Note 3F)	1,247,421
Current portion of accrued compensated absences (Note 3G)	46,714
Planning and engineering deposits	41,325
Total current liabilities	5,675,441
Noncurrent Liabilities:	
Long-term debt (Note 3F):	
COP payable	7,551,763
GO Bonds	45,801,717
Accrued compensated absences (Note 3G)	186,855
Total noncurrent liabilities	53,540,335
Total liabilities	59,215,776
<u>NET POSITION</u>	
Net investment in capital assets	49,771,041
Restricted for:	
Capital projects	(626,967)
Special purpose projects	9,768,262
Unrestricted	7,248,745
Total net position	\$66,161,081

See accompanying notes to financial statements

CITY OF ORINDA  
Statement of Activities  
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary Government</b>					
<i>Governmental Activities:</i>					
General government	\$2,298,439	-	-	-	(\$2,298,439)
Police services	4,102,948	\$128,437	-	-	(3,974,511)
Public works and engineering	1,989,358	387,726	-	-	(1,601,632)
Parks and recreation	3,160,626	2,052,855	-	-	(1,107,771)
Library operations	299,905	311,532	-	-	11,627
Planning	908,403	1,039,671	-	-	131,268
Special districts	339,516	377,601	-	-	38,085
Streets, highways, and storm drains	808,362	1,014,381	\$168,031	\$2,904,294	3,278,344
Interest on bonds payable	721,750	-	-	-	(721,750)
<b>Total primary government</b>	<b>\$14,629,307</b>	<b>\$5,312,203</b>	<b>\$168,031</b>	<b>\$2,904,294</b>	<b>(6,244,779)</b>

Property taxes	7,648,593
Sales taxes	2,106,881
Franchise taxes	1,118,568
Transfer tax	262,260
Interest income	282,691
Miscellaneous	290,073
<b>Total general revenues</b>	<b>11,709,066</b>
Change in net position	5,464,287
Net position - beginning	60,696,794
Net position - ending	<b>\$66,161,081</b>

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

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**CITY OF ORINDA**  
**Balance Sheet**  
Governmental Funds  
June 30, 2017

	Major Funds			
	General Fund	City Capital Projects Fund	Federal Grants Fund	Community Facilities Maintenance
<u>ASSETS</u>				
Cash, cash equivalents and investments (Note 3A)	\$6,160,243	-	-	\$1,512,142
Restricted cash (Note 3A)	-	-	-	-
Accounts receivable (Note 3B)	696,575	-	\$1,116	-
Accrued interest receivable	42,668	-	-	834
Prepaid items and deposits	98,306	-	-	-
Due from other agencies	-	-	761,008	-
Due from other funds	1,416,945	-	-	-
<b>Total assets</b>	<b>\$8,414,737</b>	<b>-</b>	<b>\$762,124</b>	<b>\$1,512,976</b>
<u>LIABILITIES AND FUND BALANCES</u>				
Accounts payable and accrued liabilities (Note 3D)	\$898,245	\$616,135	\$350	-
Other current liabilities	233,569	-	-	-
Unearned revenue	302,983	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	113,130	761,774	-
Planning and engineering deposits	41,325	-	-	-
<b>Total Liabilities</b>	<b>1,476,122</b>	<b>729,265</b>	<b>762,124</b>	<b>-</b>
Fund balances:				
Nonspendable	98,306	-	-	-
Restricted	-	-	-	\$1,512,976
Committed	5,532,561	-	-	-
Assigned	695,538	-	-	-
Unassigned	612,210	(729,265)	-	-
<b>Total fund balances</b>	<b>6,938,615</b>	<b>(729,265)</b>	<b>-</b>	<b>1,512,976</b>
<b>Total liabilities and fund balance</b>	<b>\$8,414,737</b>	<b>-</b>	<b>\$762,124</b>	<b>\$1,512,976</b>

See accompanying notes to financial statements

Major Funds				
CCTA	Road Bonds 2014	Road Bonds 2016	Other Governmental Funds	Total
\$115,998	-	-	\$5,582,823	\$13,371,206
-	\$10,228,765	\$25,586,738	3,764,679	39,580,182
285,700	147,976	-	472,871	1,604,238
113	425	19,319	4,839	68,198
-	\$59	-	4,431	102,796
437,000	-	-	-	1,198,008
-	-	-	-	1,416,945
<u>\$838,811</u>	<u>\$10,377,225</u>	<u>\$25,606,057</u>	<u>\$9,829,643</u>	<u>\$57,341,573</u>
\$122,823	\$224,857	\$1,399,597	\$188,781	\$3,450,788
-	550	-	-	234,119
-	-	-	-	302,983
-	-	-	-	-
438,262	-	-	103,779	1,416,945
-	-	-	-	41,325
<u>561,085</u>	<u>225,407</u>	<u>1,399,597</u>	<u>292,560</u>	<u>5,446,160</u>
-	59	-	4,431	102,796
277,726	10,151,759	24,206,460	8,336,841	44,485,762
-	-	-	1,196,263	6,728,824
-	-	-	-	695,538
-	-	-	(452)	(117,507)
<u>277,726</u>	<u>10,151,818</u>	<u>24,206,460</u>	<u>9,537,083</u>	<u>51,895,413</u>
<u>\$838,811</u>	<u>\$10,377,225</u>	<u>\$25,606,057</u>	<u>\$9,829,643</u>	<u>\$57,341,573</u>

CITY OF ORINDA  
 Reconciliation of the  
 GOVERNMENTAL FUNDS - BALANCE SHEET  
 with the  
 STATEMENT OF NET POSITION  
 JUNE 30, 2017

Fund balances of governmental funds	\$51,895,413
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets have not been included in as financial resources in governmental fund activity:	
Capital assets, non depreciable	20,696,223
Capital assets, depreciated, net	47,268,951
Long term debt and compensated absences that have not been included in governmental fund activity	
Bonds payable	(54,600,901)
Compensated absences	(233,569)
Accrued interest payable for the current portion of interest due on bonds payable has not been reported in the governmental funds.	
	(344,228)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	
	<u>1,479,192</u>
Net position of governmental activities	<u><u>\$66,161,081</u></u>

See accompanying notes to financial statements

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CITY OF ORINDA  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the year ended June 30, 2017

	Major Funds			
	General Fund	City Capital Projects Fund	Federal Grants Fund	Community Facilities Maintenance
<b>Revenues</b>				
Taxes				
Property tax and assessments	\$6,543,094	-	-	-
Sales tax	2,106,881	-	-	-
Franchise tax	1,118,568	-	-	-
Property transfer tax	262,260	-	-	-
Rent and interest	138,496	-	-	\$11,133
Unrealized loss on investments	(100,919)	-	-	-
Recreation fees				
Recreation class fees	1,104,148	-	-	-
OYA sports fees	301,703	-	-	-
Sports fields rentals	454,788	-	-	-
Other	192,216	-	-	-
Service fees				
Vehicle fees and parking fines	95,347	-	-	-
NPDES	-	-	-	-
Building inspection	719,606	-	-	-
Planning	320,065	-	-	-
Public works and engineering	103,885	-	-	-
Police	28,437	-	-	-
Other agencies				
Federal	-	-	\$2,154,667	-
State and local	-	-	-	-
Gasoline taxes	-	-	-	-
Homeowners tax reimbursement	33,200	-	-	-
CCTA return to source	-	-	-	-
Development impact fees	-	-	-	-
Miscellaneous	119,665	-	-	-
<b>Total Revenues</b>	<b>13,541,440</b>	<b>-</b>	<b>2,154,667</b>	<b>11,133</b>
<b>Expenditures</b>				
Current:				
City management	573,468	-	-	-
City attorney	440,664	-	-	-
City clerk	234,249	-	-	-
Administrative services	728,704	-	-	-
Parks and recreation	2,761,601	-	-	-
Public works and engineering	3,548,211	-	-	15,797
Police services	4,112,216	-	-	-
Planning	921,671	-	-	-
Capital improvements	-	\$522,288	-	-
Lighting and landscaping district	-	-	-	-
Library operations	-	-	-	-
Capital Outlay:				
Transportation infrastructure improvements	-	2,351,354	2,154,667	-
Debt Service:				
Interest and fiscal charges	262,044	-	-	-
Principal	295,000	-	-	-
<b>Total Expenditures</b>	<b>13,877,828</b>	<b>2,873,642</b>	<b>2,154,667</b>	<b>15,797</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(336,388)</b>	<b>(2,873,642)</b>	<b>-</b>	<b>(4,664)</b>
Other financing sources (uses):				
Bonds issued (Note 3F)	-	-	-	-
Premium on bonds issued (Note 3F)	-	-	-	-
Transfers in (Note 3E)	223,213	2,000,000	-	-
Transfers out (Note 3E)	(2,559,605)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(2,336,392)</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>(2,672,780)</b>	<b>(873,642)</b>	<b>-</b>	<b>(4,664)</b>
Fund balance - beginning of year, as adjusted (Note 1C)	9,611,395	144,377	-	1,517,640
<b>Fund balance - end of year</b>	<b>\$6,938,615</b>	<b>(\$729,265)</b>	<b>-</b>	<b>\$1,512,976</b>

See accompanying notes to financial statements

Major Funds				
CCTA	Road Bonds 2014	Road Bonds 2016	Nonmajor Governmental Funds	Total Governmental Funds
-	-	-	\$1,794,632	\$8,337,726
-	-	-	-	2,106,881
-	-	-	-	1,118,568
-	-	-	-	262,260
\$1,640	\$15,067	\$62,289	45,866	274,491
-	-	-	-	(100,919)
-	-	-	-	1,104,148
-	-	-	-	301,703
-	-	-	-	454,788
-	-	-	-	192,216
-	-	-	-	95,347
-	-	-	283,841	283,841
-	-	-	-	719,606
-	-	-	-	320,065
-	-	-	-	103,885
-	-	-	100,000	128,437
-	-	-	-	2,154,667
-	-	-	72,684	72,684
-	-	-	369,475	369,475
-	-	-	-	33,200
716,427	-	-	-	716,427
-	-	-	644,906	644,906
-	263,327	-	8,000	390,992
<u>718,067</u>	<u>278,394</u>	<u>62,289</u>	<u>3,319,404</u>	<u>20,085,394</u>
-	-	-	-	573,468
-	-	-	-	440,664
-	-	-	-	234,249
-	-	-	39,057	767,761
-	-	-	-	2,761,601
-	67,918	-	476,822	4,108,748
-	-	-	-	4,112,216
-	-	-	640	922,311
-	-	-	77,729	600,017
-	-	-	339,516	339,516
-	-	-	299,905	299,905
1,125,273	5,122,292	855,829	759,366	12,368,781
-	-	-	596,778	858,822
-	-	-	1,065,000	1,360,000
<u>1,125,273</u>	<u>5,190,210</u>	<u>855,829</u>	<u>3,654,813</u>	<u>29,748,059</u>
<u>(407,206)</u>	<u>(4,911,816)</u>	<u>(793,540)</u>	<u>(335,409)</u>	<u>(9,662,665)</u>
-	10,000,000	25,000,000	-	35,000,000
-	-	-	2,908,926	2,908,926
-	-	-	559,605	2,782,818
-	-	-	(223,213)	(2,782,818)
-	10,000,000	25,000,000	3,245,318	37,908,926
(407,206)	5,088,184	24,206,460	2,909,909	28,246,261
684,932	5,063,634	-	6,627,174	23,649,152
<u>\$277,726</u>	<u>\$10,151,818</u>	<u>\$24,206,460</u>	<u>\$9,537,083</u>	<u>\$51,895,413</u>

CITY OF ORINDA  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2017

Changes in fund balances of governmental funds \$28,246,261

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

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expenses, whereas net position decrease by the amount of depreciation expense charged for the year.

Capital asset additions	15,070,019
Current year adjustment	1,095,066
Depreciation expense	(2,633,280)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bonds issued	(35,000,000)
Premium on bonds issued	(2,908,926)
Repayment of debt principal	1,360,000
Amortization of bond premium	137,072

The amounts below included in the Statement of Activities do not provide or require the use of current financial resources and therefore are not reported as revenue of expenditures in governmental funds (net change).

Compensated absences	72,748
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Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenues (expenses) of the internal services funds is reported with governmental activities.

25,327
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Changes in net position of governmental activities	\$5,464,287
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See accompanying notes to financial statements

CITY OF ORINDA  
Statement of Net Position  
Proprietary Funds  
June 30, 2017

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<u>ASSETS</u>	<u>Total Internal Service Funds</u>
Current Assets:	
Cash, cash equivalents and investments (Note 3A)	\$879,212
Accrued interest receivable	620
Prepaid items and deposits	15,958
Non-Current Assets	
Property and equipment net of accumulated depreciation (Note 3C)	<u>591,265</u>
Total assets	<u>1,487,055</u>
<u>LIABILITIES AND NET POSITION</u>	
Current Liabilities:	
Accounts payable (Note 3D)	6,402
Accrued payroll	<u>1,461</u>
Total Liabilities	<u>7,863</u>
Net Position:	
Investments in capital assets	591,265
Unrestricted	<u>887,927</u>
Total Net Position	<u><u>\$1,479,192</u></u>

See accompanying notes to financial statements

CITY OF ORINDA  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the year ended June 30, 2017

	Total Internal Service Funds
Operating revenues	
Charges for services	\$643,293
Total operating revenues	643,293
Operating expenses	
Salaries and wages	111,299
Contract services	128,158
Services and supplies	34,876
Special department expenses	245,072
Depreciation	118,488
Total operating expenses	637,893
Operating income (loss)	5,400
Non-operating revenues (expenses)	
Investment income	8,200
Gain on disposal of capital asset	11,727
Total non-operating revenues	19,927
Change in net position	25,327
Net position at beginning of year, as adjusted (Note 1C)	1,453,865
Net position at end of year	\$1,479,192

See accompanying notes to financial statements

CITY OF ORINDA  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2017

	<u>Total Internal Service Funds</u>
Cash flows from operating activities:	
Cash received from department users	\$643,293
Cash payments to suppliers of goods and services	(203,972)
Cash payments to employees for services	<u>(344,638)</u>
Net cash provided by (used for) operating activities	<u>94,683</u>
Cash flows from capital and related financing activities:	
(Acquisition) of capital assets	(157,763)
Proceeds from sale of capital assets	<u>11,727</u>
Net cash (used for) capital and related financing activities	<u>(146,036)</u>
Cash flows from investing activities:	
Interest received on investments	<u>9,252</u>
Net cash provided by investing activities	<u>9,252</u>
Net (decrease) in cash and cash equivalents	(42,101)
Cash and cash equivalents at beginning of year, as adjusted (Note 1C)	<u>921,313</u>
Cash and cash equivalents at end of year	<u><u>\$879,212</u></u>
Reconciliation of operating income to net cash flows provided by operating activities:	
Operating income (loss)	\$5,400
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	118,488
Increase in account receivable	732
(Increase) in prepaid items	(8,475)
(Decrease) in accounts payable	(18,890)
(Decrease) in accrued expenses	(900)
(Decrease) in accrued payroll	<u>(1,672)</u>
Net cash provided by (used for) operating activities	<u><u>\$94,683</u></u>

See accompanying notes to financial statements

CITY OF ORINDA  
Fiduciary Fund  
Statement of Net Position  
June 30, 2017

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ASSETS

Cash, cash equivalents and investments (Note 3A)	\$3,512,402
Accounts receivable	157,460
Accrued interest receivable	<u>313</u>
Total assets	<u>\$3,670,175</u>

LIABILITIES

Accounts payable and accrued expenses	\$82,933
Due to bondholders	557,637
Deposits	<u>3,029,605</u>
Total Liabilities	<u>\$3,670,175</u>

See accompanying notes to financial statements

**CITY OF ORINDA**  
**Notes to Basic Financial Statements**  
**June 30, 2017**  
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**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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**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, 2017.

*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**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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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 "Nonmajor Special Revenue Funds" since they do not meet the criteria individually as a major fund. For the fiscal year ended June 30, 2017, the Federal Grants, Community Facilities Maintenance and CCTA (Contra Costa Transportation Authority) Special Revenue Funds are considered major funds.

*Capital Project Funds*

Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes four 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. The City Capital Projects and Road Bonds 2014 and Road Bonds 2016 Capital Projects Funds are considered major funds for the fiscal year ended June 30, 2017.

**Proprietary funds**

*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.

*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 these funds are 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 replacement, and risk management.

**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

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**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 three agency funds as follows:

- Oaksprings Assessment District - 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.
- Planning and Engineering Deposits – to account for deposits from developers and held until completion of the project.

**Major and non-major funds**

The funds are further classified as major or non-major as shown on pages 18 - 23 as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
General Fund	Primary operating fund of the City
City Capital Projects Fund	Accounts for transfers from the General Fund and Expenditures related to infrastructure improvements
Federal Grants Fund	Accounts for grant revenues received and the expenditures of Federal grant monies
Community Facilities Maintenance	Accounts for investment earnings and the costs associated with the operations and maintenance of the Wilder Community Facilities
CCTA (Contra Costa Transportation Authority)	Accounts for the voter approved transportation sales tax used for voter approved transportation programs and projects as administered by the Contra Costa Transportation Authority
2014 Road Bonds Capital Projects	Accounts for costs associated with repair, restore, and upgrade of the City's roads and drains.
2016 Road Bonds Capital Projects	Accounts for costs associated with repair restoration and upgrade of the City's roads and drains.
<i>Non-Major:</i>	
Special Revenue Funds:	Used to account for proceeds of specific sources that are restricted for expenditures for specific purposes
Debt Service Fund	Used to pay debt service commitments
Capital Projects Funds	Used to account 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.

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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**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 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 utilize) 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 six internal service funds which are included in the Government-wide Statements. The City has no enterprise funds.*
- 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:

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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- ❖ 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.

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.

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.

**Reclassification of Internal Service Funds**

The following two funds were previously reported as Internal Service Funds: General Plan Update Fund and Slope Emergency Stabilization Fund. The City has determined that the nature of the financial transactions accounted for in the General Plan Update Fund are more appropriately presented as a component of the General Fund. The activities of the Slope Emergency Stabilization Fund are reported in the Road Stabilization Capital Projects Fund. The Financial Statements as of June 30, 2017 incorporate these changes.

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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**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. Additional cash and investment disclosures are presented in Notes 2.B. and 3.A.

**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, 2017.

**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*

**Capital assets**

All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated acquisition 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.

**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

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Depreciation of all exhaustible capital 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:

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

The City policy has set the capitalization threshold for reporting capital assets at \$5,000 and estimated useful lives in excess of three years, for general capital assets.

*Fund Financial Statements*

In the fund financial statements, capital 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.

At June 30, 2017, the City held \$39,580,182 in restricted cash and investment representing unspent bond proceeds from the issuance of the 2014 General Obligation Bonds (\$10,228,765), 2016 General Obligation Bonds (\$25,586,738) and tax proceeds set aside for debt service for the 2014 General Obligation bonds (\$1,698,242) and 2016 General Obligation Bonds (\$2,066,437). The use of these proceeds are restricted as described in the official statements of the Bonds. Additional disclosures of the Bonds are presented in Note 3.F.

**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) and a General Obligation bond.

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 paid time off 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.

**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

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**Equity classifications**

*Government-wide Statements*

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

- a. *Net Investment in Capital Assets* - 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.
- 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 "net investment in capital assets."

*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, has the power to commit and rescind the commitment of fund balances through resolutions. The Council has designated certain members of management staff to assign fund balances. Those staff members can assign fund balances when the City intends to use those funds for specific projects/purposes. These captions apply only to Fund Balance classifications:

- *Nonspendable fund balances* 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**  
**FISCAL YEAR ENDED JUNE 30, 2017**

*Reserve Policy*

Under the City's Policy, the City shall retain and undesignated General Fund reserve equal to five million dollars (\$5,000,000) plus twenty percent (20%) of the amount of budgeted General Fund revenues in excess of ten million (\$10,000,000), not including Measure L revenue. This reserve may only be used for funding an emergency, such as a natural or man-made disaster, which threatens the health, safety, and welfare of the City's residents businesses or visitors, as determined by the City Council. Amounts in excess of the reserve requirement may be used for capital improvements, unanticipated expenditures or one-time expenditures. At June 30, 2017, the amount of this reserve amounted to \$5,560,472.

Detailed classifications of the City's Fund Balances, as of June 30, 2017, are stated below:

	General Fund	City Capital Projects Fund	Federal Grants Fund	Community Facilities Maintenance	CCTA	Road Bonds 2014	Road Bonds 2016	Other Governmental Funds	Total
<b>Nonspendable:</b>									
Prepaid items	\$98,306					\$59		\$4,431	\$102,796
Total nonspendable	98,306					59		4,431	102,796
<b>Restricted:</b>									
Streets & roads					\$277,726	10,151,759	\$24,206,460	973,118	35,609,063
Debt service								3,766,776	3,766,776
Public facilities				\$1,512,976				239,679	1,752,655
Parks development improvements								809,331	809,331
Police								8,329	8,329
Affordable housing								40,140	40,140
Storm drain maintenance improvements								135,989	135,989
Bond escrow								893,709	893,709
Traffic mitigation								216,895	216,895
Total restricted				1,512,976	277,726	10,151,759	24,206,460	1,252,875	44,485,762
<b>Committed:</b>									
Streets & roads								1,196,263	1,196,263
Contingency reserve	5,532,561								5,532,561
Total committed	5,532,561							1,196,263	6,728,824
<b>Assigned:</b>									
Long term and general plan	267,603								267,603
Capital outlay	427,935								427,935
Total assigned	695,538								695,538
<b>Unassigned:</b>									
Total Fund Balances	612,210	(\$729,265)		\$1,512,976	\$277,726	\$10,151,818	\$24,206,460	(452)	(117,507)
	\$6,938,615	(\$729,265)		\$1,512,976	\$277,726	\$10,151,818	\$24,206,460	\$9,537,083	\$51,895,413

**Fair value measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**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.

	Secured	Unsecured
Lien dates	January 1	January 1
Levy dates	July 1	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 April 1, 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 transportation 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.



**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

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

Fund	Expenditures in Excess of Appropriations
Federal Grants Special Revenue Fund	(\$144,700)
City Capital Projects Capital Project Fund	(2,733,642)
Road Bonds 2014 Capital Projects Fund	(122,210)
Road Bonds 2016 Capital Projects Fund	(855,829)
Assessment District L-42 Special Revenue Fund	(2,150)
Assessment District M-9 Special Revenue Fund	(2,442)
Assessment District M-11 Special Revenue Fund	(7,292)
Affordable Housing Special Revenue Fund	(512)
TDA Grants Special Revenue Fund	(67,640)
Road Bonds 2014 Debt Service Fund	(1,461,396)
Road Bonds 2016 Debt Service Fund	(234,799)

**NOTE 2. STEWARDSHIP, COMPLIANCE. AND ACCOUNTABILITY**

**2. A. Fund Accounting Requirements**

The legally required funds used by the City include the following:

<u>Fund</u>	<u>Required By</u>
Gas tax	State law – included in Special Revenue
Transportation impact	Local ordinance – included in Special Revenue
Drainage impact	Local ordinance – included in Special Revenue
Library	Local ordinance – included in Special Revenue
Park dedication	Local ordinance – included in Special Revenue
Tree mitigation	Local ordinance – included in Special Revenue
Recycling	State law – included in Special Revenue
SLESF (AB 3229)	State law – included in Special Revenue
Light and landscaping districts	Local ordinance - included in Special Revenue
Wilder Community Facilities District	Local ordinance – included in Special Revenue
Stormwater (NPDES)	State law – included in Special Revenue
Affordable Housing	State law – included in in Special Revenue
CCTA (Contra Costa Transportation Authority)	County proposition – included in Special Revenue

**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

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**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.

**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
CCTA tax (part of sales tax)	Street purposes
Assessment districts	Lighting, landscaping, and community facilities
Development 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
Recycling	Recycle efforts

**NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES I ACCOUNTS**

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

**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

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**3. A. Cash and Investments**

The City had the following cash and investments at June 30, 2017:

**Reconciliation to Financial Statements:**

*Governmental Funds Balance Sheet:*

Cash and cash equivalents and investments	\$13,371,206
Restricted cash	39,580,182
Subtotal	52,951,388

*Internal Service Funds:*

Cash and cash equivalents	879,212
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*Fiduciary Funds:*

Cash and cash equivalents	3,512,402
Total cash and investments	\$57,343,002

*Statement of Net Position:*

Cash, cash equivalents and investments	\$14,250,418
Restricted cash	39,580,182

*Statement of Fiduciary Net Position:*

Fiduciary Funds - cash and equivalents	3,512,402
	\$57,343,002

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, United States Treasury Notes and Bills, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2017, these investments matured in an average of 194 days.

At June 30, 2017, the book amount of the City's deposits were \$934,322. Bank balances were \$1,596,946 at that date, which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below.

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 deferred compensation plans.

**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

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 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 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%
Bankers 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, maximum of 5 years	30%

California Government Code also allows investments in the following:

	Maximum Maturity	Minimum Credit Quality	Maximum Limit of Pool	Maximum per Issuer
Repurchase Agreements	1 year	none	none	none
Reverse Repurchase Agreements	92 days	none	20%	none
Negotiable Certificates of Deposit	5 years	none	30%	none
Bonds issued by local agencies	5 years	none	none	none
State Warrants, treasury notes, and bonds	5 years	none	none	none
Mortgage securities	5 years	Aa2/AA	20%	none

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.

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

**Interest Rate Risk**

Interest rate risk is the risk that changes in economic markets will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held with fiscal agents) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	12 Months or less	13 to 24 Months	25 to 36 Months	36 to 60 Months	Total
U.S. Treasury Notes	\$918,800	\$4,670,594	\$3,723,169	\$373,161	\$9,685,724
U.S. Government Agency Securities	723,201	4,920,384	3,873,415	-	9,517,000
Medium-Term Corporate Notes	776,115	3,450,613	4,177,491	1,368,298	9,772,517
Money Market	126,338	-	-	-	126,338
Local Agency Investment Fund	21,620,588	-	-	-	21,620,588
Asset Backed Securities	15,158	340,986	214,995	-	571,139
Commercial Paper	2,312,279	-	-	-	2,312,279
Negotiable CD	2,120,599	-	-	-	2,120,599
Supranational	-	694,169	-	-	694,169
<b>Total Investments</b>	<b><u>\$28,613,078</u></b>	<b><u>\$14,076,746</u></b>	<b><u>\$11,989,070</u></b>	<b><u>\$1,741,459</u></b>	<b>56,420,353</b>
Cash on Hand and Cash in Bank					<u>922,649</u>
<b>Total Cash and Investments</b>					<b><u>\$57,343,002</u></b>

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the City of Orinda's actual Standard and Poor's rating as of June 30, 2017 for each investment type:

Fair Value	AAA/AAAm	AA+	AA	AA-	A+	A	A-	A-1+	A-1	Not Rated	
U.S. Treasury Notes	\$9,685,724	-	\$9,685,724	-	-	-	-	-	-	-	
U.S. Government Agency Securities	9,517,000	-	9,517,000	-	-	-	-	-	-	-	
Medium-Term Corporate Notes	9,772,517	94,902	829,872	\$1,144,606	\$938,962	\$2,704,695	\$3,433,119	\$626,361	-	-	
Money Market	126,338	\$126,338	-	-	-	-	-	-	-	-	
Local Agency Investment Fund	21,620,588	-	-	-	-	-	-	-	-	\$21,620,588	
Asset Backed Securities	571,139	-	-	-	-	-	-	-	-	571,139	
Commercial Paper	2,312,279	-	-	-	-	-	-	\$1,440,489	\$871,790	-	
Negotiable CD	2,120,599	-	-	-	-	-	-	-	2,120,599	-	
Supranational	694,169	694,169	-	-	-	-	-	-	-	-	
<b>Total Investments</b>	<b>56,420,353</b>	<b><u>\$915,409</u></b>	<b><u>\$20,032,596</u></b>	<b><u>\$1,144,606</u></b>	<b><u>\$938,962</u></b>	<b><u>\$2,704,695</u></b>	<b><u>\$3,433,119</u></b>	<b><u>\$626,361</u></b>	<b><u>\$1,440,489</u></b>	<b><u>\$2,992,389</u></b>	<b><u>\$22,191,727</u></b>
Cash on Hand and Cash in Bank											<u>922,649</u>
<b>Total Cash and Investments</b>											<b><u>\$57,343,002</u></b>

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.

**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

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.

**Fair Value Hierarchy**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2017:

**Investments By Fair Value Level:**

	<u>Level 2</u>	<u>Note</u>
U.S. Treasury Notes	\$9,685,724	(A)
U.S. Government Agency Securities	9,517,000	(A)
Medium-Term Corporate Notes	9,772,517	(A)
Asset Backed Securities	571,139	(A)
Commercial Paper	2,312,279	(A)
Negotiable CD	2,120,599	(A)
Supranational	694,169	(A)
Total By Fair Value Level	<u>34,673,427</u>	

**Investments Measured at Amortized Cost:**

Local Agency Investment Fund	21,620,588	(A) (B)
Money Market	<u>126,338</u>	
Total Investments	<u><u>\$56,420,353</u></u>	

**Note:**

(A) The valuation method for Level 2 inputs are significant other observable inputs. These inputs include: a) Quoted prices for similar assets in active markets; b) Quoted prices for identical or similar assets in markets that are not active; and c) Inputs other than quoted prices that are observable for an asset.

(B) The Local Agency Investment Fund (LAIF) is classified in Level 2 and the valuation method is based on the fair value factor, provided by the Treasurer of the State of California, which is calculated as fair value divided by the amortized cost of the investment pool.

Fair value is defined as the quoted market value on the last trading day of the period. These above prices are obtained from various pricing sources by the City's custodian bank.

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017. They include:

State of California	\$478,859
Wilder Assessment	322,371
Contra Costa County	305,531
CCTA	285,700
Franchise fees	99,034
Miscellaneous	264,160
Allowance	(151,417)
	\$1,604,238
<b>Total</b>	<b>\$1,604,238</b>

**3. C. Capital Assets**

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Additions	Disposals and adjustments	Transfers	Balance June 30, 2017
<u>Capital assets not being depreciated</u>					
Land	\$1,453,434	-	-	-	\$1,453,434
Parkland and improvements	1,295,205	-	-	-	1,295,205
Work in progress	12,146,059	\$15,070,019	-	(\$9,268,494)	17,947,584
<b>Total capital assets not being depreciated</b>	<b>14,894,698</b>	<b>15,070,019</b>	<b>-</b>	<b>(9,268,494)</b>	<b>20,696,223</b>
<u>Capital assets being depreciated</u>					
Buildings, grounds & improvements	27,682,625	-	-	-	27,682,625
Furniture and equipment	1,957,042	157,763	(\$54,030)	-	2,060,775
Infrastructure	80,241,364	-	-	9,268,494	89,509,858
<b>Total capital assets being depreciated</b>	<b>109,881,031</b>	<b>157,763</b>	<b>(54,030)</b>	<b>9,268,494</b>	<b>119,253,258</b>
<u>Accumulated depreciation</u>					
Buildings, grounds & improvements	9,336,513	725,511	-	-	10,062,024
Furniture and equipment	1,399,848	123,692	(54,030)	-	1,469,510
Infrastructure	59,053,146	1,903,428	(1,095,066)	-	59,861,508
<b>Total accumulated depreciation</b>	<b>69,789,507</b>	<b>2,752,631</b>	<b>(1,149,096)</b>	<b>-</b>	<b>71,393,042</b>
<b>Net capital assets being depreciated</b>	<b>40,091,524</b>	<b>(2,594,868)</b>	<b>1,095,066</b>	<b>9,268,494</b>	<b>47,860,216</b>
<b>Total net capital assets</b>	<b>\$54,986,222</b>	<b>\$12,475,151</b>	<b>1,095,066</b>	<b>-</b>	<b>\$68,556,439</b>

**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

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

<b>Governmental Activities:</b>	
General government	\$320,536
Public safety	3,237
Highway and streets	1,903,428
Culture and recreation	406,079
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	118,488
Total depreciation expense - governmental activities	\$2,751,768

**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, 2017, the most significant general fund payable was the payable to the Contra Costa County Sheriff totaling \$285,324. The most significant major fund payable at June 30, 2017 was a \$1,319,226 payable to Bay Cities Paving & Grading from the Road Bonds 2016 Capital Fund for services performed on the Measure J & L Annual Pavement Rehabilitation project for the year ended June 30, 2017.

**3. E. Interfund Transfers**

Fund Making Transfer	Fund Receiving Transfers	Amount	
<b>Major Governmental Funds</b>	<b>Capital Projects Funds</b>		
General Fund	City Capital Projects Fund	\$2,000,000	<b>B</b>
	<b>Special Revenue Funds</b>		
	Road Stabilization Fund	500,000	<b>B</b>
	Special Assessment District M-11 Fund	56,548	<b>A</b>
	Special Assessment District M-9 Fund	1,427	<b>A</b>
	Special Assessment District L-42 Fund	1,630	<b>A</b>
<b>Non-Major Governmental Funds</b>			
Supplemental Law Enforcement Special Revenue Fund	General Fund	100,000	<b>C</b>
Wilder Community Facilities District Special Revenue Fund	General Fund	123,213	<b>D</b>
		\$2,782,818	

- A To finance program.
- B To fund Capital Projects
- C To cover costs of 0.5 full time equivalent police officer
- D To cover costs of 1.02 full time equivalent employee

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

**3. F. Long-Term Debt**

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

Type of Obligation	Original Issue Amount	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017	Current Portion
2015 Refunding Certificates of Participation, 2.0 to 4.0%, due 7/1/2035	\$7,945,000	\$7,945,000	-	(\$295,000)	\$7,650,000	\$300,000
Add: Unamortized Bond Premium		223,001	-	(10,619)	212,382	10,619
2014 General Obligation Bonds, Series A 2.0 to 4.0%, due 9/1/35	10,000,000	9,685,000	-	(1,065,000)	8,620,000	920,000
Add: Unamortized Bond Premium		336,046	-	(16,802)	319,244	16,802
2014 General Obligation Bonds, Series B 1.4% to 5.0%, due 9/1/37	10,000,000	-	\$10,000,000	-	10,000,000	-
Add: Unamortized Bond Premium		-	606,248	-	606,248	-
2016 General Obligation Bonds, Series A 1.4% to 4.0%, due 9/1/37	25,000,000	-	25,000,000	-	25,000,000	-
Add: Unamortized Bond Premium		-	2,302,678	(109,651)	2,193,027	-
<b>Total</b>		<u>\$18,189,047</u>	<u>\$37,908,926</u>	<u>\$ (1,497,072)</u>	<u>\$54,600,901</u>	<u>\$1,247,421</u>

Annual debt service requirements are shown below for all long-term debt:

**2015 Refunding Certificates of Participation**

In September 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 in 2035, the offices will belong to the City, thus, the offices are assets of the City as a "lease-purchase". Payments are made from the General Fund.

In July 2015, the City issued \$7,945,000 in 2015 Refunding Certificates of Participation with interest rates ranging from 2% to 5%. The proceeds were used to repay \$8,030,000 of the City's outstanding 2005 Certificates of Participation. The reacquisition price of the 2015 Bonds was less than the net carrying amount of the old debt by \$85,000. As result, total debt service payments over 20 years was reduced by \$1,135,690 and will obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$833,769.

**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

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**2015 Refunding Certificate of Participation**

	Principal	Interest
2018	\$300,000	\$259,044
2019	310,000	252,944
2020	315,000	245,119
2021	325,000	235,519
2022	335,000	225,619
2023-2027	1,850,000	949,620
2028-2032	2,160,000	617,466
2033-2036	2,055,000	168,700
Total	7,650,000	\$2,954,031
Premium, net of amortization	212,382	
	\$7,862,382	

**2014 General Obligation Bonds**

In March of 2015, the City issued General Obligation Bonds, Series 2014, in the amount of \$10,000,000. The Bonds are the first series of bonds to be issued from an aggregate authorized amount of \$20,000,000 duly approved by at least two-thirds of the voters voting on Measure J at an election held on June 3, 2014 to provide funds to repair failing roads and storm drains, restore and upgrade other roadways and storm drains, fix potholes, and improve safety on the City's public streets. The Bonds bear interest at 2.0% - 4.0% and are due semi-annually on March 1 and September 1 commencing September 2, 2015. Principal payments are due annually on September 1 through 2035.

	Principal	Interest
2018	\$920,000	\$260,362
2019	250,000	239,462
2020	260,000	234,362
2021	275,000	229,012
2022	290,000	221,912
2023-2027	1,780,000	933,360
2028-2032	2,405,000	584,410
2033-2036	2,440,000	167,337
Total	8,620,000	\$2,870,217
Premium, net of amortization	319,244	
	\$8,939,244	

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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**2014 General Obligation Bonds, Election of 2014, Series B**

In April of 2017, the City issued General Obligation Bonds, Election of 2014, Series B, in the amount of \$10,000,000. These Bonds are the second series of bonds to be issued from an aggregate authorized amount of \$20,000,000 of bonds duly approved by at least two-thirds of the voters voting on Measure J at an election held on June 3, 2014. The Bonds were issued to provide funds to repair failing roads and storm drains, restore and upgrade other roadways and storm drains, fix potholes and improve safety on the City's public streets. The Bonds bear interest at 1.4% - 5.0%. Interest payments are due semi-annually on March 1 and September 1 commencing September 1, 2017. Principal payments are due annually on September 1 through 2037.

	Principal	Interest
2018	-	\$135,575
2019	-	372,575
2020	\$175,000	372,575
2021	205,000	367,325
2022	240,000	359,125
2023-2027	1,710,000	1,635,425
2028-2032	2,425,000	1,207,475
2033-2036	3,915,000	734,138
2038	1,330,000	44,888
Total	10,000,000	\$5,229,101
Premium, net of amortization	606,248	
	\$10,606,248	

**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

**2016 General Obligation Bonds, Election of 2016, Series B**

In April of 2017, the City issued General Obligation Bonds, Election of 2016, Series B, in the amount of \$25,000,000. These Bonds are the first and only series of bonds to be issued in an aggregate authorized amount of \$25,000,000 of bonds duly approved by at least two-thirds of the voters voting on Measure L at an election held on June 7, 2016. The Bonds were issued to provide funds to repair failing roads and storm drains, restore and upgrade other roadways and storm drains, fix potholes and improve safety on the City's public streets. The Bonds bear interest at 1.4% - 4.0%. Interest payments are due semi-annually on March 1 and September 1 commencing September 1, 2017. Principal payments are due annually on September 1 through 2037.

**2016 Refunding General Obligation Bonds, Series A**

	Principal	Interest
2018	-	\$351,517
2019	\$1,225,000	966,000
2020	1,125,000	941,500
2021	515,000	907,750
2022	640,000	887,150
2023-2027	4,710,000	4,039,350
2028-2032	6,360,000	2,833,100
2033-2036	8,350,000	1,457,400
2038	2,075,000	83,000
Total	25,000,000	\$12,466,767
Premium, net of amortization	2,193,027	\$27,193,027

**3. G. Accrued Compensated Absences**

The accrued liability for compensated absences for the fiscal year ending June 30, 2017 was \$233,569 of this, \$46,714 or 20%, is considered a current liability, and the remaining \$186,855 is noncurrent.

Balance June 30, 2016	Additional	Reductions	Balance June 30, 2017	Estimated Current Portion
\$306,317	\$414,218	\$486,966	\$233,569	\$46,714

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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**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 contribution plans with the ICMA Retirement Corporation. The City makes bi-weekly contributions to a 401(a) plan for each regular employee and part time regular employees working a minimum of 20 hours per week. All contributions are by the City and are based on a percentage of base salary (7.5 – 13%), with vesting over a three year period, with the exception of those employees over 50 years old who are fully vested from the month of employment. The benefit terms are established by the City Council 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.

Balance at June 30, 2016	\$5,335,762
Contributions	450,409
Loans, net	9,415
Disbursements, net	(122,659)
Earnings	651,727
Balance at June 30, 2017	<u><u>\$6,324,654</u></u>

**Deferred compensation plan (Internal Revenue Code Section 457)**

For the fiscal year ended June 30, 2017, 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, thus have been excluded from these financial statements.

Balance at June 30, 2016	\$3,890,709
Contributions	255,247
Disbursements, net	(166,910)
Earnings (Loss)	469,701
Balance at June 30, 2017	<u><u>\$4,448,747</u></u>

**CITY OF ORINDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017**

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**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, 2017:

	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 Liability	1,000,000	100,000
Employment Liability	29,000,000	5,000
Auto-physical damage (Police Dept.)	2,000,000	50,000
Auto-physical damage (other)	250,000	3,000
Workers' compensation	250,000	2,000
	Statutory Limit	

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, 2017, the risk management fund had net position of \$342,171.

**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 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.

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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**Sinkhole**

During the major rain storm starting on or about January 7, 2017 an existing 84-inch diameter corrugated metal pipe storm drain under Miner Road failed, and a sink hole formed in the roadway above the point of failure. Miner road serves as a minor arterial and contains utility lines operated by other agencies, which were also damaged. The severity of the damage made the roadway impassable and traffic had to be rerouted. The City Council declared a State of Emergency on January 17, 2017 (Resolution No. 10-17), which was reaffirmed by subsequent resolutions.

The City immediately undertook emergency construction to restore the City roadway to service. As of June 30, 2017 approximately \$2.875 million had been expended and the roadway was reopened in July of 2017. The City Council adopted a Resolution proclaiming the termination of the Local State of Emergency on July 5, 2017 (Resolution 67-17).

The City has applied for funding from the Federal Highway Administration (FHWA) via Caltrans, the Federal Emergency Management Agency (FEMA), and the Governor's Office of Emergency Services (Cal OES). Although the initial applications to these agencies have been accepted, there are still many steps that still need to be worked through before the City will receive reimbursements from these agencies. Staff anticipates it may be months or even years before the eligible emergency relief funds will be recovered by the City. The City has also initiated exploration of possible insurance coverage for the loss. The City's deductible if there is deemed to be a covered loss would be \$500,000 and the maximum covered loss under the policy is \$2 million. The City expects that certain work associated with establishment of the right-of-way and processing the disaster relief documents will continue throughout the next fiscal year.

**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.

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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**4. E. New Accounting Pronouncements**

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended June 30, 2017.

GASB Statement No. 73 – In June 2015, GASB issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The provisions in statement 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. This statement had no impact on the City’s financial statements.

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. Statement No. 74 replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, statement 43, and statement No. 50, Pension Disclosures. The provisions in statement 74 are effective for fiscal years beginning after June 15, 2016. This statement had no impact on the City’s financial statements.

GASB Statement No. 77 – In August 2015, GASB issued Statement No. 77, Tax Abatement Disclosures. The objective of this statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. This statement is effective for reporting periods beginning after December 15, 2015. This Statement has no impact on the City’s financial statements.

GASB Statement No. 78 – In December 2015, the GASB issued Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. The objective of this Statement is to address a practice issue regarding the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to State or local governmental employers who employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. This Statement had no impact on the City’s financial statements.

GASB Statement No. 80 – In January 2016, the GASB issued Statement No. 80, Blending Requirements for Certain Component Unit—an amendment to GASB Statement No. 14. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of GASB Statement No. 14, The Financial Reporting Entity. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units – an amendment to GASB Statement No. 14. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016 and had no impact on the City’s financial statements.

**CITY OF ORINDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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GASB Statement No. 82 – In March 2016, the GASB issued Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to GASB Statement No. 67, Financial Reporting for Pension Plans—an amendment to GASB Statement No. 25, GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27, and GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes; and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement had no significant impact on the City's financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund  
For the year ended June 30, 2017

	Original Budget	Amended Budget	Actual	Variance
<b>Revenues</b>				
<b>Taxes</b>				
Property tax and assessments	\$4,523,605	\$4,595,605	\$4,656,163	\$60,558
Property tax in lieu of VLF	1,748,668	1,886,931	1,886,931	-
Sales tax	2,015,951	2,015,951	2,106,881	90,930
Franchise tax	1,040,300	1,040,300	1,118,568	78,268
Property transfer tax	220,000	220,000	262,260	42,260
Rent and interest	127,380	106,880	138,496	31,616
Unrealized loss on investments	-	-	(100,919)	(100,919)
<b>Recreation fees</b>				
Recreation class fees	1,326,000	1,326,000	1,104,148	(221,852)
OYA sports fees	357,000	357,000	301,703	(55,297)
Sports field rentals	459,000	459,000	454,788	(4,212)
Other	193,400	193,400	192,216	(1,184)
<b>Service fees</b>				
Vehicle and parking fines	115,000	115,000	95,347	(19,653)
Building inspection	684,500	684,500	719,606	35,106
Planning	314,700	314,700	320,065	5,365
Public works and engineering	124,440	124,440	103,885	(20,555)
Police	-	-	28,437	28,437
<b>Other agencies</b>				
Homeowners tax reimbursement	36,000	36,000	33,200	(2,800)
Miscellaneous	135,600	135,600	119,665	(15,935)
<b>Total revenues</b>	<u>13,421,544</u>	<u>13,611,307</u>	<u>13,541,440</u>	<u>(69,867)</u>
<b>Expenditures</b>				
City management/ policy and legal	1,269,735	1,271,735	1,248,381	23,354
Finance/ administrative services	827,489	874,488	728,704	145,784
Police services	4,726,903	4,760,903	4,112,216	648,687
Public works/ engineering	3,820,540	3,868,540	3,548,211	320,329
Parks and recreation	2,643,206	2,659,206	2,761,601	(102,395)
Planning	1,028,624	1,038,624	921,671	116,953
Interest	-	-	262,044	(262,044)
Principal payments on bonds	-	-	295,000	(295,000)
<b>Total expenditures</b>	<u>14,316,497</u>	<u>14,473,496</u>	<u>13,877,828</u>	<u>595,668</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(894,953)</u>	<u>(862,189)</u>	<u>(336,388)</u>	<u>525,801</u>
<b>Other financing sources (uses)</b>				
Transfers in	222,000	222,000	223,213	1,213
Transfers out	(576,133)	(2,566,723)	(2,559,605)	7,118
<b>Total other financing sources (uses)</b>	<u>(354,133)</u>	<u>(2,344,723)</u>	<u>(2,336,392)</u>	<u>8,331</u>
<b>Net changes in fund balance</b>	<u>(\$1,249,086)</u>	<u>(\$3,206,912)</u>	<u>(2,672,780)</u>	<u>\$534,132</u>
Fund balance - beginning of year, as adjusted			<u>9,611,395</u>	
Fund balance - end of year			<u>\$6,938,615</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Federal Grants Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Amended Budget	Actual	Variance
Revenues				
Grants	\$800,000	\$2,009,967	\$2,154,667	\$144,700
Total revenues	800,000	2,009,967	2,154,667	144,700
Expenditures				
Public works	-	2,009,967	2,154,667	(144,700)
Total expenditures	-	2,009,967	2,154,667	(144,700)
Excess (deficiency) of revenues over expenditures	800,000	-	-	-
Net changes in fund balance	<u>\$800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning of year			-	
Fund balance - end of year			<u>-</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Community Facilities Maintenance Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Amended Budget	Actual	Variance
Revenues				
Interest	\$4,200	\$4,200	\$11,133	\$6,933
Total revenues	4,200	4,200	11,133	6,933
Expenditures				
Parks and recreation	50,000	50,000	15,797	34,203
Total expenditures	50,000	50,000	15,797	34,203
Excess (deficiency) of revenues over expenditures	(45,800)	(45,800)	(4,664)	41,136
Other financing sources (uses)				
Transfer out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	<u>(\$45,800)</u>	<u>(\$45,800)</u>	(4,664)	<u>\$41,136</u>
Fund balance - beginning of year			1,517,640	
Fund balance - end of year			<u>\$1,512,976</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
CCTA Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Amended Budget	Actual	Variance
Revenues				
Rent and interest	-	-	\$1,640	\$1,640
State and local	-	-	-	-
CCTA Return to Source	\$588,060	\$877,500	716,427	(161,073)
Total revenues	588,060	877,500	718,067	(159,433)
Expenditures				
Public works and engineering	588,060	1,141,016	1,125,273	15,743
Total expenditures	588,060	1,141,016	1,125,273	15,743
Net changes in fund balance	-	(\$263,516)	(407,206)	(\$143,690)
Fund balance - beginning of year			684,932	
Fund balance - end of year			\$277,726	

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**OTHER SUPPLEMENTARY INFORMATION**

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
City Capital Projects Capital Project Fund  
For the year ended June 30, 2017

	Original Budget	Amended Budget	Actual	Variance
Expenditures				
Current:				
Capital improvement	-	-	\$522,288	(\$522,288)
Capital Outlay:				
Transportation infrastructure improvements	-	\$140,000	2,351,354	(2,211,354)
Total expenditures	-	140,000	2,873,642	(2,733,642)
Excess (deficiency) of revenues over expenditures	-	(140,000)	(2,873,642)	(2,733,642)
Other financing sources (uses)				
Transfer in	-	2,000,000	2,000,000	-
Total other financing sources (uses)	-	-	2,000,000	-
Net changes in fund balance	-	(\$140,000)	(873,642)	(\$2,733,642)
Fund balance - beginning of year			144,377	
Fund balance - end of year			(\$729,265)	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Road Bonds 2014 Capital Projects Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Interest	\$450	-	\$15,067	\$15,067
Miscellaneous	-	-	263,327	263,327
Total revenues	<u>450</u>	<u>-</u>	<u>278,394</u>	<u>278,394</u>
<b>Expenditures:</b>				
Current:				
Public works and engineering	-	-	67,918	(67,918)
Capital Outlay:				
Transportation infrastructure improvements	5,000,000	\$5,068,000	5,122,292	(54,292)
Total expenditures	<u>5,000,000</u>	<u>5,068,000</u>	<u>5,190,210</u>	<u>(122,210)</u>
Excess of revenues over expenditures	<u>(4,999,550)</u>	<u>(5,068,000)</u>	<u>(4,911,816)</u>	<u>156,184</u>
<b>Other financing sources:</b>				
Proceeds from long-term debt	-	-	10,000,000	10,000,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>10,000,000</u>
Net changes in fund balance	<u><u>(\$4,999,550)</u></u>	<u><u>(\$5,068,000)</u></u>	5,088,184	<u><u>\$10,156,184</u></u>
Fund balance at beginning of year			<u>5,063,634</u>	
Fund balance at end of year			<u><u>\$10,151,818</u></u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Road Bonds 2016 Capital Projects Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	-	\$450	\$62,289	\$61,839
Total revenues	-	450	62,289	61,839
Expenditures:				
Capital Outlay:				
Transportation infrastructure improvements	-	-	855,829	855,829
Total expenditures	-	-	855,829	(855,829)
Excess of revenues over expenditures		450	(793,540)	(793,990)
Other financing sources:				
Proceeds from long-term debt	-	10,000,000	25,000,000	15,000,000
Total other financing sources	-	10,000,000	25,000,000	15,000,000
Net changes in fund balance	-	<u>\$10,000,450</u>	24,206,460	<u>\$14,206,010</u>
Fund balance at beginning of year			-	
Fund balance at end of year			<u>\$24,206,460</u>	

**Combining and Individual Fund Financial Statements and Schedules**

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**CITY OF ORINDA, CALIFORNIA**  
**COMBINING FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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Fund	Description
<p>The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is comprised of the following:</p>	
General Purpose	Accounts for most discretionary resources except those that require separate accounting for local, state or federal reporting and accountability purposes. Primary sources of General Purpose Fund revenue include property tax, sales tax, franchise fees, parks and recreation fees, as well as transfers in from other funds for eligible uses.
Measure L Sales Tax	Accounts for all revenue received from the add-on sales tax (Measure L) and the expenses as appropriated through the budget process.

CITY OF ORINDA  
Combining Balance Sheet  
General Fund  
June 30, 2017

	General Purpose	Measure L Sales Tax	Total
<u>ASSETS</u>			
Cash, cash equivalents and investments	\$5,798,783	\$361,460	\$6,160,243
Accounts receivable	532,375	164,200	696,575
Accrued interest receivable	42,469	199	42,668
Prepaid items and deposits	98,306	-	98,306
Due from other funds	1,416,945	-	1,416,945
	<u>1,416,945</u>	<u>-</u>	<u>1,416,945</u>
Total assets	<u>\$7,888,878</u>	<u>\$525,859</u>	<u>\$8,414,737</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable and accrued liabilities	\$800,321	\$97,924	\$898,245
Other current liabilities	233,569	-	233,569
Unearned revenue	302,983	-	302,983
Planning and engineering deposits	41,325	-	41,325
	<u>41,325</u>	<u>-</u>	<u>41,325</u>
Total Liabilities	<u>1,378,198</u>	<u>97,924</u>	<u>1,476,122</u>
Fund balances:			
Nonspendable	98,306	-	98,306
Committed	5,532,561	-	5,532,561
Assigned	267,603	427,935	695,538
Unassigned	612,210	-	612,210
	<u>612,210</u>	<u>-</u>	<u>612,210</u>
Total fund balances	<u>6,510,680</u>	<u>427,935</u>	<u>6,938,615</u>
Total liabilities and fund balance	<u>\$7,888,878</u>	<u>\$525,859</u>	<u>\$8,414,737</u>

CITY OF ORINDA  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
General Fund  
For the year ended June 30, 2017

	General Purpose	Measure L Sales Tax	Total
<b>Revenues</b>			
Taxes			
Property tax and assessments	\$6,543,094	-	\$6,543,094
Sales tax	1,029,667	\$1,077,214	2,106,881
Franchise tax	1,118,568	-	1,118,568
Property transfer tax	262,260	-	262,260
Rent and interest	133,229	5,267	138,496
Unrealized loss on investments	(100,919)	-	(100,919)
Recreation fees			
Recreation class fees	1,104,148	-	1,104,148
OYA sports fees	301,703	-	301,703
Sports field rentals	454,788	-	454,788
Other	192,216	-	192,216
Service fees			
Vehicle fees and parking fines	95,347	-	95,347
Building inspection	719,606	-	719,606
Planning	320,065	-	320,065
Public works and engineering	103,885	-	103,885
Police	10,882	-	10,882
Other agencies			
Homeowners tax reimbursement	33,200	-	33,200
Vehicle licenses fees	8,399	-	8,399
Vehicle abatement	9,156	-	9,156
Miscellaneous	119,665	-	119,665
<b>Total Revenues</b>	<b>12,458,959</b>	<b>1,082,481</b>	<b>13,541,440</b>
<b>Expenditures</b>			
Current:			
City management	573,468	-	573,468
City attorney	440,664	-	440,664
City clerk	234,249	-	234,249
Administrative services	728,704	-	728,704
Parks and recreation	2,761,601	-	2,761,601
Public works and engineering	1,526,748	2,021,463	3,548,211
Police services	4,112,216	-	4,112,216
Planning	921,671	-	921,671
Debt Service:			
Interest	262,044	-	262,044
Principal payments on bonds	295,000	-	295,000
<b>Total Expenditures</b>	<b>11,856,365</b>	<b>2,021,463</b>	<b>13,877,828</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>602,594</b>	<b>(938,982)</b>	<b>(336,388)</b>
<b>Other financing sources (uses):</b>			
Transfers in	223,213	-	223,213
Transfers out	(2,559,605)	-	(2,559,605)
<b>Total other financing sources (uses)</b>	<b>(2,336,392)</b>	<b>-</b>	<b>(2,336,392)</b>
<b>Net changes in fund balance</b>	<b>(1,733,798)</b>	<b>(938,982)</b>	<b>(2,672,780)</b>
Fund balance - beginning of year, as adjusted	8,244,478	1,366,917	9,611,395
Fund balance - end of year	<u>\$6,510,680</u>	<u>\$427,935</u>	<u>\$6,938,615</u>

CITY OF ORINDA  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund  
For the year ended June 30, 2017

	General Purpose			
	Original Budget	Amended Budget	Actual	Variance
<b>Revenues</b>				
Taxes				
Property tax and assessments	\$4,523,605	\$4,595,605	\$4,656,163	\$60,558
Property tax in lieu of VLF	1,748,668	1,886,931	1,886,931	-
Sales tax	1,065,951	1,065,951	1,029,667	(36,284)
Franchise tax	1,040,300	1,040,300	1,118,568	78,268
Property transfer tax	220,000	220,000	262,260	42,260
Rent and interest	127,380	106,880	133,229	26,349
Unrealized loss on investments	-	-	(100,919)	(100,919)
Recreation fees				
Recreation class fees	1,326,000	1,326,000	1,104,148	(221,852)
OYA sports fees	357,000	357,000	301,703	(55,297)
Sports field rentals	459,000	459,000	454,788	(4,212)
Other	193,400	193,400	192,216	(\$1,184)
Service fees				
Vehicle and parking fines	115,000	115,000	95,347	(19,653)
Building inspection	684,500	684,500	719,606	35,106
Planning	314,700	314,700	320,065	5,365
Public works and engineering	124,440	124,440	103,885	(20,555)
Police	-	-	28,437	28,437
Other agencies				
Homeowners tax reimbursement	36,000	36,000	33,200	(2,800)
Miscellaneous	135,600	135,600	119,665	(15,935)
<b>Total revenues</b>	<b>12,471,544</b>	<b>12,661,307</b>	<b>12,458,959</b>	<b>(202,348)</b>
<b>Expenditures</b>				
City management/ policy and legal	1,269,735	1,271,735	1,014,132	257,603
Finance/ administrative services	827,489	874,488	962,953	(88,465)
Police services	4,726,903	4,760,903	4,112,216	648,687
Public works/ engineering	1,678,540	1,726,540	1,526,748	199,792
Parks and recreation	2,643,206	2,659,206	2,761,601	(102,395)
Planning	1,028,624	1,038,624	921,671	116,953
Interest	-	-	262,044	(262,044)
Principal payments on bonds	-	-	295,000	(295,000)
<b>Total expenditures</b>	<b>12,174,497</b>	<b>12,331,496</b>	<b>11,856,365</b>	<b>475,131</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>297,047</b>	<b>329,811</b>	<b>602,594</b>	<b>272,783</b>
<b>Other financing sources (uses)</b>				
Transfers in	222,000	222,000	223,213	1,213
Transfers out	(576,133)	(2,566,723)	(2,559,605)	7,118
<b>Total Other Financing Sources (Uses)</b>	<b>(354,133)</b>	<b>(2,344,723)</b>	<b>(2,336,392)</b>	<b>8,331</b>
<b>Net changes in fund balance</b>	<b>(\$57,086)</b>	<b>(\$2,014,912)</b>	<b>(1,733,798)</b>	<b>\$281,114</b>
Fund balance - beginning of year, as adjusted (Note 1C)			8,244,478	
Fund balance - end of year			<u>\$6,510,680</u>	

Measure L Sales Tax				Total			
Original Budget	Amended Budget	Actual	Variance	Original Budget	Amended Budget	Actual	Variance
-	-	-	-	\$4,523,605	\$4,595,605	\$4,656,163	\$60,558
-	-	-	-	1,748,668	1,886,931	1,886,931	-
\$950,000	\$950,000	\$1,077,214	\$127,214	2,015,951	2,015,951	2,106,881	90,930
-	-	-	-	1,040,300	1,040,300	1,118,568	78,268
-	-	-	-	220,000	220,000	262,260	42,260
-	-	5,267	5,267	127,380	106,880	138,496	31,616
-	-	-	-	-	-	(100,919)	(100,919)
-	-	-	-	1,326,000	1,326,000	1,104,148	(221,852)
-	-	-	-	357,000	357,000	301,703	(55,297)
-	-	-	-	459,000	459,000	454,788	(4,212)
-	-	-	-	193,400	193,400	192,216	(1,184)
-	-	-	-	-	-	-	-
-	-	-	-	115,000	115,000	95,347	(19,653)
-	-	-	-	684,500	684,500	719,606	35,106
-	-	-	-	314,700	314,700	320,065	5,365
-	-	-	-	124,440	124,440	103,885	(20,555)
-	-	-	-	-	-	28,437	28,437
-	-	-	-	36,000	36,000	33,200	(2,800)
-	-	-	-	135,600	135,600	119,665	(15,935)
<u>950,000</u>	<u>950,000</u>	<u>1,082,481</u>	<u>132,481</u>	<u>13,421,544</u>	<u>13,611,307</u>	<u>13,541,440</u>	<u>(69,867)</u>
-	-	-	-	1,269,735	1,271,735	1,014,132	257,603
-	-	-	-	827,489	874,488	962,953	(88,465)
-	-	-	-	4,726,903	4,760,903	4,112,216	648,687
2,142,000	2,142,000	2,021,463	120,537	3,820,540	3,868,540	3,548,211	320,329
-	-	-	-	2,643,206	2,659,206	2,761,601	(102,395)
-	-	-	-	1,028,624	1,038,624	921,671	116,953
-	-	-	-	-	-	262,044	(262,044)
-	-	-	-	-	-	295,000	(295,000)
<u>2,142,000</u>	<u>2,142,000</u>	<u>2,021,463</u>	<u>120,537</u>	<u>14,316,497</u>	<u>14,473,496</u>	<u>13,877,828</u>	<u>595,668</u>
<u>(1,192,000)</u>	<u>(1,192,000)</u>	<u>(938,982)</u>	<u>253,018</u>	<u>(894,953)</u>	<u>(862,189)</u>	<u>(336,388)</u>	<u>525,801</u>
-	-	-	-	222,000	222,000	223,213	1,213
-	-	-	-	(576,133)	(2,566,723)	(2,559,605)	7,118
-	-	-	-	(354,133)	(2,344,723)	(2,336,392)	8,331
<u>(\$1,192,000)</u>	<u>(\$1,192,000)</u>	<u>(938,982)</u>	<u>\$253,018</u>	<u>(\$1,249,086)</u>	<u>(\$3,206,912)</u>	<u>(2,672,780)</u>	<u>\$534,132</u>
		<u>1,366,917</u>				<u>9,611,395</u>	
		<u>\$427,935</u>				<u>\$6,938,615</u>	

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**CITY OF ORINDA, CALIFORNIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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Fund	Description
<b>SPECIAL REVENUE FUNDS:</b>	
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 at 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	Accounts 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.
Assessment 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.

**CITY OF ORINDA, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED JUNE 30, 2017**

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Fund	Description
Wilder Community Facilities District (CFD)	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.
Affordable Housing	Accounts for costs associated with monitoring the City's affordable housing.
TDA Grants	Accounts for State grant monies focused on projects addressing construction of pedestrian and bicycle improvements, including master plans and education programs.
<b>DEBT SERVICE FUNDS:</b>	
Road Bonds 2014 Debt Service	Accounts for the collection of tax proceeds and the payment of debt service for the 2014 General Obligation Bonds.
Road Bonds 2016 Debt Service	Accounts for the collection of tax proceeds and the payment of debt service for the 2016 General Obligation Bonds.
<b>CAPITAL PROJECTS FUNDS</b>	
Oaksprings Assessment District Improvements	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.
Other Grants	Accounts for the grant revenue received from BART for improving access ramps.

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CITY OF ORINDA  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2017

	<u>Special Revenue Funds</u>				
	<u>Gas Tax</u>	<u>Transportation Impact</u>	<u>Drainage Impact</u>	<u>Library</u>	<u>Park Dedication</u>
<u>ASSETS</u>					
Cash, cash equivalents and investments	\$601,201	\$1,285,843	\$835,495	\$277,172	\$808,885
Restricted cash	-	-	-	-	-
Accounts receivable	35,796	-	-	-	-
Accrued interest receivable	271	709	461	162	446
Prepaid items	-	-	-	-	-
Total assets	<u>\$637,268</u>	<u>\$1,286,552</u>	<u>\$835,956</u>	<u>\$277,334</u>	<u>\$809,331</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Accounts payable and accrued liabilities	\$27,410	\$33,677	\$12,312	\$60,439	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>27,410</u>	<u>33,677</u>	<u>12,312</u>	<u>60,439</u>	<u>-</u>
Fund balance					
Nonspendable	-	-	-	-	-
Restricted	609,858	1,252,875	823,644	216,895	\$809,331
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balance	<u>609,858</u>	<u>1,252,875</u>	<u>823,644</u>	<u>216,895</u>	<u>809,331</u>
Total liabilities and fund balance	<u>\$637,268</u>	<u>\$1,286,552</u>	<u>\$835,956</u>	<u>\$277,334</u>	<u>\$809,331</u>

**Special Revenue Funds**

<u>Tree Mitigation</u>	<u>Recycling</u>	<u>Supplemental Law Enforcement (S.L.E.S.)</u>	<u>District L-42</u>	<u>District M-9</u>	<u>District M-11</u>
\$8,323	\$20,238	\$40,140	\$428	\$1,441	\$7,300
-	-	-	-	-	-
-	-	-	-	-	-
5	11	-	-	-	1
-	-	-	-	-	452
<u>\$8,328</u>	<u>\$20,249</u>	<u>\$40,140</u>	<u>\$428</u>	<u>\$1,441</u>	<u>\$7,753</u>
-	-	-	\$427	\$1,441	\$7,753
-	-	-	-	-	-
-	-	-	427	1,441	7,753
-	-	-	-	-	452
\$8,328	\$20,249	\$40,140	1	-	-
-	-	-	-	-	(452)
<u>8,328</u>	<u>20,249</u>	<u>40,140</u>	<u>1</u>	<u>-</u>	<u>-</u>
<u>\$8,328</u>	<u>\$20,249</u>	<u>\$40,140</u>	<u>\$428</u>	<u>\$1,441</u>	<u>\$7,753</u>

(Continued)

CITY OF ORINDA  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2017

	<u>Special Revenue Funds</u>				<u>Debt Service Fund</u>
	<u>Wilder CFD</u>	<u>Stormwater</u>	<u>Affordable Housing</u>	<u>TDA Grants</u>	<u>Road Bonds 2014</u>
<b><u>ASSETS</u></b>					
Cash and cash equivalents	-	-	\$135,914	-	-
Restricted cash	-	-	-	-	\$1,698,242
Accounts receivable	\$322,371	\$114,704	-	-	-
Accrued interest receivable	-	-	75	-	655
Prepaid items	813	3,166	-	-	-
<b>Total assets</b>	<b><u>\$323,184</u></b>	<b><u>\$117,870</u></b>	<b><u>\$135,989</u></b>	<b><u>-</u></b>	<b><u>\$1,698,897</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Accounts payable and accrued liabilities	\$31,782	\$12,019	-	-	-
Due to other funds	71,159	32,620	-	-	-
<b>Total liabilities</b>	<b><u>102,941</u></b>	<b><u>44,639</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund balance					
Nonspendable	813	3,166	-	-	-
Restricted	219,430	70,065	\$135,989	-	\$1,698,897
Committed					
Unassigned	-	-	-	-	-
<b>Total fund balance</b>	<b><u>220,243</u></b>	<b><u>73,231</u></b>	<b><u>135,989</u></b>	<b><u>-</u></b>	<b><u>1,698,897</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$323,184</u></b>	<b><u>\$117,870</u></b>	<b><u>\$135,989</u></b>	<b><u>-</u></b>	<b><u>\$1,698,897</u></b>

Debt Service Fund	Capital Projects Funds					
Road Bonds 2016	Oaksprings Assessments District Improvements	State Grants	Other Grants	Road Stabilization	Total	
-	\$142,770	-	\$220,411	\$1,197,262	\$5,582,823	
\$2,066,437	-	-	-	-	3,764,679	
-	-	-	-	-	472,871	
1,442	79	-	-	522	4,839	
-	-	-	-	-	4,431	
<u>\$2,067,879</u>	<u>\$142,849</u>	<u>-</u>	<u>\$220,411</u>	<u>\$1,197,784</u>	<u>\$9,829,643</u>	
						0
-	-	-	-	\$1,521	\$188,781	
-	-	-	-	-	103,779	
-	-	-	-	1,521	292,560	
-	-	-	-		4,431	
\$2,067,879	\$142,849	-	\$220,411		8,336,841	
-	-	-	-	1,196,263	1,196,263	
-	-	-	-		(452)	
<u>2,067,879</u>	<u>142,849</u>	<u>-</u>	<u>220,411</u>	<u>1,196,263</u>	<u>9,537,083</u>	
<u>\$2,067,879</u>	<u>\$142,849</u>	<u>-</u>	<u>\$220,411</u>	<u>\$1,197,784</u>	<u>\$9,829,643</u>	

CITY OF ORINDA  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the year ended June 30, 2017

	<u>Special Revenue Funds</u>				
	<u>Gas Tax</u>	<u>Transportation Impact</u>	<u>Drainage Impact</u>	<u>Library</u>	<u>Park Dedication</u>
<b>Revenues</b>					
Property tax and assessments	-	-	-	\$311,532	-
Interest	\$3,381	\$9,355	\$5,744	1,737	\$5,483
Gasoline tax	369,475	-	-	-	-
State and local grants	-	-	-	-	-
Development impact fees	-	154,459	349,980	-	135,183
C.O.P.S. - State AB 3229	-	-	-	-	-
NPDES revenue	-	-	-	-	-
Miscellaneous	-	-	-	-	8,000
Total revenue	<u>372,856</u>	<u>163,814</u>	<u>355,724</u>	<u>313,269</u>	<u>148,666</u>
<b>Expenditures</b>					
Administrative services	-	-	-	-	-
Public works and engineering	-	-	-	-	-
Planning	-	-	-	-	-
Landscaping and street maintenance	-	-	-	-	-
Library services	-	-	-	299,905	-
Transportation infrastructure improvements	315,631	95,318	348,417	-	-
Capital projects	-	-	-	-	45,848
Debt service:	-	-	-	-	-
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>315,631</u>	<u>95,318</u>	<u>348,417</u>	<u>299,905</u>	<u>45,848</u>
Excess (deficiency) of revenues over expenditures	57,225	68,496	7,307	13,364	102,818
Bonds issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfer out	-	-	-	-	-
Net transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	57,225	68,496	7,307	13,364	102,818
Fund balances at beginning of year	<u>552,633</u>	<u>1,184,379</u>	<u>816,337</u>	<u>203,531</u>	<u>706,513</u>
Fund balances at end of year	<u>\$609,858</u>	<u>\$1,252,875</u>	<u>\$823,644</u>	<u>\$216,895</u>	<u>\$809,331</u>

**Special Revenue Funds**

Tree Mitigation	Recycling	Supplemental Law Enforcement (S.L.E.S.)	District L-42	District M-9	District M-11
-	-	-	\$6,787	\$10,681	\$37,762
\$79	\$72	-	-	0	1
-	-	-	-	-	-
-	5,044	-	-	-	-
5,284	-	-	-	-	-
-	-	\$100,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,363	5,116	100,000	6,787	10,681	37,763
-	-	-	-	-	-
-	-	-	-	-	-
7,592	-	-	8,416	12,108	94,311
-	-	-	-	-	-
-	-	-	-	-	-
6,831	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,423	-	-	8,416	12,108	94,311
(9,060)	5,116	100,000	(1,629)	(1,427)	(56,548)
-	-	-	-	-	-
-	-	-	1,630	1,427	56,548
-	-	(100,000)	-	-	-
-	-	(100,000)	1,630	1,427	56,548
(9,060)	5,116	-	1	-	-
17,388	15,133	40,140	-	-	-
\$8,328	\$20,249	\$40,140	\$1	-	-

(Continued)

CITY OF ORINDA  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the year ended June 30, 2017

	Special Revenue Funds				Debt Service Funds
	Wilder CFD	Stormwater	Affordable Housing	TDA Grants	Road Bonds 2014
<b>Revenues</b>					
Property tax and assessments	\$322,371	-	-	-	\$1,105,499
Interest	(76)	\$201	\$1,005	-	5,243
Gasoline tax	-	-	-	-	-
State grant	-	-	-	\$67,640	-
Development impact fees	-	-	-	-	-
C.O.P.S. - State AB 3229	-	-	-	-	-
NPDES revenue	-	283,841	-	-	-
Miscellaneous	-	-	-	-	-
Total revenue	<u>322,295</u>	<u>284,042</u>	<u>1,005</u>	<u>67,640</u>	<u>1,110,742</u>
<b>Expenditures</b>					
Administrative services	-	-	-	-	1,563
Public works and engineering	-	386,230	1,872	67,640	-
Planning	-	-	640	-	-
Landscaping and street maintenance	217,089	-	-	-	-
Library services	-	-	-	-	-
Transportation infrastructure improvements	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service:					
Principal Payment	-	-	-	-	1,065,000
Interest and fiscal charges	-	-	-	-	394,833
Total expenditures	<u>217,089</u>	<u>386,230</u>	<u>2,512</u>	<u>67,640</u>	<u>1,461,396</u>
Excess (deficiency) of revenues over expenditure	105,206	(102,188)	(1,507)	-	(350,654)
Bonds issued	-	-	-	-	606,248
Transfers in	-	-	-	-	-
Transfer out	(123,213)	-	-	-	-
Net transfers in (out)	<u>(123,213)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>606,248</u>
Net changes in fund balance	(18,007)	(102,188)	(1,507)	-	255,594
Fund balances at beginning of year	<u>238,250</u>	<u>175,419</u>	<u>137,496</u>	<u>-</u>	<u>1,443,303</u>
Fund balances at end of year	<u>\$220,243</u>	<u>\$73,231</u>	<u>\$135,989</u>	<u>-</u>	<u>\$1,698,897</u>

Debt Service Funds	Capital Projects Funds				
Road Bonds 2016	Oaksprings Assessments District Improvements	State Grants	Other Grants	Road Stabilization	Total
-	-	-	-	-	\$1,794,632
\$4,640	\$1,044	-	\$1,348	\$6,609	45,866
-	-	-	-	-	369,475
-	-	-	-	-	72,684
-	-	-	-	-	644,906
-	-	-	-	-	100,000
-	-	-	-	-	283,841
-	-	-	-	-	8,000
4,640	1,044	-	1,348	6,609	3,319,404
37,494	-	-	-	-	39,057
-	-	-	-	21,080	476,822
-	-	-	-	-	640
-	-	-	-	-	339,516
-	-	-	-	-	299,905
-	-	-	-	-	759,366
-	-	-	25,050	0	77,729
-	-	-	-	-	0
201,945	-	-	-	-	1,065,000
239,439	-	-	25,050	21,080	596,778
239,439	-	-	25,050	21,080	3,654,813
(234,799)	1,044	-	(23,702)	(14,471)	(335,409)
2,302,678	-	-	-	-	0
-	-	-	-	-	2,908,926
-	-	-	-	500,000	559,605
-	-	-	-	-	(223,213)
2,302,678	-	-	-	500,000	3,245,318
2,067,879	1,044	-	(23,702)	485,529	2,909,909
-	141,805	-	244,113	710,734	6,627,174
\$2,067,879	\$142,849	-	\$220,411	\$1,196,263	\$9,537,083

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Gas Tax Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Amended Budget	Actual	Variance
Revenues				
Gas tax	\$400,000	\$400,000	\$369,475	(\$30,525)
Interest	-	-	3,381	3,381
Miscellaneous	-	-	-	-
Total revenue	<u>400,000</u>	<u>400,000</u>	<u>372,856</u>	<u>(27,144)</u>
Expenditures				
Public works	400,000	485,000	315,631	169,369
Total expenditures	<u>400,000</u>	<u>485,000</u>	<u>315,631</u>	<u>169,369</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(85,000)</u>	<u>57,225</u>	<u>142,225</u>
Net changes in fund balance	<u>-</u>	<u>(\$85,000)</u>	<u>57,225</u>	<u>\$142,225</u>
Fund balance at beginning of year			<u>552,633</u>	
Fund balance at end of year			<u>\$609,858</u>	

CITY OF ORINDA  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
 Transportation Impact Special Revenue Fund  
 For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Development impact fees	\$50,000	\$55,000	\$154,459	\$99,459
Interest	-	-	9,355	9,355
<b>Total revenues</b>	<u>50,000</u>	<u>55,000</u>	<u>163,814</u>	<u>108,814</u>
<b>Expenditures:</b>				
Transportation infrastructure improvement	247,870	357,578	95,318	262,260
<b>Total expenditures</b>	<u>247,870</u>	<u>357,578</u>	<u>95,318</u>	<u>262,260</u>
<b>Net changes in fund balance</b>	<u>(\$197,870)</u>	<u>(\$302,578)</u>	68,496	<u>\$371,074</u>
Fund balance at beginning of year			<u>1,184,379</u>	
Fund balance at end of year			<u>\$1,252,875</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Drainage Impact Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Development impact fees	\$125,000	\$175,000	\$349,980	\$174,980
Interest	-	-	5,744	5,744
Total revenues	<u>125,000</u>	<u>175,000</u>	<u>355,724</u>	<u>180,724</u>
Expenditures:				
Transportation infrastructure improvement	<u>150,000</u>	<u>648,190</u>	<u>348,417</u>	<u>299,773</u>
Total expenditures	<u>150,000</u>	<u>648,190</u>	<u>348,417</u>	<u>299,773</u>
Net changes in fund balance	<u>(\$25,000)</u>	<u>(\$473,190)</u>	7,307	<u>\$480,497</u>
Fund balance at beginning of year			<u>816,337</u>	
Fund balance at end of year			<u>\$823,644</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Library Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax and assessments	\$318,500	\$311,000	\$311,532	\$532
Interest	-	500	1,737	1,237
Total revenues	<u>318,500</u>	<u>311,500</u>	<u>313,269</u>	<u>1,769</u>
Expenditures:				
Library services	<u>331,764</u>	<u>444,516</u>	<u>299,905</u>	<u>144,611</u>
Total expenditures	<u>331,764</u>	<u>444,516</u>	<u>299,905</u>	<u>144,611</u>
Excess (deficiency) of revenues over expenditures	<u>(13,264)</u>	<u>(133,016)</u>	<u>13,364</u>	<u>146,380</u>
Net changes in fund balance	<u><u>(\$13,264)</u></u>	<u><u>(\$133,016)</u></u>	<u>13,364</u>	<u><u>\$146,380</u></u>
Fund balance at beginning of year			<u>203,531</u>	
Fund balance at end of year			<u><u>\$216,895</u></u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Park Dedication Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Interest	-	-	\$5,483	\$5,483
Development impact fees	\$69,000	\$85,000	135,183	50,183
Miscellaneous	-	-	8,000	8,000
<b>Total revenues</b>	<u>69,000</u>	<u>85,000</u>	<u>148,666</u>	<u>63,666</u>
<b>Expenditures:</b>				
Capital projects	125,000	234,912	45,848	189,064
<b>Total expenditures</b>	<u>125,000</u>	<u>234,912</u>	<u>45,848</u>	<u>189,064</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(56,000)</u>	<u>(149,912)</u>	<u>102,818</u>	<u>252,730</u>
<b>Net changes in fund balance</b>	<u><u>(\$56,000)</u></u>	<u><u>(\$149,912)</u></u>	<u>102,818</u>	<u><u>\$252,730</u></u>
Fund balance at beginning of year			<u>706,513</u>	
Fund balance at end of year			<u><u>\$809,331</u></u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Tree Mitigation Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Interest	-	-	\$79	\$79
Fees	\$130	\$130	5,284	5,154
<b>Total revenues</b>	<b>130</b>	<b>130</b>	<b>5,363</b>	<b>5,233</b>
<b>Expenditures:</b>				
Landscaping and street maintenance	-	25,000	14,423	10,577
<b>Total expenditures</b>	<b>-</b>	<b>25,000</b>	<b>14,423</b>	<b>10,577</b>
<b>Net changes in fund balance</b>	<b>\$130</b>	<b>(\$24,870)</b>	<b>(9,060)</b>	<b>\$15,810</b>
<b>Fund balance at beginning of year</b>			<b>17,388</b>	
<b>Fund balance at end of year</b>			<b>\$8,328</b>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Recycling Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
State and local	-	-	\$5,044	\$5,044
Interest	-	-	72	72
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>5,116</b>	<b>5,116</b>
<b>Expenditures:</b>				
Landscaping and street maintenance	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>-</b>	<b>-</b>	<b>5,116</b>	<b>\$5,116</b>
Fund balance at beginning of year			15,133	
Fund balance at end of year			\$20,249	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Supplemental Law Enforcement (S.L.E.S.F.) Special Revenue Fund  
For the year ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
C.O.P.S. - State AB 3229	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>-</u>
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Other financing sources (uses):				
Transfers (out)	<u>100,000</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>100,000</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net changes in fund balance	<u><u>\$200,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund balance at beginning of year			<u>40,140</u>	
Fund balance at end of year			<u><u>\$40,140</u></u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Assessment District L-42 Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property tax and assessments	\$6,236	\$6,236	\$6,787	\$551
Interest	-	-	-	-
Total revenues	<u>6,236</u>	<u>6,236</u>	<u>6,787</u>	<u>551</u>
<b>Expenditures:</b>				
Landscaping and street maintenance	<u>6,266</u>	<u>6,266</u>	<u>8,416</u>	<u>(2,150)</u>
Total expenditures	<u>6,266</u>	<u>6,266</u>	<u>8,416</u>	<u>(2,150)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	<u>1,630</u>	<u>1,630</u>
Total other financing sources (uses)	-	-	<u>1,630</u>	<u>1,630</u>
Net changes in fund balance	<u>(\$30)</u>	<u>(\$30)</u>	1	<u>\$31</u>
Fund balance at beginning of year			-	
Fund balance at end of year			<u>\$1</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Assessment District M-9 Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property tax and assessments	\$9,636	\$9,636	\$10,681	\$1,045
Interest	-	-	-	-
Total revenues	<u>9,636</u>	<u>9,636</u>	<u>10,681</u>	<u>1,045</u>
<b>Expenditures:</b>				
Landscaping and street maintenance	<u>9,629</u>	<u>9,666</u>	<u>12,108</u>	<u>(2,442)</u>
Total expenditures	<u>9,629</u>	<u>9,666</u>	<u>12,108</u>	<u>(2,442)</u>
<b>Other financing sources:</b>				
Transfers in	-	-	<u>1,427</u>	<u>1,427</u>
Total other financing sources	-	-	<u>1,427</u>	<u>1,427</u>
Net changes in fund balance	<u>\$7</u>	<u>(\$30)</u>	-	<u>\$30</u>
Fund balance at beginning of year			-	
Fund balance at end of year			<u>-</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Assessment District M-11 Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property tax and assessments	-	-	\$37,762	\$37,762
Rent and interest	\$36,623	\$36,623	1	(36,622)
<b>Total revenues</b>	<u>36,623</u>	<u>36,623</u>	<u>37,763</u>	<u>1,140</u>
<b>Expenditures:</b>				
Landscaping and street maintenance	85,699	87,019	94,311	(7,292)
<b>Total expenditures</b>	<u>85,699</u>	<u>87,019</u>	<u>94,311</u>	<u>(7,292)</u>
<b>Excess of revenues over expenditures</b>	<u>(49,076)</u>	<u>(50,396)</u>	<u>(56,548)</u>	<u>(6,152)</u>
<b>Other financing sources:</b>				
Transfers in	50,396	50,396	56,548	6,152
<b>Total other financing sources</b>	<u>50,396</u>	<u>50,396</u>	<u>56,548</u>	<u>6,152</u>
<b>Net changes in fund balance</b>	<u>\$1,320</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year			-	
Fund balance at end of year			<u>-</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Wilder CFD Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property tax and assessments	\$313,344	\$314,344	\$322,371	\$8,027
Interest	-	-	(76)	(76)
Miscellaneous	-	-	-	-
Total revenues	<u>313,344</u>	<u>314,344</u>	<u>322,295</u>	<u>7,951</u>
<b>Expenditures:</b>				
Landscaping and street maintenance	313,344	314,344	217,089	97,255
Total expenditures	<u>313,344</u>	<u>314,344</u>	<u>217,089</u>	<u>97,255</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>105,206</u>	<u>105,206</u>
<b>Other financing sources:</b>				
Transfers in	-	-	-	-
Transfers out	-	(121,891)	(123,213)	(1,322)
Total other financing sources	<u>-</u>	<u>(121,891)</u>	<u>(123,213)</u>	<u>(1,322)</u>
Net changes in fund balance	<u>-</u>	<u>(\$121,891)</u>	<u>(18,007)</u>	<u>\$103,884</u>
Fund balance at beginning of year			<u>238,250</u>	
Fund balance at end of year			<u>\$220,243</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Stormwater Special Revenue Fund  
For the year ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	-	-	\$201	\$201
NPEDES revenue	\$322,500	\$322,500	283,841	(38,659)
Total revenues	<u>322,500</u>	<u>322,500</u>	<u>284,042</u>	<u>(38,458)</u>
Expenditures:				
Public works and engineering	<u>370,618</u>	<u>386,396</u>	<u>386,230</u>	<u>166</u>
Total expenditures	<u>370,618</u>	<u>386,396</u>	<u>386,230</u>	<u>166</u>
Net changes in fund balance	<u>(\$48,118)</u>	<u>(\$63,896)</u>	(102,188)	<u>(\$38,292)</u>
Fund balance at beginning of year			<u>175,419</u>	
Fund balance at end of year			<u>\$73,231</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Affordable Housing Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Interest	-	-	\$1,005	\$1,005
Miscellaneous charges	-	-	-	-
Total Revenues	-	-	1,005	1,005
<b>Expenditures:</b>				
<b>Current:</b>				
Public works and engineering	-	-	1,872	(1,872)
Planning	\$2,000	\$2,000	640	1,360
Total expenditures	2,000	2,000	2,512	(512)
Excess of revenues over expenditures	(2,000)	(2,000)	(1,507)	493
<b>Other financing sources:</b>				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net changes in fund balance	<u>(\$2,000)</u>	<u>(\$2,000)</u>	(1,507)	<u>\$493</u>
Fund balance at beginning of year			<u>137,496</u>	
Fund balance at end of year			<u><u>\$135,989</u></u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
TDA Grants Special Revenue Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State and local grants	-	-	\$67,640	\$67,640
Total Revenues	-	-	67,640	67,640
Expenditures:				
Current:				
Public works and engineering	-	-	67,640	(67,640)
Total expenditures	-	-	67,640	(67,640)
Excess of revenues over expenditures	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance at beginning of year			-	
Fund balance at end of year			-	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Road Bonds 2014 Debt Service Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property tax and assessments	-	-	\$1,105,499	\$1,105,499
Interest	-	-	5,243	5,243
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>1,110,742</b>	<b>1,110,742</b>
<b>Expenditures:</b>				
Administrative services	-	-	1,563	(1,563)
<b>Debt Service:</b>				
Principal	-	-	1,065,000	(1,065,000)
Interest and fiscal charges	-	-	394,833	(394,833)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>1,461,396</b>	<b>(1,461,396)</b>
<b>Excess of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>(350,654)</b>	<b>(350,654)</b>
<b>Other financing sources:</b>				
Bonds Issued	-	-	606,248	606,248
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>606,248</b>	<b>606,248</b>
<b>Net changes in fund balance</b>	<b>-</b>	<b>-</b>	<b>255,594</b>	<b>\$255,594</b>
Fund balance at beginning of year			1,443,303	
Fund balance at end of year			<u>\$1,698,897</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Road Bonds 2016 Debt Service Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property tax and assessments	-	-	-	-
Interest	-	-	\$4,640	\$4,640
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>4,640</b>	<b>4,640</b>
<b>Expenditures:</b>				
Administrative services	-	-	37,494	(37,494)
<b>Debt Service:</b>				
Principal	-	-	-	-
Interest and fiscal charges	-	-	201,945	(201,945)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>239,439</b>	<b>(239,439)</b>
<b>Excess of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>(234,799)</b>	<b>(234,799)</b>
<b>Other financing sources:</b>				
Bonds Issued	-	-	2,302,678	2,302,678
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>2,302,678</b>	<b>2,302,678</b>
<b>Net changes in fund balance</b>	<b>-</b>	<b>-</b>	<b>2,067,879</b>	<b>\$2,067,879</b>
Fund balance at beginning of year			-	
Fund balance at end of year			<b>\$2,067,879</b>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Oaksprings Assessments District Improvements Capital Projects Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	-	\$400	\$1,044	\$644
Total Revenues	-	400	1,044	644
Expenditures:				
Debt Service:				
Interest and fiscal charges	\$70,000	70,000	-	70,000
Total expenditures	70,000	70,000	-	70,000
Excess of revenues over expenditures	(70,000)	(69,600)	1,044	70,644
Net changes in fund balance	<u>(\$70,000)</u>	<u>(\$69,600)</u>	1,044	<u>\$70,644</u>
Fund balance at beginning of year			<u>141,805</u>	
Fund balance at end of year			<u>\$142,849</u>	

CITY OF ORINDA  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
 State Grants Capital Projects Fund  
 For the year ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
State grant	-	\$140,000	-	(\$140,000)
Total Revenues	-	140,000	-	(140,000)
Expenditures:				
Capital projects	\$64,000	140,000	-	140,000
Total expenditures	64,000	140,000	-	140,000
Net changes in fund balance	<u>(\$64,000)</u>	<u>-</u>	-	<u>-</u>
Fund balance at beginning of year			-	
Fund balance at end of year			<u>-</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Other Grants Capital Projects Fund  
For the year ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	-	-	\$1,348	\$1,348
Grants	\$360,000	\$1,078,125	-	(1,078,125)
Total revenues	<u>360,000</u>	<u>1,078,125</u>	<u>1,348</u>	<u>(1,076,777)</u>
Expenditures:				
Capital projects	<u>360,000</u>	<u>360,000</u>	<u>25,050</u>	<u>334,950</u>
Total expenditures	<u>360,000</u>	<u>360,000</u>	<u>25,050</u>	<u>334,950</u>
Net changes in fund balance	<u>-</u>	<u>\$718,125</u>	<u>(23,702)</u>	<u>(\$741,827)</u>
Fund balance at beginning of year			<u>244,113</u>	
Fund balance at end of year			<u>\$220,411</u>	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
Road Stabilization Capital Projects Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Interest	-	\$1,250	\$6,609	\$5,359
Total revenues	-	1,250	6,609	5,359
<b>Expenditures:</b>				
Capital projects	-	972,000	21,080	950,920
Total expenditures	-	972,000	21,080	950,920
Net changes in fund balance	-	(\$970,750)	(14,471)	\$956,279
<b>Other financing sources:</b>				
Transfers in	-	-	500,000	\$500,000
Total other financing sources	-	-	500,000	500,000
Net changes in fund balance	-	(\$970,750)	485,529	\$1,456,279
Fund balance at beginning of year			710,734	
Fund balance at end of year			\$1,196,263	

**CITY OF ORINDA, CALIFORNIA**  
**INTERNAL SERVICE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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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 facilities.
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.

CITY OF ORINDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2017

	<u>Information Systems</u>	<u>Buildings Maintenance</u>	<u>Vehicle Replacement</u>	<u>Risk Management</u>	<u>Total</u>
<b>Assets</b>					
Current Assets:					
Cash, cash equivalents and investments	\$150,189	\$229,050	\$156,100	\$343,873	\$879,212
Interest receivable	82	125	86	327	620
Prepays and deposits	14,710	1,248	-	-	15,958
Total Current Assets	<u>164,981</u>	<u>230,423</u>	<u>156,186</u>	<u>344,200</u>	<u>895,790</u>
Non-current assets:					
Capital assets, net of Accumulated depreciation	-	11,743	579,522	-	591,265
Total Assets	<u>164,981</u>	<u>242,166</u>	<u>735,708</u>	<u>344,200</u>	<u>1,487,055</u>
<b>Liabilities</b>					
Current Liabilities:					
Accounts payable	3,950	423	-	2,029	6,402
Accrued payroll	495	966	-	-	1,461
Total Liabilities	<u>4,445</u>	<u>1,389</u>	<u>-</u>	<u>2,029</u>	<u>7,863</u>
<b>Net Position</b>					
Net position:					
Net investments in capital assets	-	11,743	579,522	-	591,265
Unrestricted	160,536	229,034	156,186	342,171	887,927
Total net position	<u>\$160,536</u>	<u>\$240,777</u>	<u>\$735,708</u>	<u>\$342,171</u>	<u>\$1,479,192</u>

CITY OF ORINDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017

	Information Systems	Buildings Maintenance	Vehicle Replacement	Risk Management	Total
Operating revenues:					
Charges for services	\$195,392	\$98,638	\$119,701	\$229,562	\$643,293
Total operating revenues	<u>195,392</u>	<u>98,638</u>	<u>119,701</u>	<u>229,562</u>	<u>643,293</u>
Operating expenses:					
Salaries and wages	38,104	73,195	-	-	111,299
Contract services	85,475	-	-	42,683	128,158
Services and supplies	28,322	2,884	3,670	-	34,876
Special department expenses	14,305	-	-	230,767	245,072
Depreciation	-	3,914	114,574	-	118,488
Total operating expenses	<u>166,206</u>	<u>79,993</u>	<u>118,244</u>	<u>273,450</u>	<u>637,893</u>
Operating income (loss)	<u>29,186</u>	<u>18,645</u>	<u>1,457</u>	<u>(43,888)</u>	<u>5,400</u>
Non-operating revenues (expenses):					
Investment income	1,186	1,656	1,372	3,986	8,200
Gain on disposal of capital asset	-	-	11,727	-	11,727
Total non-operating revenues	<u>1,186</u>	<u>1,656</u>	<u>13,099</u>	<u>3,986</u>	<u>19,927</u>
Change in net position	30,372	20,301	14,556	(39,902)	25,327
Net position at beginning of year, as adjusted	<u>130,164</u>	<u>220,476</u>	<u>721,152</u>	<u>382,073</u>	<u>1,453,865</u>
Net position at end of year	<u>\$160,536</u>	<u>\$240,777</u>	<u>\$735,708</u>	<u>\$342,171</u>	<u>\$1,479,192</u>

CITY OF ORINDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2017

	Equipment and Information Systems	Buildings Maintenance	Vehicle Replacement	Risk Management	Total
Cash flows from operating activities:					
Cash received from department users	\$195,392	\$98,638	\$119,701	\$229,562	\$643,293
Cash payments to suppliers of goods and services	(156,296)	(2,665)	(3,670)	(41,341)	(203,972)
Cash payments to employees for services	(39,004)	(74,867)	-	(230,767)	(344,638)
Net cash provided by (used for) operating activities	<u>92</u>	<u>21,106</u>	<u>116,031</u>	<u>(42,546)</u>	<u>94,683</u>
Cash flows from capital and related financing activities:					
(Acquisition) of capital assets	-	-	(157,763)	-	(157,763)
Proceeds from sale of capital assets	-	-	11,727	-	11,727
Net cash (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(146,036)</u>	<u>-</u>	<u>(146,036)</u>
Cash flows from investing activities:					
Interest received on investments	<u>1,239</u>	<u>1,711</u>	<u>2,310</u>	<u>3,992</u>	<u>9,252</u>
Net cash provided by investing activities	<u>1,239</u>	<u>1,711</u>	<u>2,310</u>	<u>3,992</u>	<u>9,252</u>
Net increase (decreased) in cash and cash equivalents	1,331	22,817	(27,695)	(38,554)	(42,101)
Cash and cash equivalents at beginning of year, as adjusted	<u>148,858</u>	<u>206,233</u>	<u>183,795</u>	<u>382,427</u>	<u>921,313</u>
Cash and cash equivalents at end of year	<u>\$150,189</u>	<u>\$229,050</u>	<u>\$156,100</u>	<u>\$343,873</u>	<u>\$879,212</u>
Reconciliation of operating income to net cash flows provided by operating activities:					
Operating income (loss)	\$29,186	\$18,645	\$1,457	(\$43,888)	\$5,400
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	-	3,914	114,574	-	118,488
Increase in account receivable	732	-	-	-	732
Decrease in prepaid items	(8,277)	(198)	-	-	(8,475)
Increase (decreased) in accounts payable	(20,649)	417	-	1,342	(18,890)
Increase in accrued expenses	(900)	-	-	-	(900)
Increase in accrued payroll	-	(1,672)	-	-	(1,672)
Net cash provided by (used for) operating activities	<u>\$92</u>	<u>\$21,106</u>	<u>\$116,031</u>	<u>(\$42,546)</u>	<u>\$94,683</u>

**CITY OF ORINDA, CALIFORNIA**  
**AGENCY FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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

CITY OF ORINDA  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the year ended June 30, 2017

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Oaksprings Debt Service	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Assets				
Cash and cash equivalents	\$319,670	\$2,869	-	\$322,539
Interest Receivable	283	184	\$283	184
Total Assets	\$319,953	\$3,053	\$283	\$322,723
Liabilities				
Due to bond holders	\$319,953	\$3,053	\$283	\$322,723
Total Liabilities	\$319,953	\$3,053	\$283	\$322,723

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Oaksprings Reserve	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Assets				
Cash and cash equivalents	\$232,996	\$1,789	-	\$234,785
Interest Receivable	204	129	\$204	129
Total Assets	\$233,200	\$1,918	\$204	\$234,914
Liabilities				
Due to bond holders	\$233,200	\$1,918	\$204	\$234,914
Total Liabilities	\$233,200	\$1,918	\$204	\$234,914

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Planning and Engineering Deposits

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<b>Assets</b>				
Cash and cash equivalents	\$2,626,047	\$329,031	-	\$2,955,078
Accounts Receivable	259,762	157,460	\$259,762	157,460
<b>Total Assets</b>	<b><u>\$2,885,809</u></b>	<b><u>\$486,491</u></b>	<b><u>\$259,762</u></b>	<b><u>\$3,112,538</u></b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$64,402	\$82,933	\$64,402	\$82,933
Deposits	2,821,407	403,558	195,360	3,029,605
<b>Total Liabilities</b>	<b><u>\$2,885,809</u></b>	<b><u>\$486,491</u></b>	<b><u>\$259,762</u></b>	<b><u>\$3,112,538</u></b>

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Total

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<b>Assets</b>				
Cash and cash equivalents	\$3,178,713	\$333,689	-	\$3,512,402
Accounts receivable	259,762	157,460	\$259,762	157,460
Interest receivable	487	313	487	313
<b>Total Assets</b>	<b><u>\$3,438,962</u></b>	<b><u>\$491,462</u></b>	<b><u>\$260,249</u></b>	<b><u>\$3,670,175</u></b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$64,402	\$82,933	\$64,402	\$82,933
Due to bondholders	553,153	4,971	487	557,637
Deposits	2,821,407	403,558	195,360	3,029,605
<b>Total Liabilities</b>	<b><u>\$3,438,962</u></b>	<b><u>\$491,462</u></b>	<b><u>\$260,249</u></b>	<b><u>\$3,670,175</u></b>

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***STATISTICAL SECTION***

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**CITY OF ORINDA, CALIFORNIA**  
**STATISTICAL SECTION**  
**FISCAL YEAR ENDED JUNE 30, 2017**

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.

<b>Contents</b>	<b>Page(s)</b>
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**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.	121-124
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**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.	125-129
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**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.	130-135
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**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.	136
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**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.	137-140
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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 was 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.

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City of Orinda  
 Net Position By Component  
 Five Fiscal Years\*  
 Fiscal year ended June 30, 2017  
 (Accrual basis of accounting)

	2013	2014	2015	2016	2017
<b>Primary government:</b>					
<b>Governmental activities:</b>					
Net Investment in capital assets	\$ 39,082,158	\$ 40,022,920	\$ 31,242,089	\$ 42,026,180	\$ 49,771,041
Restricted	5,005,803	6,693,791	17,424,073	7,753,790	9,768,262
Unrestricted	8,119,847	8,394,982	9,622,488	10,916,822	6,621,778
<b>Total primary government</b>	<b>\$ 52,207,808</b>	<b>\$ 55,111,693</b>	<b>\$ 58,288,650</b>	<b>\$ 60,696,792</b>	<b>\$ 66,161,081</b>

Source: City of Orinda Finance Department.  
 The City has no Business Type activities to report.

\*The City of Orinda prepared its first CAFR for the fiscal year ended June 30, 2013

City of Orinda  
Changes in Net Position  
Five Fiscal Years\*  
Fiscal year ended June 30, 2017  
(Accrual basis of accounting)

	2013	2014	2015	2016	2017
<b>Expenses</b>					
<b>Governmental Activities</b>					
General Government	\$ 1,848,816	\$ 2,125,066	\$ 2,709,476	\$ 2,593,399	\$ 2,299,303
Police Services	3,894,363	3,777,584	3,938,840	4,027,414	4,102,948
Public works and engineering	1,327,714	1,367,960	1,275,103	1,919,178	1,989,357
Parks and recreation	2,278,091	2,140,303	2,785,664	2,962,868	3,160,626
Planning	681,671	746,236	894,001	1,011,480	908,403
Special districts	133,309	278,506	314,941	334,201	339,516
Library operations	342,208	324,230	350,263	341,982	299,905
Capital improvements	2,467,232	2,629,533	2,126,069	2,933,878	807,497
Interest on bonds payable	397,959	379,260	496,430	767,185	721,750
Total governmental activities	13,371,363	13,768,678	14,890,787	16,891,585	14,629,305
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
<b>Charges for services:</b>					
General government	42,302	42,302	724,694	-	-
Police Services	194,153	136,247	127,821	163,897	128,437
Public works and engineering	655,472	449,026	442,937	448,155	387,726
Parks and recreation	1,756,948	1,782,394	1,964,749	2,115,214	2,052,855
Planning	842,645	980,002	980,448	1,318,350	1,039,671
Special districts	213,269	277,554	274,140	610,608	377,601
Library operations	300,861	306,735	307,866	310,791	311,532
Capital improvements	1,120,351	1,283,644	954,959	1,156,875	1,014,381
Operating grants and contributions	268,194	936,273	431,776	1,254,815	168,031
Capital grants and contributions	1,630,723	1,615,848	2,171,109	795,526	2,904,294
Total governmental activities	7,024,918	7,810,025	8,380,499	8,174,231	8,384,528
Net revenues (expenses):	(6,346,445)	(5,958,653)	(6,510,288)	(8,717,354)	(6,244,777)
<b>General revenues and other changes in net position:</b>					
<b>Governmental activities:</b>					
<b>Taxes:</b>					
Property taxes	4,869,694	5,227,355	5,686,724	6,123,408	7,648,593
Sales taxes	1,021,274	2,071,438	2,067,331	2,121,297	2,106,881
Franchise taxes	986,349	1,009,114	1,034,647	1,082,218	1,118,568
Transfer taxes	200,663	235,119	316,208	250,992	262,260
Shared intergovernmental revenues	9,158	7,605	7,994	7,510	-
Interest income	160,612	117,578	168,378	225,216	282,691
Unrealized gain (loss) on sale of assets	(10,766)	(10,345)	(10,550)	27,411	-
Miscellaneous	214,751	411,858	416,513	154,494	290,073
Total governmental activities	7,451,735	9,069,722	9,687,245	9,992,546	11,709,066
<b>Changes in net position</b>	<b>1,105,290</b>	<b>3,111,069</b>	<b>3,176,957</b>	<b>1,275,192</b>	<b>5,464,289</b>

\*The City of Orinda prepared its first CAFR for the fiscal year ended June 30, 2013

City of Orinda  
Fund Balances, Governmental Funds  
Five Fiscal Years\*  
Fiscal year ended June 30, 2017  
(Modified accrual basis of accounting)

	2013	2014	2015	2016	2017
<b>General Fund:</b>					
Non-Spendable	\$ 201,145	\$ 119,037	\$ -	\$ 99,088	\$ 98,306
Restricted	-	-	-	-	-
Committed	-	-	-	-	5,532,561
Assigned	-	-	-	-	695,539
Unassigned	7,309,966	7,590,562	7,972,055	9,204,680	612,209
<b>Total general fund</b>	<b>7,511,111</b>	<b>7,709,599</b>	<b>7,972,055</b>	<b>9,303,768</b>	<b>6,938,615</b>
<b>All Other Governmental Funds:</b>					
Non-Spendable	\$ -	\$ -	\$ -	\$ 5,339	\$ 4,490
Restricted	3,939,719	5,554,221	17,424,073	13,322,144	44,485,762
Committed	-	155,594	-	-	1,196,263
Assigned	-	-	-	-	-
Unassigned	-	-	-	(460)	(729,717)
<b>Total all other governmental funds</b>	<b>3,939,719</b>	<b>5,709,815</b>	<b>17,424,073</b>	<b>13,327,023</b>	<b>44,956,798</b>
<b>Total all governmental funds</b>	<b>\$ 11,450,830</b>	<b>\$ 13,419,414</b>	<b>\$ 25,396,128</b>	<b>\$ 22,630,791</b>	<b>\$ 51,895,413</b>

\*The City of Orinda prepared its first CAFR for the fiscal year ended June 30, 2013

City of Orinda  
Changes in Fund Balances, Governmental Funds  
Five Fiscal Years\*  
Fiscal year ended June 30, 2017  
(Modified accrual basis of accounting)

	2013	2014	2015	2016	2017
<b>Revenues:</b>					
Taxes and assessments	\$ 7,556,931	\$ 9,092,586	\$ 10,411,611	\$ 11,665,853	\$ 11,858,635
Licenses, permits and fees	982,885	1,043,059	920,153	1,375,557	1,364,512
Fines and forfeitures	169,975	111,785	127,821	92,549	95,347
Intergovernmental	2,398,705	3,153,262	3,438,680	2,638,744	3,697,094
Use of money and property	189,497	150,931	149,198	241,144	173,572
Charges for services	2,965,192	2,917,662	2,587,144	3,112,393	2,505,242
Other revenues	187,196	390,722	424,507	162,004	390,992
<b>Total revenues</b>	<b>14,450,381</b>	<b>16,860,007</b>	<b>18,059,114</b>	<b>19,288,244</b>	<b>20,085,394</b>
<b>Expenditures:</b>					
General Government	1,838,147	1,907,113	1,834,515	2,047,563	2,016,142
Police Services	3,892,706	3,783,388	3,959,757	4,033,935	4,112,216
Public works and engineering	1,361,059	1,402,895	2,808,965	2,913,730	4,108,748
Parks and recreation	2,120,747	2,156,909	2,386,392	2,557,929	2,761,601
Planning	681,600	795,674	903,543	1,007,036	922,311
Special districts	133,309	378,606	-	-	339,516
Library operations	342,208	324,230	350,263	341,982	299,905
Capital improvements	5,335,159	3,511,348	2,845,381	8,334,648	12,968,798
Bond Issuance	-	-	136,770	-	-
Debt Service:					
Interest on bonds payable & fiscal charges	388,660	379,260	369,660	439,759	858,822
Principle payment on bonds	235,000	240,000	250,000	8,345,000	1,360,000
<b>Total expenditures</b>	<b>16,328,595</b>	<b>14,879,423</b>	<b>15,845,246</b>	<b>30,021,582</b>	<b>29,748,059</b>
<b>Reconciliation of Governmental Revenues</b>					
Less Expenditures to Fund Equity:					
Revenues over (under) expenditures	(1,878,214)	1,980,584	2,213,868	(10,733,338)	(9,662,665)
Other financing sources (uses):					
Transfers in	1,966,275	1,667,208	571,703	416,357	2,782,818
Transfers out	(1,966,275)	(1,679,208)	(1,171,703)	(616,357)	(2,782,818)
Proceeds from long-term debt	-	-	10,000,000	7,945,000	35,000,000
Premium on bonds issued	-	-	362,848	223,001	2,908,926
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(12,000)</b>	<b>9,762,848</b>	<b>7,968,001</b>	<b>37,908,926</b>
<b>Net change in fund balances</b>	<b>\$ (1,878,214)</b>	<b>\$ 1,968,584</b>	<b>\$ 11,976,716</b>	<b>\$ (2,765,337)</b>	<b>\$ 28,246,261</b>
Debt service as a percentage of noncapital expenditures	5.67%	5.45%	4.77%	40.51%	13.22%

\*The City of Orinda prepared its first CAFR for the fiscal year ended June 30, 2013

Source: City of Orinda Finance Department

City of Orinda  
Assessed Value and Actual Value of Taxable Property  
For the last ten fiscal years

	<u>Secured</u>	<u>Unsecured</u>	<u>Less:</u> <u>Exemptions</u>	<u>Taxable</u> <u>Assessed Value</u>	<u>Total Direct</u> <u>Tax Rate</u>
FY 2007-08	\$ 4,345,080,504	\$ 37,376,456	\$ 63,232,676	\$ 4,319,224,284	7.3750%
FY 2008-09	4,552,914,811	40,004,855	63,423,035	4,529,496,631	7.3740%
FY 2009-10	4,800,028,431	40,507,516	63,720,828	4,776,815,119	7.3740%
FY 2010-11	4,790,245,512	44,493,532	74,744,008	4,759,995,036	7.3730%
FY 2011-12	4,643,266,577	44,003,251	74,055,238	4,613,214,590	7.3730%
FY 2012-13	4,685,090,422	51,140,896	73,427,772	4,662,803,546	7.3720%
FY 2013-14	4,973,624,380	43,870,136	75,486,075	4,942,008,441	7.3270%
FY 2014-15	5,451,859,224	31,430,055	96,238,114	5,387,051,165	7.3670%
FY 2015-16	5,904,386,501	28,225,803	97,482,835	5,835,129,469	7.3680%
FY 2016-17	6,222,416,276	34,227,058	99,065,221	6,157,578,113	7.3680%

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 2006/07 - 2016/17 Combined Tax Rolls

City of Orinda  
Direct and Overlapping Debt  
As of June 30, 2017

City Assessed Valuation		<u>\$ 6,200,221,340</u>	
	Percentage Applicable (1)	Outstanding Debt 6/30/2017	Estimated Share of Overlapping Debt
<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Bay Area Rapid Transit District	3.930%	\$ 250,836,245	9,857,864
Contra Costa Community College District	3.405%	550,640,000	18,749,292
Acalanes Union High School District	19.588%	311,801,590	61,075,695
Lafayette School District	0.175%	50,610,000	88,568
Moraga School District	0.032%	19,915,000	6,373
Orinda Union School District	99.273%	12,617,364	12,525,636
East Bay Regional Park District	3.930%	53,895,650	2,118,099
<b>City of Orinda General Obligation Bonds</b>	<b>100.000%</b>	<b>43,620,000</b>	<b>43,620,000</b>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>148,041,527</b>
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Contra Costa County General Fund Obligations	3.393%	494,403,606	16,775,114
Contra Costa County Pension Obligation Bonds	3.393%	185,830,000	6,305,212
Moraga Orinda Fire Pension Obligation Bonds	61.092%	16,465,000	10,058,798
<b>City of Orinda Certificates of Participation</b>	<b>100.000%</b>	<b>7,650,000</b>	<b>7,650,000</b>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>40,789,124</b>
<b>TOTAL DIRECT DEBT</b>			<b>51,270,000</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>188,830,651</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>137,560,651</b>

- (1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City by the district's total taxable assessed value. Includes debt repaid through voter approved tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations and certificates of participation unless provided by the City.

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

City of Orinda  
Top Ten Principal Property Tax Payers  
Current Year and Nine Years Ago

Assessed Valuation Level	FY 2016-17			FY 2007-08		
	Taxable Assessed Value	Rank	% of Total	Taxable Assessed Value	Rank	% of Total
OG Property Owner, LLC	\$ 55,333,216	1	0.89%			
Davidon Homes	36,660,000	2	0.59%			
Taylor Morrison of CA	35,858,175	3	0.58%			
Orinda Dunhill, LLC	31,769,406	4	0.51%			
Pine Grove, LLC	27,798,350	5	0.45%			
Orinda Country Club	10,334,960	6	0.17%			
J and M Altarinda LLC	7,800,000	7	0.13%			
Scott C and Lisa A Kovalik Trust	7,522,551	8	0.12%			
Charles & Ivette Esserman Trust	7,331,105	9	0.12%			
Kathryn K Wiley Trust	7,259,560	10	0.12%			
GLL BVK Properties LP				\$ 29,000,000	1	0.67%
R Jacobs Family LP				28,481,263	2	0.65%
Orinda Gateway LLC				22,649,279	3	0.52%
AXA Rosenberg Group LLC				10,513,294	4	0.24%
Orinda Country Club				10,448,095	5	0.24%
Michael J. Novogradac Trust				8,017,009	6	0.18%
Scott C and Lisa A Kovalik Trust				7,676,625	7	0.18%
Arthur Richard Newton				6,290,047	8	0.14%
John and Wendy Lou Hammergren				5,741,613	9	0.13%
Michael A and Susan G Harrison				5,644,707	10	0.13%
<b>Total</b>	<b>\$ 227,667,323</b>		<b>3.68%</b>	<b>\$ 134,461,932</b>		<b>3.08%</b>

Source: Contra Costa County Assessor 2016/17 and 2007/08 Combined Tax Rolls

City of Orinda  
 Schedule of Top 25 Principal Sales Tax Remitters  
 Current year and Four Years Ago

(listed in alphabetical order)

2017 (represents 74.7% of total sales tax)	2013* (represents 79.31% of total sales tax)
Barbacoa Restaurant	Barbacoa Restaurant
Beverages & More	Beverages & More
Casa Orinda Restaurant	Casa Orinda Restaurant
Chevron Service Station	Chevron Service Station
Cover To Cover Bookstore	CVS Pharmacy
CVS Pharmacy	Energy Comm
Energy Comm	Europa Hofbrau, Deli & Pub
Europa Hofbrau, Deli & Pub	Insight Resource Group
Hyundai Corporation USA	Juvenon
Insight Resource Group	La Pizza Restaurant
McCaulou's Department Store	Maria Tenaglia Architecture
McDonnell Moraga Nursery	McCaulou's Department Store
Morrison's Jewelers	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
Rite Aid Drug Store	Rite Aid Drug Store
Safeway Stores	Safeway Stores
Shell Service Stations	Shell Service Stations
Siam Orchid Thai Restaurant	Siam Orchid Thai Restaurant
Table 24 Restaurant	Table 24
Union 76 Service Station	Union 76 Service Station
Village Inn Café	Village Inn Café

\*The City of Orinda prepared its first CAFR for the fiscal year ended June 30, 2013  
 Therefore, a comparison is only provided for the years data was available

Note: The lists are arranged in alphabetical order which is a requirement under California law for Retail Sales Tax information. Disclosure of actual sales tax by permittee is also confidential.

Source: Muni Services, State Board of Equalization

City of Orinda  
Property Tax Levies and Collections  
For the last ten fiscal years

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for the <u>Fiscal Year</u>	Collected within the Fiscal Year of the Levy		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>
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%
2014	3,748,789	3,748,789	100%	-	3,748,789	100%
2015	4,082,388	4,082,388	100%	-	4,082,388	100%
2016	4,424,432	4,424,432	100%	-	4,424,432	100%
2017	4,656,163	4,656,163	100%	-	4,656,163	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 Tax Rates  
 For the last ten fiscal years  
 (Rate per \$100 of assessed value)

	City Direct Rates		Overlapping Rates			
	Basic Rate	Total Direct	Acalanes Union	BART Bond	CCC Community College	East Bay Regional Park Bond
FY 2007-08	1.00000	1.00000	0.02590	0.00760	0.01080	0.00800
FY 2008-09	1.00000	1.00000	0.02890	0.00900	0.00660	0.01000
FY 2009-10	1.00000	1.00000	0.02980	0.00570	0.01260	0.01080
FY 2010-11	1.00000	1.00000	0.03110	0.00310	0.01330	0.00840
FY 2011-12	1.00000	1.00000	0.03330	0.00410	0.01440	0.00710
FY 2012-13	1.00000	1.00000	0.03330	0.00430	0.00870	0.00510
FY 2013-14	1.00000	1.00000	0.03610	0.00750	0.01330	0.00780
FY 2014-15	1.00000	1.00000	0.03500	0.00450	0.02520	0.00850
FY 2015-16	1.00000	1.00000	0.03320	0.00260	0.02200	0.00670
FY 2016-17	1.00000	1.00000	0.03230	0.00800	0.01200	0.00320

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 voter approved bonds.

The City of Orinda 1% share is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF tax shifts may not be included in ratio.

Source: Contra Costa County Assessor 2007/08 - 2016/17 Tax Rate Table and HdL Coren & Cone

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Overlapping Rates

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Lafayette Elementary <u>Bond</u>	Moraga Elementary <u>Bond</u>	Orinda Elementary <u>Bond</u>	Orinda Roads <u>Bond</u>	Total Tax <u>Rate</u>
0.03400	0.03130	0.02370		1.14130
0.03300	0.03090	0.02470		1.14310
0.03260	0.03020	0.02360		1.14530
0.03260	0.03110	0.02440		1.14400
0.02790	0.03120	0.02740		1.14540
0.02840	0.02790	0.02730		1.13500
0.02670	0.02640	0.02550		1.14330
0.02410	0.02430	0.02320	0.01300	1.15780
0.02090	0.02290	0.01900	0.01850	1.14580
0.04370	0.02240	0.01650	0.01690	1.15500

City of Orinda  
Outstanding Debt  
For the last ten fiscal years

Fiscal Year Ending June	<u>General Obligation Bonds</u>		<u>CERTIFICATES OF PARTICIPATION</u>		% of Total Outstanding Debt Personal Income
	Debt Outstanding (1), (2)	Debt Per Capita	Debt Outstanding (3)	Debt Per Capita	
2008	-	-	\$ 9,800,000	\$ 568	0.8%
2009	-	-	9,605,000	554	0.7%
2010	-	-	9,405,000	538	0.7%
2011	-	-	9,195,000	521	0.6%
2012	-	-	8,980,000	506	0.7%
2013	-	-	8,755,000	491	0.7%
2014	-	-	8,520,000	474	0.6%
2015	10,000,000	551.27	8,280,000	456	1.3%
2016	9,685,000	519.39	7,945,000	426	1.1%
2017	43,620,000	2,315.53	7,650,000	406	3.2%

**Notes:**

(1) In March 2015, the City issued General Obligation Bonds in the amount of \$10 million. The bonds were Series A of an aggregate voter authorized amount of \$20 million (2014 Road Bonds)

(2) In April 2017 the City issued Series B \$10 million the final authorization of the 2014 Road Bonds and also issued \$25 million authorized by the voters under the 2016 Road Bonds.

(3) In September 2005 \$9.8 million of Certificates of Participation were issued to fund City Offices. In July of 2015 Refunding Certificates of Participation were issued in the amount of \$7,945,000. The Refunding COP's fully retired the outstanding 2005 COP's.

**Source:** City of Orinda Finance Department, Population - California Department of Finance  
2008-2009 Income - ESRI - Demographic Estimates  
2010 and later Income - US Census Bureau

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City of Orinda  
 Legal Debt Margin Information  
 For the last ten fiscal years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assessed Value Secured	\$ 4,321,548,584	\$ 4,528,868,045	\$ 4,775,376,797	\$ 4,762,300,926
Conversion Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted Assessed Value	1,080,387,146	1,132,217,011	1,193,844,199	1,190,575,232
Debt Limit Percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt Limit	162,058,072	169,832,552	179,076,630	178,586,285
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 162,058,072</u>	<u>\$ 169,832,552</u>	<u>\$ 179,076,630</u>	<u>\$ 178,586,285</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 4,615,128,899	\$ 4,656,504,710	\$ 4,942,008,441	\$ 5,387,051,165	\$ 5,835,129,469	\$ 6,172,625,746
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
1,153,782,225	1,164,126,178	1,235,502,110	1,346,762,791	1,458,782,367	1,543,156,437
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
173,067,334	174,618,927	185,325,317	202,014,419	218,817,355	231,473,465
-	-	-	10,000,000	9,685,000	43,620,000
<u>\$ 173,067,334</u>	<u>\$ 174,618,927</u>	<u>\$ 185,325,317</u>	<u>\$ 212,014,419</u>	<u>\$ 209,132,355</u>	<u>\$ 187,853,465</u>
0%	0%	0%	4.95%	4.43%	18.84%

City of Orinda  
Demographic and Economic Statistics  
For the last ten years

<u>Year</u>	<u>Population</u>	<u>Personal Income</u> City of Orinda <u>(in thousands)</u>	<u>Per Capita</u> <u>Personal</u> <u>Income</u>	<u>Unemployment</u> <u>Rate</u> City of <u>Orinda</u>	<u>Median</u> <u>Age</u>	<u>% of Pop</u> <u>25+ with</u> <u>High School</u> <u>Degree</u>	<u>% of Pop</u> <u>25+ with</u> <u>Bachelor's</u> <u>Degree</u>
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%
2013	18,089	1,399,166	77,349	2.3%	46.1	98.1%	78.4%
2014	18,109	1,403,900	77,525	3.0%	46.3	97.8%	77.9%
2015	18,749	1,562,879	83,357	2.4%	46.4	98.0%	78.2%
2016	18,935	1,627,772	85,966	2.1%	47.1	98.8%	79.2%

**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 Eight Years

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<u>Function</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Police*								
Stations	1	1	1	1	1	1	1	1
Fire**								
Stations	3	3	3	3	3	3	3	3
Public works								
Streets (miles)	92.50	92.70	92.70	92.70	92.70	92.70	92.70	92.70
Streetlights***								
Parks and recreation								
Parks	4	4	5	5	5	5	5	5
Community centers	1	1	1	1	1	1	1	1
Ball fields	5	5	7	7	7	7	7	7
Public Tennis Courts	3	3	3	3	3	3	3	3
Water**								
Sewer**								

\* Police services are provided pursuant to an agreement with the Contra Costa County Sheriffs Office

\*\* 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 Fiscal Six Years  
 Fiscal year ended June 30, 2017

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Police*</b>						
Arrests	98	113	204	215	154	119
Parking citations issued	2,230	1,578	405	1,161	1,561	2,415
<b>Public works</b>						
Street resurfacing (miles)	1.90	1.50	0	2.87	10.09	10.82
Encroachment permits	270	285	322	335	411	383
<b>Parks and recreation</b>						
Recreation classes (enrollment)	7,752	7,712	8,523	9,056	9,590	10,046
Facility rental hours	2,296	2,788	2,414	4,873	5,022	5,780
Sports field rental hours	3,701	3,120	6,852	8,270	9,870	9,925
<b>Building Valuations</b>						
Commercial/Industrial Construction	6,927,012	3,893,591	2,186,520	2,346,691	3,548,400	11,965,873
Residential Construction	20,663,274	46,624,040	49,855,541	40,589,805	46,297,341	54,122,263
Total building actions	27,590,286	50,517,631	52,042,061	42,936,496	49,845,741	66,088,137
<b>Fire, Water, Sewer**</b>						

\* 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 Six Fiscal Years  
 Fiscal year ended June 30, 2017

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<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	8.10	8.00	8.10	8.10	8.35	8.35
Public Safety Non-Sworn	2.00	2.00	2.00	2.00	2.00	2.00
Public Safety Sworn*	-	-	-	-	-	-
Public works	11.00	11.00	11.00	11.00	12.00	12.00
Community development	3.50	3.50	4.50	4.50	6.00	6.00
Parks and recreation	11.00	8.50	10.00	10.00	10.50	10.50
<b>Total</b>	<b>35.60</b>	<b>33.00</b>	<b>35.60</b>	<b>35.60</b>	<b>38.85</b>	<b>38.85</b>

Note: Police services are provided by Contra Costa County

Source: City of Orinda Finance Department

City of Orinda  
Principal Employers  
2015-16 and Two Years Ago

Employer	FY 2015-2016			FY 2013-2014		
	Employees	Rank	Percentage of Top 10 Employment	Employees	Rank	Percentage of Top 10 Employment
Orinda Union School District	304	1	32.07%	300	1	34.13%
Orinda Country Club	135	2	14.24%	110	2	12.51%
Miramonte High School	108	4	11.39%	103	3	11.72%
Safeway	90	3	9.49%	86	4	9.78%
Moraga-Orinda Fire District	73	5	7.70%	73	5	8.30%
Orinda Convalescent Hospital	70	6	7.38%	37	8	4.21%
Sleepy Hollow Swim & Tennis	60	7	6.33%	60	6	6.83%
City of Orinda	40	8	4.22%	35	9	3.98%
Casa Orinda	38	9	4.01%			
East Bay Municipal Utility District	30	10	3.16%			
Litman Gregory Asset Mgmt				47	7	5.35%
Orinda Academy				28	10	3.19%
Total	948		100.00%	879		100.00%

Note: The City is in the process of implementing a Business Registration requirement for the first time. This system is expected to provide this data and offer better validation of the information. The data shown has not been updated from the CAFR ending June 30, 2016.

Source: San Francisco Center for Economic Development

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

To the Honorable Members of the City Council  
City of Orinda, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Orinda, California, as of and for the year ended June 30, 2017, and have issued our report thereon dated February 8, 2018.

***Internal Control over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control we consider to be significant deficiencies as listed on the Schedule of Significant Deficiencies included as part of our separately issued Memorandum on Internal Control dated February 8, 2018, which is an integral part of our audit and should be read in conjunction with this report.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### ***City's Response to Findings***

The City's response to the findings identified in our audit is described in our separately issued Memorandum on Internal Control dated February 8, 2018, which is an integral part of our audit and should be read in conjunction with this report. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of this Report***

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

*Maze & Associates*

Pleasant Hill, California  
February 8, 2018