

# City of Orinda, California Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2019



Photo Credit: Steve Ehrhadt - New Art & Garden Center in Orinda Wilder Park

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**City of Orinda, California**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2019**

**Prepared by**  
**Finance Department**

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**CITY OF ORINDA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2019**

**Table of Contents**

**Page**

**INTRODUCTORY SECTION:**

Letter of Transmittal .....	i
List of City Officials .....	vi
Mission Statement and Map of City .....	vii
Organization Chart.....	viii
GFOA Certificate of Achievement .....	ix

**FINANCIAL SECTION:**

<b>Independent Auditors’ Report</b> .....	1
<b>Management’s Discussion and Analysis</b> .....	5
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position.....	20
Statement of Activities .....	21
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	24
Reconciliation of the Governmental Funds-Balance Sheet with the	
Statement of Net Position .....	26
Statement of Revenues, Expenditures and Changes in Fund Balances .....	28
Reconciliation of the Net Change in Fund Balances – Total Governmental Funds	
with the Statement of Activities .....	32
Proprietary Funds:	
Statement of Net Position.....	34
Statement of Revenues, Expenses and Changes in Net Position .....	35
Statement of Cash Flows.....	36
Fiduciary Funds:	
Statement of Net Position.....	38
Notes to the Basic Financial Statements .....	39
<b>Required Supplementary Information:</b>	
Schedule of Changes in the Total OPEB Liability and Related Ratios .....	76
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual:	
General Fund.....	77
Community Facilities Maintenance .....	78
CCTA .....	79

**CITY OF ORINDA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2019**

**Table of Contents**

	<b><u>Page</u></b>
<b>FINANCIAL SECTION (Continued):</b>	
Other Supplementary Information:	
Budgetary Comparison Schedule – Other Major Governmental Funds:	
Schedule of Revenues, expenditures and Changes in Fund Balance - Budget to Actual:	
City Capital Projects Capital Projects Fund.....	82
Road Bonds 2016 Capital Projects Fund.....	83
Road Bonds 2014 Debt Service Fund .....	84
Road Bonds 2016 Debt Service Fund .....	85
General Fund:	
Combining Balance Sheet.....	88
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance.....	89
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual .....	90
Non-major Governmental Funds:	
Combining Balance Sheet.....	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	100
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Gas Tax.....	104
Transportation Impact.....	105
Drainage Impact.....	106
Library .....	107
Park Dedication .....	108
Tree Mitigation .....	109
Federal Grants.....	110
Recycling .....	111
Supplemental Law Enforcement S.L.E.S.F. ....	112
Assessment District L-42.....	113
Assessment District M-9.....	114
Assessment District M-11.....	115
Wilder CFD .....	116
Stormwater.....	117
Affordable Housing .....	118
TDA Grants .....	119
Road Maintenance .....	120
General Plan Surcharge .....	121
Road Bonds 2014 Capital Projects .....	122
Oaksprings Assessments District Improvements.....	123
Other Grants .....	124
Road Stabilization.....	125
Internal Service Funds:	
Combining Statement of Net Position.....	128
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	129
Combining Statement of Cash Flows.....	130
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities .....	132

**CITY OF ORINDA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2019**

**Table of Contents**

	<b><u>Page</u></b>
<b>STATISTICAL SECTION:</b>	
Statistical Section Overview .....	137
Net Position by Component .....	138
Changes in Net Position .....	140
Fund Balances, Governmental Funds .....	142
Changes in Fund Balances, Governmental Funds .....	144
Assessed Value and Actual Value of Taxable Property .....	146
Direct and Overlapping Debt .....	147
Top Ten Property Tax Payers .....	148
Schedule of Top 25 Principal Sales Tax Remitters .....	149
Property Tax Levies and Collections .....	150
Direct and Overlapping Tax Rates .....	152
Outstanding Debt. ....	154
Legal Debt Margin Information .....	156
Demographic and Economic Statistics. ....	158
Capital Asset Statistics by Function. ....	159
Operating Indicators by Function .....	160
Full-time and Part-time City Employees by Function .....	162
Principal Employers .....	163
 <b>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 <i>Government Auditing Standards</i> .....</b>	 <b>165</b>

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# ***INTRODUCTORY SECTION***

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December 14, 2019

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Orinda (City) for the fiscal year ended June 30, 2019. 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, 2019, 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, 2019. 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 is part of a broader, federally mandated "Single Audit" when a "Single Audit" is required. The amount of Federal funds received during the year determines the threshold which would require the completion of a "Single Audit".

## **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 19,475 residing in approximately 6,805 housing units. More than half of the City’s homes were constructed 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 36.4 Full-Time Equivalent (FTE) positions supplemented by part-time employees. Sworn police services staff are employees of the Contra Costa County Sheriffs Office and law enforcement services are provided under an agreement with the Sheriff’s Office. Parks and Recreation 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 or mid-cycle adjustment 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 or Mid-Cycle Adjustment 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 monitors property valuations as a direct indicator of economic conditions. Residential property accounts for nearly 94% of the total net taxable assessed values. In Fiscal year 2018-2019 the City experienced an overall 6% increase in assessed values. This is nearly 1% less than the most recent 5 year average growth of 6.9% per year. However the increase for 2019-2020 continued to indicate growth and is expected to be approximately 6.5%. In the "East Bay Economic Outlook 2019-20" created by the East Bay Economic Development Alliance and Beacon Economics, the report noted that the continued undersupply of housing units continues to drive up home prices. Although the number of sales in recent years may have slowed there remains an expectation that prices will continue to climb modestly in the next year. Under the system of assessing homes in California, the sale of homes typically increases the assessed value. The City must prepare for the fiscal impact of smaller increases in the assessed valuation of properties. The City obtains long-term (five year) projections of growth in assessed valuations. For the next 5 years these projections used 6% in Year one, 3.5% in year two and a 2% increase for the following three 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 7 cents of each \$1.00 in property tax that is levied. Given the significance of this revenue source the City Council policies encourage remaining vigilant in monitoring costs and matching ongoing 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 nearly 60% of the City's local sales tax base are Restaurants, Service Stations, and Food Markets. HdL Companies, a sales tax consulting firm, has suggested that both the Food and Drug and Restaurant growth in the coming years will be approximately 2%. The projected increase in sales tax derived from gasoline sales, is forecast to decrease by 3% in 2019-20. These trends in major revenue growth have the potential to lag behind the rate of increases for major expenditures.

Included in the sales tax collected by the City is a local add-on sales tax approved by the voters in November 2012 (Orinda 2012 Measure L). The measure adds an additional ½ cent sales tax and was operative April 1, 2013 and will expire in 2023 unless reauthorized by the voters. 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. In June of 2018 the electorate approved an increased local parcel tax, to supplement funding for the City costs of operating the library facility including contracting with the County for additional local library hours. Although the rate per parcel does not increase there is not a sunset provision which would automatically end the tax. Without this type of support from the overall community, the City would be significantly limited in the services it is able to provide.

In addressing long term planning, the City Council recognizes the importance of a continuing to develop a diverse revenue base in order to adequately support municipal services. The City Council undertook a

formal review in January 2019 evaluating the City's financial position and key influences. This included a policy to initiate steps towards renewal of the ½ cent add-on sales tax; updating of policies related to City reserves; developing a policy related to the long term funding of OPEB ("retiree medical benefits"); long-term monitoring of the special library parcel tax; and monitoring of the potential reimbursement for 2017 storm damage. This work was initiated in advance of the City Council establishment of strategic priorities. The strategic priorities are used to develop the two year budget and also identify long term needs.

In terms of expenditures, the largest portion of City spending is for contract services and the largest contract is with the Contra Costa County Office of the Sheriff. The second largest area of expenditures is for salaries and benefits. The City Council supports the need to be prudent when considering salary and benefit costs. As part of the Fiscal Year 2019-20 Adopted Budget the total City staffing was increased by 1 position, which will focus on the delivery of needed capital improvement projects. The added position is partially funded by State Gas Tax revenue. The City received an increase in State gas tax that was enacted by the State Legislature. A measure presented to the voters in November 2018 proposed to rescind the increase, failed to receive a majority, therefore, the collection of the tax increase and annual increases will continue.

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.

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.

The City does have a liability for retiree medical benefits which is being funded on a pay-as-you-go basis. The "pay-as-you-go" retiree benefit cost in the most recent fiscal year was only \$2,714. Despite the low current expense, the City Council as part of its assessment of the City financial condition, identified the need to proceed with reducing the liability. Planning has begun to make contributions to an irrevocable trust. As of June 30, 2019 the City Council set aside \$100,000 to be contributed to a trust in the next year. This contribution is expected to reduce the outstanding liability by as much as 20% once it is deposited in an irrevocable trust.

## **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, 2018. A copy of the award from GFOA is included in this report. This award represents the 5<sup>th</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.

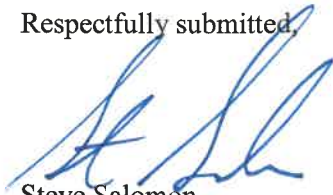
The City of Orinda will be submitting the June 30, 2019 Comprehensive Annual Financial Report for the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

## 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. Senior Accountant, Nancy Zhang, assisted greatly in coordinating the financial details required for this report. Also we wish to thank the professional staff at Maze & Associates including their entire team led by the Partner Katherine Yuen CPA and senior staff members Kristine Manansala, and Alex Lam.

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  
For the year ended June 30, 2019**

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***City Council***

Inga Miller, Mayor  
Darlene K. Gee, Vice Mayor  
Amy R. Worth, Councilmember  
Dennis Fay, Councilmember  
Nick Kosla, Councilmember

***City Officials***

Steve Salomon, City Manager  
Osa Wolff, City Attorney (Contract)  
Sheri Smith, City Clerk  
Paul S. Rankin, Finance Director  
Ginger Staton, Human Resources Manager  
Todd Trimble, Parks & Recreation Director  
Drummond Buckley, Planning Director  
Mark Nagel, Police Chief (Contract)  
Larry Theis, Assistant City Manager & Public Works Director

## ORINDA MISSION STATEMENT

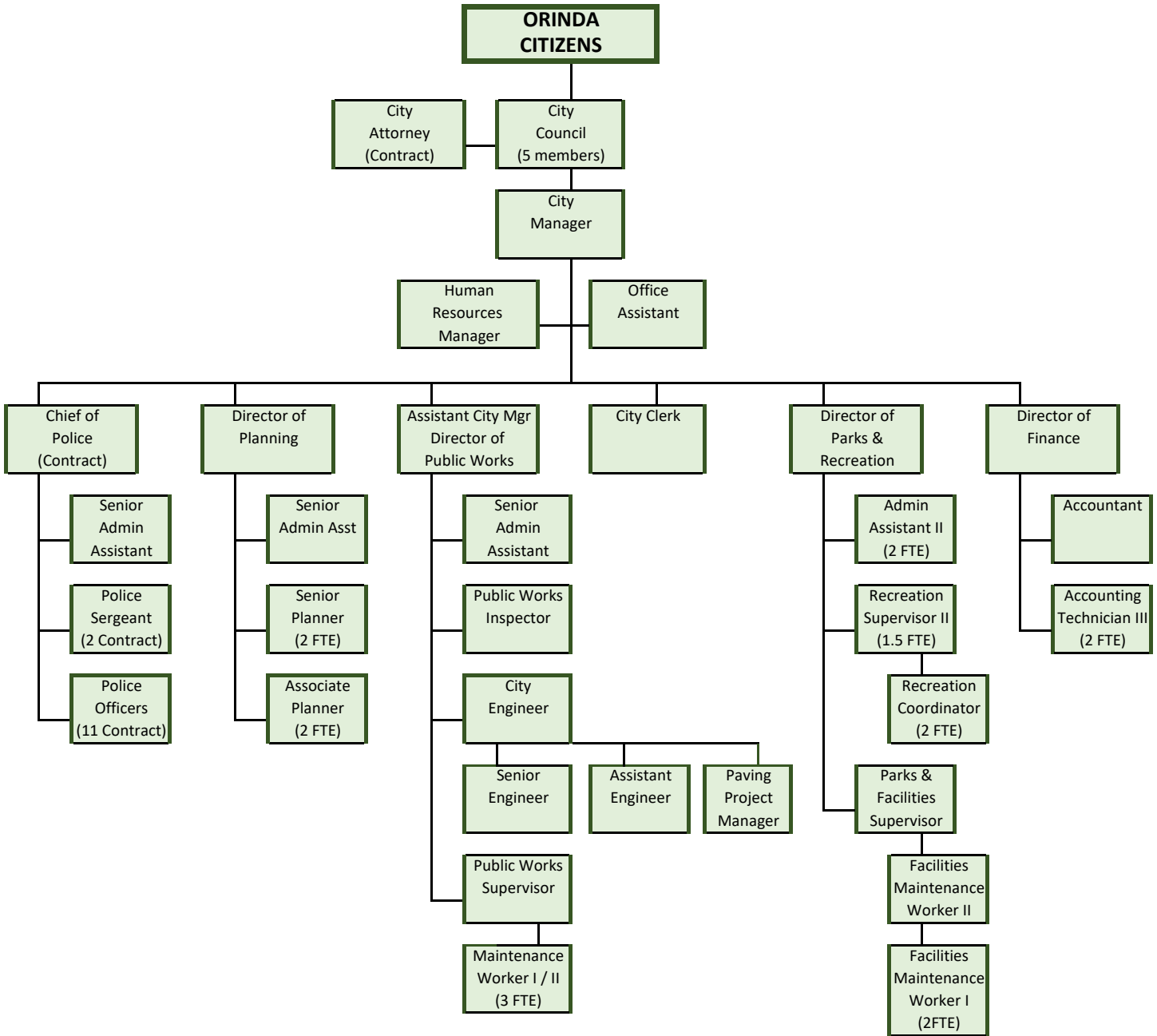
*“Orinda strives to provide excellent service in a fiscally responsible manner to promote a safe, friendly and vibrant community.”*



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



## Fiscal Year 2019 Organizational Chart



FTE = Full Time Equivalent  
 All positions are 1 FTE unless otherwise noted



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, 2018**

*Christopher P. Morill*

Executive Director/CEO

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## ***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, 2019, 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, 2019, 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.

### ***Emphasis of matter***

Management adopted the provisions of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2019.

Governmental Accounting Standards Board Statement 88 – *Certain Disclosures Related to Debt Including Direct Borrowings and Direct Placements*. See Note 8 to the financial statements for relevant disclosures.

The emphasis of matter does not constitute a modification of our opinion.

### ***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.

#### ***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, Other 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.

Other 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 Other 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 December 14, 2019 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  
December 14, 2019

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**City of Orinda**  
**Management's Discussion and Analysis (MDA)**  
**June 30, 2019**

**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, 2019. 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 assets 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, recreation and library, planning, 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, 2019 and 2018**

	Governmental Activities			
	June 30, 2019	June 30, 2018	\$ Change	% Change
Current and other assets	\$42,629,418	\$50,479,630	(\$7,850,212)	-15.6%
Capital assets	99,045,309	79,626,283	19,419,026	24.4%
<b>Total Assets</b>	<b>141,674,727</b>	<b>130,105,913</b>	<b>11,568,814</b>	8.9%
Deferred Outflow of Resources (Related to OPEB - Note 11)	30,525	-	30,525	
Current liabilities	7,040,248	5,810,097	1,230,151	21.2%
Noncurrent liabilities	49,970,466	52,014,326	(2,043,860)	-3.9%
<b>Total Liabilities</b>	<b>57,010,714</b>	<b>57,824,423</b>	<b>(813,709)</b>	-1.4%
Deferred Inflow of Resources (Related to OPEB - Note 11)	19,454	16,738	2,716	16.2%
Net Position:				
Invested in capital assets	62,085,833	52,843,727	9,242,106	17.5%
Restricted for:				
Capital projects	561,099	1,153,809	(592,710)	-51.4%
Special purpose projects	11,208,665	9,543,240	1,665,425	17.5%
Unrestricted	10,819,487	8,723,981	2,095,506	24.0%
<b>Total Net Position</b>	<b>\$84,675,084</b>	<b>\$72,264,757</b>	<b>\$12,410,327</b>	17.2%

As illustrated in the table above, the City's net position increased by \$12.41 million (17.2%) during FY 2018-19. This is primarily due to the following:

- Total assets increased by \$11.6 million, due primarily to the additions to capital assets as the result of completion of infrastructure projects and a contribution of Parks and Recreation facilities constructed by a Developer in accordance with their project approval. This overall increase was comprised of a combination of a decrease in current assets of approximately \$7.8 million and an increase in capital assets of \$19.4 million. The decrease included the expenditure of bond proceeds received in 2017 for street improvement projects. The largest type of capital projects completed and impacting capital assets were approximately, \$12.7 million in various paving and road rehabilitation projects; and approximately \$8.7 million for the Wilder sports fields and art and garden center developer built improvements. The increase in capital assets were partially offset by \$3.8 million in asset depreciation.
- Offsetting the assets is a decrease of \$813,709 (-1.4%) in total liabilities. Current liabilities totaled \$7 million which was an increase of approximately \$1.2 million. This was primarily attributable to an increase in accounts payable as of June 30, 2019, as well an increase in the current portion of long term debt. While the non-current liabilities decreased by approximately \$2 million reflecting the reduction in long-term COP and GO bonds outstanding after the annual debt service payments.

- The City reports certain deferred inflows and outflows related to OPEB (Retire Medical) on the government-wide Statement of Net Position. Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred items reported as of June 30, 2019 (Outflow = \$30,525 | Inflow = \$19,454) have minimal impact on the total Net Assets.
- The City's nearly \$62.1 million invested in capital assets represents 73.3% of total \$84.7 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 2018 and 2019. A comparison of the Statement of Activities is based on revenue, program expenses, and transfers. The program expenses are consolidated into six major activities. 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, 2019 and 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Revenues:</b>				
<u>Program revenues:</u>				
Charges for services	\$6,616,470	\$6,323,620	\$292,850	4.6%
Operating grants and contributions	275,290	902,369	(\$627,079)	-69.5%
Capital grants and contributions	9,876,949	756,620	\$9,120,329	1205.4%
<u>General revenues:</u>				
Property Tax	9,795,495	8,633,632	1,161,863	13.5%
Sales Tax	2,277,395	2,281,872	(4,477)	-0.2%
Franchise Taxes	1,127,003	1,139,414	(12,411)	-1.1%
Transfer Tax	301,824	316,381	(14,557)	-4.6%
Transient Occupancy Tax	79,128	58,658	20,470	
Rent and Interest	1,231,128	561,504	669,624	119.3%
Other	2,003,702	2,403,087	(399,385)	-16.6%
<b>Total Revenues</b>	<b>33,584,384</b>	<b>23,377,157</b>	<b>10,207,227</b>	<b>43.7%</b>
<b>Expenses:</b>				
General Government	2,612,766	2,336,578	276,188	11.8%
Police Services	4,407,099	4,175,273	231,826	5.6%
Public Works and Engineering	7,384,599	3,946,827	3,437,772	87.1%
Parks, Recreation & Library	4,411,986	3,997,130	414,856	10.4%
Planning	962,950	879,871	83,079	9.4%
Interest on bonds payable	1,394,652	1,559,887	(165,235)	-10.6%
<b>Total Governmental Activities</b>	<b>21,174,052</b>	<b>16,895,566</b>	<b>4,278,486</b>	<b>25.3%</b>
<b>Increase In Net Position</b>	<b>12,410,332</b>	<b>6,481,591</b>	<b>5,928,741</b>	<b>91.5%</b>
Net Position Beginning of Year	72,264,752	65,783,161	6,481,591	9.9%
Net Position - End of Year	\$84,675,084	\$72,264,752	\$12,410,332	17.2%

As shown in Table 2 revenues from all sources totaled \$33.6 million and expenses for all city programs totaled approximately \$21.2 million in Fiscal Year 2018-19.

## Revenues

Overall revenues increased by \$10 million or 42.8%. Increases occurred in Charges For Services; Capital Grants and Contributions; Property Tax and Rents and Interest. The largest increase was in the capital grants and contributions category which was impacted by a contribution from the Wilder Developer of sports fields and the Orinda Art and Garden Center at Wilder Park. Property Taxes include general property taxes as well as those levied specifically to pay for principal and interest on the General Obligation Bonds. It should also be noted that approximately \$341,400 of the increase in rents and interest represents an unrealized gain based on market values as of June 30, 2019. The increases were offset by decreases from the previous year in the categories of one-time capital grants. Grant revenue can fluctuate from year to year depending on the timing of grant funded projects.

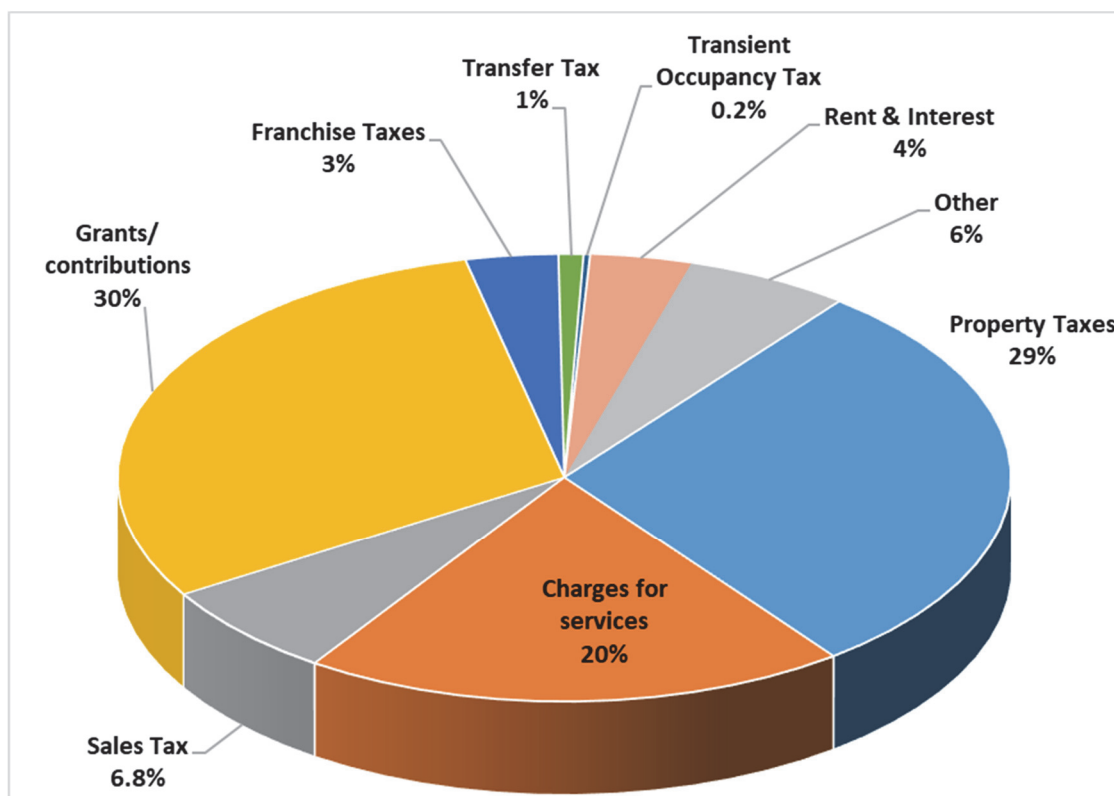
## Expenses

Overall expenses as shown in the Statement of Activities increased by \$4.3 million. The largest factors contributing to the increase were: capital related street expenses shown in Public Works, as well as an increase in the interest on bonds payable associated with the Roads General Obligation Bonds. Parks, Recreation, and Library also had an increase of more than 10%, as the City took on the addition of new facilities at Wilder Park.

## Revenues and Expenses by Category

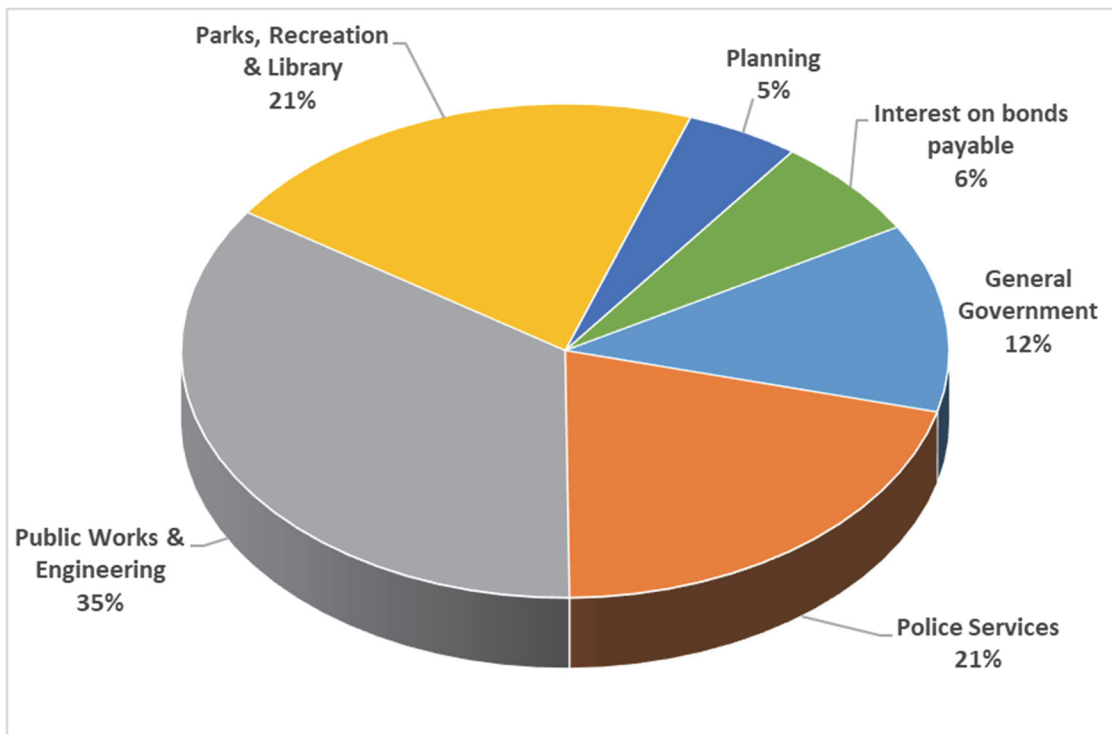
The following chart presents the Government-Wide Fiscal Year 2018-19 revenue in a pie chart format. For analysis purposes this provides a layout which graphically provides the reader with a sense of relative comparison of the different types of Revenue. Approximately 55% of the revenues come from three sources Property Taxes, Sales Tax and Charges for Services. Grants and Contributions represents 30%, however this category can be significantly impacted by non-recurring items such as the Wilder Park project.

**Government-Wide Revenue By Type**



The following chart presents the Government-Wide Fiscal Year 2018-19 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 \$21.4 million in expenses, 21% are attributable to Police Services; Public Works & Engineering account for 35% and Parks, Recreation, and Library account for 21% of the government wide 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. For the year ending June 30, 2019 the debt service funds associated with the 2014 GO Bonds and 2016 GO Bonds are now presented as major funds and the 2014 GO Bond Construction Fund is no longer a major fund. All other funds are grouped together for reporting purposes (Other governmental funds).

Major funds for the City of Orinda as of June 30, 2019 are:

- General Fund
- City Capital Projects
- Community Facilities Maintenance
- Contra Costa Transportation Authority (CCTA)
- General Obligation Road Bonds 2016 Capital Project
- General Obligation Road Bonds 2014 – Debt Service
- General Obligation Road Bonds 2016 – Debt Service
- Other Governmental Funds (Note: Individual fund data for each non-major governmental fund is provided in combining statements included in the 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, with the exception of the 2014 GO Bond Debt Service & 2016 GO Bond Debt Service, which are combined for this Table. 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 a decrease of approximately \$9.6 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, 2019**

	General Fund	City Capital Projects	Community Facilities Maint.	CCTA	2016 Road Bonds - Capital	2014 & 2016 Road Bonds Debt Service	Other Governmental Funds	TOTAL Governmental Funds
<b>Revenues</b>	<b>\$16,033,073</b>	<b>\$697,624</b>	<b>\$33,361</b>	<b>\$1,085,304</b>	<b>\$467,943</b>	<b>\$2,468,540</b>	<b>\$4,087,233</b>	<b>\$24,873,078</b>
Current Expenditures	\$13,197,727	\$102,465	\$146,487	\$5,146	\$143,751	\$ -	\$2,053,086	\$15,648,662
Capital outlay	15,971	1,825,518	-	408,044	9,044,901	-	3,930,651	15,225,085
Debt service	124,922	-	-	-	-	3,048,423	-	3,173,345
<b>Total expenditures</b>	<b>13,338,620</b>	<b>1,927,983</b>	<b>146,487</b>	<b>413,190</b>	<b>9,188,652</b>	<b>3,048,423</b>	<b>5,983,737</b>	<b>34,047,092</b>
Net transfers	(811,883)	-	-	-	-	-	811,883	-
<b>Net change in fund balances</b>	<b>1,882,570</b>	<b>(1,230,359)</b>	<b>(113,126)</b>	<b>672,114</b>	<b>(8,720,709)</b>	<b>(579,883)</b>	<b>(1,084,621)</b>	<b>(9,174,014)</b>
<b>Fund balances, beginning of year</b>	<b>8,966,308</b>	<b>1,722,506</b>	<b>1,523,140</b>	<b>52,134</b>	<b>22,142,950</b>	<b>3,145,114</b>	<b>8,542,161</b>	<b>46,094,313</b>
<b>Fund balances, end of year</b>	<b>\$10,848,878</b>	<b>\$492,147</b>	<b>\$1,410,014</b>	<b>\$724,248</b>	<b>\$13,422,241</b>	<b>\$2,565,231</b>	<b>\$7,457,540</b>	<b>\$36,920,299</b>

#### General Fund

The General Fund is the principal operating fund and represents the most significant portion of Governmental Fund revenues and expenditures (64% of governmental revenue and 39% of expenditures). As of June 30, 2019, the fund balance was \$10.8 million which was an increase of \$1.8 million from the \$9 million at the beginning of the year. The General Fund also includes general fund “Add-On Sales Tax” revenue approved by the voters in November 2012 (Operative April 1, 2013). The use of the special add-on sales tax has been appropriated by the City Council to fund street and storm drain projects, which are

typically capital projects. The timing of the Add-On Sales Tax projects impacts the fund balance from year to year. Of the \$1.8 million net change in General fund balance the add-on sales tax contributed approximately \$895,000. The add-on sales tax is programmed in the adopted capital improvement program to fund future roadway and drainage projects. A separate schedule detailing the combining of these funds is included as part of the Other Supplementary Information.

#### Capital Projects Fund

The revenue in this fund represented approximately 3% of the Governmental Funds total and expenditures in this fund represented 6% of the total expenditures in Governmental Funds. The most significant portion of the total expenses (\$1.8 million) were associated with the Town of Moraga Joint Paving Project, for which the City was fully reimbursed over the two years that the project was underway. The revenue collected in this fund represented contributions from the Town of Moraga. Approximately \$125,000 in expenditures were related to minor City projects including approximately \$83,000 in costs associated with the 2017 Miner Road Sinkhole Project.

#### 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, 2019 the balance in this fund was approximately \$1.4 million. The adopted CIP allocate the funds for future improvements at Wilder Park.

#### 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 1% of expenditures. The fund balance increased by approximately \$672,000. This was the result of the timing of road improvement project expenditures paid from the local share allocated to the City. Approximately \$350,000 of the expenditures were for project specific grants. The remaining road maintenance funds are targeted to a project in the upcoming fiscal year.

#### 2016 General Obligation Road Bonds – Capital Project

In 2016 the voters approved a general obligation property tax for up to \$25 million to complete residential roadway improvements. In April 2017, the full \$25 million of authorized bonds was issued. The fund accounted for 27% of the total expenditures in governmental funds. Proceeds from an earlier bond issuance were fully exhausted resulting in more of the road improvement projects being funded from the 2016 Bonds. The expenditures are made as part of an overall road improvement plan which utilizes funding from multiple sources.

#### 2014 General Obligation Road Bonds & 2016 General Obligation Bonds – Debt Service

As presented in Table 3 above, the Debt Service funds for two General Obligation Bond authorizations have been combined showing in total revenue of approximately \$2.6 million and expenditures of approximately \$3 million. In combination these funds represented approximately 10% of the total Governmental Funds revenues and 9% of total Governmental Funds expenditures.

In 2014 the voters approved a general obligation property tax for up to \$20 million for residential 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. As presented later in this report in the schedule of Revenues, Expenditures and Changes in Fund Balance, the 2014 GO Bond Debt Service had a total of \$1.1 million in Revenue and expenditures were \$867,000. The ending fund balance for the 2014 debt service fund was \$852,933.

In 2016 the voters approved a general obligation property tax for up to \$25 million to complete residential roadway improvements. In April 2017, the full \$25 million of authorized bonds was issued. As presented later in this report in the schedule of Revenues, Expenditures and Changes in Fund Balance, the 2016 GO

Bond Debt Service had a total of \$1.4 million in Revenue and expenditures were \$2.2 million. The ending fund balance for the 2016 debt service fund was \$1,712,298.

Revenue collected in both 2014 and 2016 debt service funds, is the amount deemed necessary in accordance with the debt service requirements for the bonds.

#### Other Governmental Funds

As noted earlier this information aggregates financial results from several funds. As of June 30, 2019 the combined fund balance was approximately \$7.5 million. These funds represented 16% of the total governmental fund revenues and 18% of the expenditures. There was a net decrease in fund balance of approximately \$1 million. The most significant contributing factors were: the 2014 GO Bond and 2016 GO Bond Debt Service funds are excluded from the FY 2018-19 balance because they are reported as Major Funds for the year ended June 30, 2019. This was offset by increases in the balances of other funds. The most significant increases in fund balance occurred in several funds that are used to finance capital projects including: Gas Tax Fund; Drainage Impact Fees; Garbage Company Road Maintenance; and the Road Stabilization Fund.

#### **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 \$1.9 million as of June 30, 2019. This was approximately \$500,000 more than was reported for the same funds in the previous year. The primary factor was additional collection of charges to address Information Systems and Building Maintenance needs. A separate Statement of Net Position and Statement of Cash Flow is included for each of the ISF 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. For the Oaksprings Assessment District all of the debt has been retired and a close-out report will be prepared.

#### **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, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget</u>
<b><u>Resources:</u></b>				
Revenues	\$14,800,184	\$15,348,604	\$16,033,072	\$684,468
Transfers In	-	-	\$3,049	\$3,049
<b>Total Resources</b>	<b><u>14,800,184</u></b>	<b><u>15,348,604</u></b>	<b><u>16,036,121</u></b>	<b><u>687,517</u></b>
<b><u>Appropriations</u></b>				
Expenditures	16,201,741	16,935,226	13,338,619	(\$3,596,607)
Transfers Out	161,268	911,268	814,932	(\$96,336)
<b>Total Appropriations</b>	<b><u>16,363,009</u></b>	<b><u>17,846,494</u></b>	<b><u>14,153,551</u></b>	<b><u>(3,692,943)</u></b>
<b>Appropriations (over) resources</b>	<b><u>(1,562,825)</u></b>	<b><u>(2,497,890)</u></b>	<b><u>1,882,570</u></b>	<b><u>4,380,460</u></b>
<b>Fund balance beginning of year</b>			<b><u>8,966,308</u></b>	
<b>Fund balance end of year</b>			<b><u>\$10,848,878</u></b>	

Overall the total General Fund Revenue was 4.5% above the final budget, with some revenues exceeding the estimate while others were less than the budget. The primary contributing factors contributing to the variance were increased sales taxes and rent and interest revenue. The increase in interest revenue was significantly impacted by a \$341,000 unrealized investment gain. In accordance with GASB pronouncements, the City recorded an unrealized gain as interest revenue, in order to reflect the book value of investments held by the City. The City did not actually sell any of these investments and it is the City's intent to hold them to maturity. Expenditures were approximately \$3.6 million less than the amount budgeted. The major factor which contributed to this was that the adopted budget anticipated project expenditures associated with the "add-on sales tax". The project schedule was revised and the expenditures will not occur until next year accounting for approximately \$2.2 million of the variance. In the general purpose General Fund major contributing factors included expenditures for Police Services were less than the amount budgeted due to limited extraordinary need for overtime; legal expenses were less than budgeted; and there was a timing difference with the payment of the annual Certificate of Participation July 1<sup>st</sup> debt service payment.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

Detailed information regarding composition and activity in capital assets is provided in Note 5 to the financial statements. The City's capital assets for governmental activities as of June 30, 2019 amounted to \$99 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 summary comparison to the previous year is presented in Table 5 below:

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

	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>\$ Change</b>	<b>% Change</b>
Land	\$2,441,034	\$1,453,434	\$987,600	67.9%
Parkland and improvements	1,295,205	1,295,205	-	0.0%
Work in progress	15,449,978	14,224,101	1,225,877	8.6%
Buildings, grounds and improvements	35,369,373	27,682,625	7,686,748	27.8%
Furniture and equipment	2,237,446	2,199,759	37,687	1.7%
Infrastructure	119,699,986	106,542,923	13,157,063	12.3%
<b>Subtotal</b>	<b>176,493,022</b>	<b>153,398,047</b>	<b>23,094,975</b>	<b>15.1%</b>
Less: Accumulated depreciation	77,447,713	73,771,764	3,675,949	5.0%
<b>Total Net of Depreciation</b>	<b>\$99,045,309</b>	<b>\$79,626,283</b>	<b>\$19,419,026</b>	<b>24.4%</b>

Major capital asset additions during FY 2018-19 included:

- 2018 Measure J & L Pavement Rehabilitation \$12.3 million
- Acquisition of the Wilder Park \$6.7 million
- Acquisition of the Art & Garden Center \$1.96 million
- 2019 Pavement Management Projects \$400,000

As shown in Table 5 the combined total net change was approximately \$19.4 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, 2019.

### Debt Administration

As of June 30, 2019 the total balance outstanding was approximately \$51.3 million. The combined balance outstanding decreased by \$1.95 million from the prior year. At June 30, 2019, the City had total long-term debts and obligations as summarized in Table 6 below.

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

	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>\$ Change</b>
2015 Refunding COP (City Hall)	\$7,231,144	\$7,551,763	(\$320,619)
2014 GO Bond Series A	7,735,640	8,002,442	(266,802)
2014 GO Bond Series B	10,545,624	10,575,936	(30,312)
2016 GO Bond Series A	25,748,725	27,083,376	(1,334,651)
<b>TOTAL</b>	<b>\$51,261,133</b>	<b>\$53,213,517</b>	<b>(\$1,952,384)</b>

Approximately 86% of the total debt balance is attributable to voter approved General Obligation Bonds issued to fund road and drainage projects. 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 8 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 recent years by needing to advance reserve funds to address damage caused by the early 2017 storms. As of June 30, 2019, the City is still awaiting disaster grant reimbursement for funds advanced to repair a critical roadway. Due to the geologic terrain in the City and weather conditions it is prudent for the City to prepare for future unplanned events. This includes impacts from storms as well potential urban wild fire conditions. The policy of the City is to strive to maintain: 1) minimum General Fund reserves equal to 40% of General Fund Expenditures; 2) a separate reserve target of \$750,000 for potential road stabilization projects; 3) a separate reserve target of \$1 million to undertake future General and Long Term Plan activities. The City has met the requirements of the first two goals and has set aside 65% of the target amount for long term plans. The City looks to supplement the planning efforts with grant funds in the coming year. The City also recognizes the need to examine revenue opportunities given that the primary revenue base has not always kept pace with expenditures.

The local 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 Council has supported the completion of planning initiatives that will allow the City to have a vibrant local economy that can support basic City services.

In June of 2019, the City Council adopted a Biennial Budget for Fiscal Years 2019-20 and 2020-21 which can be viewed on the City website at [www.cityoforinda.org](http://www.cityoforinda.org). The City adopts a two-year budget and Fiscal Year 2019-2020 is the first year of the Biennial Budget cycle. The General Fund is balanced, in both years presented. The City Council approved financial plan incorporates strategic priorities for the two year budgeting period. It will be important to assess as part of the mid-cycle review whether economic trends suggest the need for significant adjustments to the Budget. Already in the initial months of Fiscal Year 2019-2020 the City has faced unbudgeted expenditures to address Public Safety Power Shut-offs (PSPS); and a significant water leak at the City Hall building. In the fall of 2019 the Police Services was also involved with a complex multi-victim homicide case, which is expected to require extraordinary investigation costs. In terms of operations, the City must be prudent to avoid establishing on-going operating costs that cannot be sustained in the long term.

## **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

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## *Basic Financial Statements*

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**CITY OF ORINDA**

**STATEMENT OF NET POSITION  
AND STATEMENT OF ACTIVITIES**

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's net assets, by subtracting total liabilities from total assets.

The Statement of Net Position summarizes the financial position of all the City's Governmental Activities.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds primarily, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, deferred outflows/inflows of resources, available revenues and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental. The City's general revenues are then listed in the Governmental Activities as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

CITY OF ORINDA  
STATEMENT OF NET POSITION  
JUNE 30, 2019

	Governmental Activities
<b>ASSETS</b>	
Current Assets:	
Cash, cash equivalents and investments (Note 3)	\$25,324,373
Restricted cash (Note 3)	14,301,657
Accounts receivable (Note 4)	2,183,215
Interest receivable	203,914
Prepaid items and deposits	616,259
Total current assets	42,629,418
Noncurrent Assets:	
Capital assets not being depreciated (Note 5):	
Land	2,441,034
Parkland and improvements	1,295,205
Work in progress	15,449,978
Capital assets, net of accumulated depreciation (Note 5):	
Buildings, grounds and improvements	23,873,846
Furniture and equipment	620,556
Infrastructure	55,364,690
Total noncurrent assets	99,045,309
Total assets	141,674,727
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Related to OPEB (Note 11)	30,525
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable and accrued liabilities (Note 6)	4,382,128
Interest payable	517,919
Unearned revenue	30,000
Current portion of long-term debt (Note 8)	2,032,733
Current portion of accrued compensated absences (Note 1)	63,439
Planning and engineering deposits	14,029
Total current liabilities	7,040,248
Noncurrent Liabilities:	
Long-term debt (Note 8):	
COP payable, due in more than one year	6,905,525
GO Bonds, due in more than one year	42,322,875
Long-term portion of accrued compensated absences (Note 1)	253,755
Total OPEB liability (Note 11)	488,311
Total noncurrent liabilities	49,970,466
Total liabilities	57,010,714
<b>DEFERRED INFLOW OF RESOURCES</b>	
Related to OPEB (Note 11)	19,454
<b>NET POSITION (Note 9):</b>	
Net investment in capital assets	62,085,833
Restricted for:	
Capital projects	561,099
Special purpose projects	11,208,665
Unrestricted	10,819,487
Total net position	\$84,675,084

See accompanying notes to financial statements

CITY OF ORINDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
<i>Governmental Activities:</i>					
General government	\$2,612,766				(\$2,612,766)
Police services	4,407,099	\$219,717			(4,187,382)
Public works and engineering	7,384,599	2,075,783	\$275,290	\$1,189,349	(3,844,177)
Parks, recreation and library	4,411,986	3,059,501		8,687,600	7,335,115
Planning	962,950	1,261,469			298,519
Interest on bonds payable	1,394,652				(1,394,652)
<b>Total primary government</b>	<b>\$21,174,052</b>	<b>\$6,616,470</b>	<b>\$275,290</b>	<b>\$9,876,949</b>	<b>(4,405,343)</b>
		Property taxes			9,795,495
		Sales taxes			2,277,395
		Franchise taxes			1,127,003
		Transfer tax			301,824
		Transient Occupancy Tax			79,128
		Interest income			1,231,128
		Miscellaneous			2,003,702
		<b>Total general revenues</b>			<b>16,815,675</b>
		Change in net position			12,410,332
		Net position - beginning			72,264,752
		Net position - ending			<b>\$84,675,084</b>

See accompanying notes to financial statements

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## **FUND FINANCIAL STATEMENTS**

Major funds are defined generally as having significant activities or balances in the current year.

## **GOVERNMENTAL FUNDS**

The funds described below were determined to be Major Funds by the City for fiscal year 2018-19. Individual other governmental funds may be found in the Supplemental Section.

### **GENERAL FUND**

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.

### **COMMUNITY FACILITIES MAINTENANCE FUND**

This fund accounts for investment earnings and the costs associated with the operations and maintenance of the Wilder Community Facilities.

### **CCTA (CONTRA COSTA TRANSPORTATION AUTHORITY) FUND**

This fund accounts for the voter approved transportation sales tax used for voter approved transportation programs and projects as administered by the Contra Costa Transportation Authority.

### **CITY CAPITAL PROJECTS FUND**

This fund accounts for transfers from the General Fund and expenditures related to infrastructure improvements. In fiscal year 2018-19 the fund also accounted for a joint paving project funded by the Town of Moraga.

### **ROAD BONDS 2016 CAPITAL PROJECTS FUND**

This fund accounts for costs associated with repair, restoration and upgrade of the City's roads and drains funded by the 2016 General Obligation Bonds.

### **ROAD BONDS 2014 DEBT SERVICE FUND**

This fund accounts for the collection of tax proceeds and the payment of debt service for the 2014 General Obligation Bonds.

### **ROAD BONDS 2016 DEBT SERVICE FUND**

This fund Accounts for the collection of tax proceeds and the payment of debt service for the 2016 General Obligation Bonds.

CITY OF ORINDA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019

	Major Funds			
	General Fund	Community Facilities Maintenance	CCTA	City Capital Projects Fund
<u>ASSETS</u>				
Cash, cash equivalents and investments (Note 3)	\$11,299,816	\$1,519,191	\$727,569	\$636,905
Restricted cash (Note 3)				
Accounts receivable (Note 4)	797,984		255,938	
Interest receivable	180,533	2,923	781	
Prepaid items and deposits	495,087			
Due from other funds	538,727			
	<u>\$13,312,147</u>	<u>\$1,522,114</u>	<u>\$984,288</u>	<u>\$636,905</u>
Total assets	<u>\$13,312,147</u>	<u>\$1,522,114</u>	<u>\$984,288</u>	<u>\$636,905</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Accounts payable and accrued liabilities (Note 6)	\$2,102,046	\$112,100	\$40,282	\$144,758
Other current liabilities	317,194			
Unearned revenue	30,000			
Due to other funds			219,758	
Planning and engineering deposits	14,029			
	<u>2,463,269</u>	<u>112,100</u>	<u>260,040</u>	<u>144,758</u>
Total Liabilities	<u>2,463,269</u>	<u>112,100</u>	<u>260,040</u>	<u>144,758</u>
Fund balances (Note 9):				
Nonspendable	495,087			
Restricted		1,410,014	724,248	
Assigned	3,175,604			
Committed	317,194			492,147
Unassigned	6,860,993			
	<u>10,848,878</u>	<u>1,410,014</u>	<u>724,248</u>	<u>492,147</u>
Total fund balances	<u>10,848,878</u>	<u>1,410,014</u>	<u>724,248</u>	<u>492,147</u>
Total liabilities and fund balance	<u>\$13,312,147</u>	<u>\$1,522,114</u>	<u>\$984,288</u>	<u>\$636,905</u>

See accompanying notes to financial statements

Major Funds

Road Bonds 2016 Capital Projects	Road Bonds 2014 Debt Service	Road Bonds 2016 Debt Service	Other Governmental Funds	Total
\$1,175	\$851,393	\$1,709,136	\$7,251,634	\$23,996,819
14,301,657				14,301,657
203,490			922,345	2,179,757
	1,540	3,162	12,700	201,639
			119,729	614,816
				538,727
<u>\$14,506,322</u>	<u>\$852,933</u>	<u>\$1,712,298</u>	<u>\$8,306,408</u>	<u>\$41,833,415</u>
\$1,083,517			\$529,899	\$4,012,602
564				317,758
				30,000
			318,969	538,727
				14,029
<u>1,084,081</u>			<u>848,868</u>	<u>4,913,116</u>
13,422,241	\$852,933	\$1,712,298	119,729	614,816
			6,514,952	24,636,686
			21,513	3,197,117
			801,346	1,610,687
				6,860,993
<u>13,422,241</u>	<u>852,933</u>	<u>1,712,298</u>	<u>7,457,540</u>	<u>36,920,299</u>
<u>\$14,506,322</u>	<u>\$852,933</u>	<u>\$1,712,298</u>	<u>\$8,306,408</u>	<u>\$41,833,415</u>

CITY OF ORINDA  
 Reconciliation of the  
 GOVERNMENTAL FUNDS - BALANCE SHEET  
 with the  
 STATEMENT OF NET POSITION  
 JUNE 30, 2019

Fund balances of governmental funds \$36,920,299

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

CAPITAL ASSETS

Capital assets have not been included in as financial resources in governmental fund activity:

Capital assets, non depreciable	19,186,217
Capital assets, depreciated, net	79,328,751

LONG-TERM ASSETS, DEFERRED INFLOW, DEFERRED OUTFLOW, AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Bonds payable	(51,261,133)
Compensated absences	(317,194)
Interest payable	(517,919)
Net OPEB liability, deferred inflows and deferred outflows	(477,240)

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.

1,813,303

Net position of governmental activities

\$84,675,084

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, 2019

	Major Funds			
	General Fund	Community Facilities Maintenance	CCTA	City Capital Projects Fund
Revenues				
Taxes				
Property tax and assessments	\$7,367,428			
Sales tax	2,277,395			
Franchise tax	1,127,003			
Transient Occupancy Tax	79,128			
Property transfer tax	301,824			
Business license registration	12,581			
Use of money and properties	715,734	\$33,361	\$6,770	
Recreation fees				
Recreation class fees	1,218,438			
OYA sports fees	291,974			
Wagner ranch sports fees	43,496			
Sports fields rentals	393,322			
Other	141,761			
Service fees				
Vehicle fees and parking fines	130,675			
NPDES				
Building inspection	749,150			
Planning	499,719			
Public works and engineering	141,065			
Police	15,023			
Other agencies				
Federal				
State and local				
Gasoline taxes				
Homeowners tax reimbursement	32,114			
Vehicle abatement	8,919			
CCTA return to source			1,078,534	
Development impact fees				
Miscellaneous	486,323			\$697,624
Total Revenues	<u>16,033,072</u>	<u>33,361</u>	<u>1,085,304</u>	<u>697,624</u>

See accompanying notes to financial statements

Major Funds

Road Bonds 2016 Capital Projects	Debt Bond 2014 Debt Service	Road Bonds 2016 Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
	\$1,088,433	\$1,339,634	\$1,027,012	\$10,822,507
				2,277,395
				1,127,003
				79,128
				301,824
				12,581
\$264,453	10,782	29,691	146,630	1,207,421
				1,218,438
				291,974
				43,496
				393,322
				141,761
				130,675
			301,955	301,955
			19	749,169
				499,719
				141,065
			204,694	219,717
			78,701	78,701
			144,615	144,615
			731,589	731,589
				32,114
				8,919
				1,078,534
			844,672	844,672
203,490			607,346	1,994,783
467,943	1,099,215	1,369,325	4,087,233	24,873,077

(Continued)

CITY OF ORINDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Major Funds			
	General Fund	Community Facilities Maintenance	CCTA	City Capital Projects Fund
Expenditures				
Current:				
City management	411,145			
City attorney	531,901			
City clerk	277,165			
Administrative services	1,025,534			
Parks and recreation	3,120,361		5,146	
Public works and engineering	1,769,584	146,487		
Police services	4,300,939			
Planning	1,125,968			
Capital improvements				1,780,244
Lighting and landscaping district				
Library operations	39,551			
Capital outlay	611,549		408,044	147,739
Debt service:				
Interest and fiscal charges	124,922			
Principal				
Total Expenditures	<u>13,338,619</u>	<u>146,487</u>	<u>413,190</u>	<u>1,927,983</u>
Excess (deficiency) of revenues over expenditures	<u>2,694,453</u>	<u>(113,126)</u>	<u>672,114</u>	<u>(1,230,359)</u>
Other financing sources (uses):				
Transfers in (Note 7)	3,049			
Transfers out (Note 7)	<u>(814,932)</u>			
Total other financing sources (uses)	<u>(811,883)</u>			
Net changes in fund balance	1,882,570	(113,126)	672,114	(1,230,359)
Fund balance - beginning of year	<u>8,966,308</u>	<u>1,523,140</u>	<u>52,134</u>	<u>1,722,506</u>
Fund balance - end of year	<u><u>\$10,848,878</u></u>	<u><u>\$1,410,014</u></u>	<u><u>\$724,248</u></u>	<u><u>\$492,147</u></u>

See accompanying notes to financial statements

Major Funds

Road Bonds 2016 Capital Projects	Debt Bond 2014 Debt Service	Road Bonds 2016 Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
				411,145
				531,901
				277,165
				1,025,534
			131,960	3,257,467
143,751			566,949	2,626,771
			260,580	4,561,519
			1,170	1,127,138
				1,780,244
			417,423	417,423
			434,950	474,501
9,044,901			4,170,705	14,382,938
	617,353	956,070		1,698,345
	250,000	1,225,000		1,475,000
9,188,652	867,353	2,181,070	5,983,737	34,047,091
(8,720,709)	231,862	(811,745)	(1,896,504)	(9,174,014)
			814,932	817,981
			(3,049)	(817,981)
			811,883	
(8,720,709)	231,862	(811,745)	(1,084,621)	(9,174,014)
22,142,950	621,071	2,524,043	8,542,161	46,094,313
<u>\$13,422,241</u>	<u>\$852,933</u>	<u>\$1,712,298</u>	<u>\$7,457,540</u>	<u>\$36,920,299</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, 2019

Changes in fund balances of governmental funds (\$9,174,014)

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

CAPITAL ASSETS TRANSACTIONS

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	14,382,940
Capital contributions are added to fund balance	8,687,600
Depreciation expense	(3,626,757)

LONG-TERM DEBT PROCEEDS AND PAYMENTS

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.

Repayment of debt principal	1,785,000
Amortization of bond premium	167,384
Accrued interest	(173,691)

ACCRUAL OF NON-CURRENT ITEMS

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	(65,613)
Total OPEB Liabilities and related deferred inflow of resources	(48,537)

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.

476,020

Changes in net position of governmental activities \$12,410,332

See accompanying notes to financial statements

## MAJOR PROPRIETARY FUNDS

### PROPRIETARY FUNDS

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

CITY OF ORINDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019

<u>ASSETS</u>	<u>Total Internal Service Funds</u>
Current Assets:	
Cash, cash equivalents and investments (Note 3)	\$1,327,554
Accounts receivable	3,458
Interest receivable	2,275
Prepaid items and deposits	1,443
Non-Current Assets	
Property and equipment net of accumulated depreciation (Note 5)	<u>530,341</u>
Total Assets	<u>1,865,071</u>
<u>LIABILITIES AND NET POSITION</u>	
Current Liabilities:	
Accounts payable	50,926
Accrued payroll	<u>842</u>
Total Liabilities	<u>51,768</u>
Net Position (Note 9):	
Investments in capital assets	530,341
Unrestricted	<u>1,282,962</u>
Total Net Position	<u><u>\$1,813,303</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, 2019

	Total Internal Service Funds
Operating revenues	
Charges for services	\$1,097,548
Other	154
	1,097,702
 Total operating revenues	 1,097,702
Operating expenses	
Salaries and wages	66,127
Contract services	115,362
Services and supplies	20,588
Special department expenses	290,204
Depreciation	156,566
	648,847
 Total operating expenses	 648,847
Operating income (loss)	448,855
Non-operating revenues	
Investment income	23,707
Gain on disposal of capital asset	3,458
	27,165
 Total non-operating revenues	 27,165
 Change in net position	 476,020
Net position at beginning of year	1,337,283
Net position at end of year	\$1,813,303

See accompanying notes to financial statements

CITY OF ORINDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30,2019

	<u>Total Internal Service Funds</u>
Cash flows from operating activities:	
Cash received from department users	\$1,094,244
Cash payments to suppliers of goods and services	(87,294)
Cash payments to employees for services	<u>(351,076)</u>
Net cash provided by (used for) operating activities	<u>655,874</u>
Cash flows from capital and related financing activities:	
(Acquisition) of capital assets	(131,809)
Proceeds from sale of capital assets	<u>3,458</u>
Net cash (used for) capital and related financing activities	<u>(128,351)</u>
Cash flows from investing activities:	
Interest received on investments	<u>22,537</u>
Net cash provided by investing activities	<u>22,537</u>
Net (decrease) in cash and cash equivalents	550,060
Cash and cash equivalents at beginning of year	<u>777,494</u>
Cash and cash equivalents at end of year	<u><u>\$1,327,554</u></u>
Reconciliation of operating income to net cash flows provided by operating activities:	
Operating income (loss)	\$448,855
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	156,566
Decrease in accounts receivable	(3,458)
(Increase) in prepaid items	7,079
(Decrease) in accounts payable	46,802
(Decrease) in accrued expenses	26
(Decrease) in accrued payroll	<u>4</u>
Net cash provided by (used for) operating activities	<u><u>\$655,874</u></u>

See accompanying notes to financial statements

<b>FIDUCIARY FUNDS</b>
------------------------

**FIDUCIARY FUNDS**

Fiduciary funds are used to account for assets held by the City as an agent or in trust for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF ORINDA  
AGENCY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2019

ASSETS

Cash, cash equivalents and investments (Note 3)	\$2,240,128
Accounts receivable	94,874
Interest receivable	<u>252</u>
Total assets	<u><u>\$2,335,254</u></u>

LIABILITIES

Accounts payable and accrued expenses	\$8,599
Deposits	2,195,531
Due to bondholders	<u>131,124</u>
Total Liabilities	<u><u>\$2,335,254</u></u>

See accompanying notes to financial statements

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**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.

**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).

**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, 2019.

*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**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, 2019, the Community Facilities Maintenance and CCTA (Contra Costa Transportation Authority) 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 six 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. For the fiscal year ended June 30, 2019 the City Capital Projects and, Road Bonds 2016 Capital Projects Funds are considered major funds.

*Debt Service Funds*

Debt service funds are used to account for the collection of tax proceeds and the payment of debt services. For the fiscal year ended June 30, 2019, the Road Bonds 2014 and Road Bonds 2016 Debt Service Funds are considered major funds.

**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 Funds*

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. These funds are 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**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 four 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. All outstanding bonds have been retired as of September 2018.
- 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 follows:

<u><b>Fund</b></u>	<u><b>Brief Description</b></u>
<i>Major:</i>	
General Fund	Primary operating fund of the City.
Community Facilities Maintenance	Accounts for investment earnings and the costs associated with developer provided endowment for 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.
City Capital Projects Fund	Accounts for transfers from the General Fund and Expenditures related to infrastructure improvements.
2016 Road Bonds Capital Projects	Accounts for costs associated with repair restoration and upgrade of the City’s roads and drains funded by the 2016 General Obligation Bonds.
Road Bonds 2014 Debt Service Fund	Accounts for the collection of tax proceeds and the payment of debt service for the 2014 General Obligation Bonds.
Road Bonds 2016 Debt Service Fund	Accounts for the collection of tax proceeds and the payment of debt service for the 2016 General Obligation Bonds.
<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 Funds	Used to pay debt service commitments
Capital Projects Funds	Used to account for specific capital improvements.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting**

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

**Measurement focus**

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

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities would not be eliminated. The following interfund activities have been eliminated:

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

The City applies all applicable GASB pronouncements for certain accounting and financial reporting guidance.

*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.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**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.

**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.

**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.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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.

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.

**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 General Obligation bonds.

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.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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. Compensated absences are liquidated primarily by the General Fund.

The changes in compensated absences were as follows:

Balance as of June 30, 2018	Additions	Reductions	Balance as of June 30, 2019	Current Portion
\$251,581	\$83,292	\$17,679	\$317,194	\$63,439

**E. 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.

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.

**F. 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.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. 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 sales tax levied in the city of Orinda is 8.75% of 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 8.75% 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.

**Other revenues**

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

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Expenditures / expenses**

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

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

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

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

**Interfund transfers**

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

**H. Budgetary Accounting**

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

The biennial budget process sets forth planned expenditures and revenues for two consecutive fiscal years. Year 1 and 2 expenditure and revenue plans are presented to Council in a single document. At the conclusion of the biennial budget review and deliberation process, Year 1 of the biennial budget is approved and appropriated by Council, which sets the level of authorized funding for the fiscal year. The Year 2 budget is also approved but is subject to mid-cycle review and appropriation action in the following year. Funds not expended in Year 1 do not automatically roll into Year 2. During the mid-cycle review, staff proposes changes (if any). At that time, Council will consider the proposed changes and recommendations. At the conclusion of the deliberations, the Council will approve and appropriate funds for Year 2 of the budget.

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

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The following funds had expenditures in excess of appropriations in fiscal year 2018-19:

Fund	Amount
Road Bonds 2014 Capital Projects Fund	(\$36,950)
Assessment District M-9 Special Revenue Fund	(1,728)
Assessment District M-11 Special Revenue Fund	(9,340)
Wilder CFD Special Revenue Fund	(33,251)
Road Bonds 2014 Debt Service Fund	(2,315)
Road Bonds 2016 Debt Service Fund	(320)

**I. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

The City only has one item that qualifies for reporting in this category, deferred outflows related to Other Post-Employment Benefits (OPEB). For further discussion see Note 11.

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow or resources (revenue) until that time.

The City only has one item that qualifies for reporting in this category, deferred inflows related to Other Post-Employment Benefits (OPEB). For further discussion see Note 11.

**J. *New Accounting Pronouncements***

The City has implemented the requirements of the following GASB Pronouncements:

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with retirement of tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognized a liabilities based on the guidance in this statement. This Statement had no impact on the City’s financial statement in fiscal year 2018-19.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GASB Statement No. 88 – *Certain Disclosures related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The City has implemented this statement. See Note 8 for additional information.

**K. New and Closed Funds**

In fiscal year 2018-19, the City established two new Special Revenue Funds. The Federal Grants Fund was established to account for grant revenues received and the expenditures of federal grants. In addition, the General Plan Surcharge was established to account for fees added as a surcharge to Planning Permits and used to fund updates of the General Plan including the required Housing Element.

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

**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
SLES (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
TDA Grants	State law – included in Special Revenue
Road Maintenance – Garbage Co.	Local ordinance – included in Special Revenue
Federal Grants Fund	Federal law – included in Special Revenue

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**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.

**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
Road maintenance – Garbage Co.	Street purposes

**NOTE 3 – CASH AND INVESTMENTS**

**A. Policies**

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**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**B. Classifications**

The City had the following cash and investments at June 30, 2019:

**Reconciliation to Financial Statements:**

*Governmental Funds Balance Sheet:*

Cash and cash equivalents and investments	\$23,996,819
Restricted cash	14,301,657
Subtotal	38,298,476

*Internal Service Funds:*

Cash and cash equivalents	1,327,554
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*Fiduciary Funds:*

Cash and cash equivalents	2,240,128
Total cash and investments	\$41,866,158

*Statement of Net Position:*

Cash, cash equivalents and investments	\$25,324,373
Restricted cash	14,301,657

*Statement of Fiduciary Net Position:*

Fiduciary Funds - cash and equivalents	2,240,128
	\$41,866,158

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. For withdrawals of \$10 million or more, one day prior notice to LAIF is required. 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, 2019, these investments matured in an average of 173 days.

At June 30, 2019, the book amount of the City's deposits were \$54,873 which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

*C. Investment Authorized by the California Government Code and the City's Investment Policy*

City Investment Policy

The City is authorized by State statutes and in accordance with the City's investment Policy to invest in the following:

<u>Authorized Investment Type</u>	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:

<u>Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Limit of Pool</u>	<u>Maximum per Issuer</u>
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
Supranationals	5 years	AA	30%	10%
Asset-Backed Securities	5 years	AA	20%	5%

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

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**D. 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	\$3,549,966	\$619,884	\$401,625	\$324,773	\$4,896,248
U.S. Government Agency Securities	3,634,372	564,890	1,679,177	1,205,200	7,083,639
Medium-Term Corporate Notes	1,689,777	976,888	247,930	509,112	3,423,707
Money Market	272,575				272,575
Local Agency Investment Fund	22,722,179				22,722,179
Asset-Backed Securities	899	61,540	271,527	86,063	420,029
Commercial Paper	494,085				494,085
Negotiable CD	500,004				500,004
Supranational		40,212	398,802		439,014
Total Investments	<u>\$32,863,857</u>	<u>\$2,263,414</u>	<u>\$2,999,061</u>	<u>\$2,125,148</u>	40,251,480
Cash on Hand and Cash in Bank					<u>1,614,678</u>
Total Cash and Investments					<u>\$41,866,158</u>

**E. 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, 2019 for each investment type:

	Fair Value	AAA/AAAm	AA+/AA/AA-	A+/A/A-	A-1/A-1+	Not Rated
U.S. Treasury Notes	\$4,896,248		\$4,896,248			
U.S. Government Agency Securities	7,083,639		7,083,639			
Medium-Term Corporate Notes	3,423,707	\$94,887	1,658,377	\$1,670,443		
Money Market	272,575	272,575				
Local Agency Investment Fund	22,722,179					\$22,722,179
Asset-Backed Securities	420,029	248,531				171,498
Commercial Paper	494,085				\$494,085	
Negotiable CD	500,004				500,004	
Supranational	439,014	439,014				
Total Investments	<u>40,251,480</u>	<u>\$1,055,007</u>	<u>\$13,638,264</u>	<u>\$1,670,443</u>	<u>\$994,089</u>	<u>\$22,893,677</u>
Cash on Hand and Cash in Bank	<u>1,614,678</u>					
Total Cash and Investments	<u>\$41,866,158</u>					

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

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. By policy the City has allocated interest to other funds in the same manner, without a legal requirement.

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.

Under the current accounting standard, 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.

**F. Concentration of Credit Risk**

Investments in the securities of any individual issuers, other than U.S. Treasury securities mutual funds, the California Local Agency Investment Fund and the California Asset management Program, that represent 5% or more of total Government-wide investments, are as follows at June 30, 2019:

Issuer	Investment Type	Amount
Federal National Mortgage Association	Federal Agency Securities	\$3,580,246
Federal Home Loan Bank	Federal Agency Securities	2,022,756

**G. 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.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2019:

**Investments By Fair Value Level:**

	Level 2	Note
U.S. Treasury Notes	\$4,896,248	(A)
U.S. Government Agency Securities	7,083,639	(A)
Medium-Term Corporate Notes	3,423,707	(A)
Asset-Backed Securities	420,029	(A)
Commercial Paper	494,085	(A)
Negotiable CD	500,004	(A)
Supranational	439,014	(A)
Total By Fair Value Level	17,256,726	

**Investments Measured at Amortized Cost:**

Money Market	272,575	
Investment Exempt from Fair Value Hierarchy:		
Local Agency Investment Fund	22,722,179	(B)
Total Investments	40,251,480	
Cash on Hand and Cash in Bank	1,614,678	
Total Cash and Investments	\$41,866,158	

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) 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**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 4 – 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, 2019. They included:

State of California	\$680,091
Wilder Assessment	462,060
Contra Costa County	453,838
Other Government Agencies	270,401
East Bay Municipal Utility District	150,763
Franchise fees	92,585
Miscellaneous	73,477
	<hr/>
Total	<u><u>\$2,183,215</u></u>

**NOTE 5 – CAPITAL ASSETS**

**Capital Assets**

Capital asset activities for the year ended June 30, 2019, were as follows:

	Balance June 30, 2018	Additions	Disposals and adjustments	Transfers	Balance June 30, 2019
Capital assets not being depreciated					
Land	\$1,453,434	\$987,600			\$2,441,034
Parkland and improvements	1,295,205				1,295,205
Work in progress	14,224,101	14,382,940		(\$13,157,063)	15,449,978
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets not being depreciated	16,972,740	15,370,540		(13,157,063)	19,186,217
Capital assets being depreciated					
Buildings, grounds and improvements	27,682,625	7,700,000	(\$13,252)		35,369,373
Furniture and equipment	2,199,759	131,809	(94,122)		2,237,446
Infrastructure	106,542,923			13,157,063	119,699,986
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated	136,425,307	7,831,809	(107,374)	13,157,063	157,306,805
Accumulated depreciation					
Buildings, grounds and improvements	10,786,395	722,384	(13,252)		11,495,527
Furniture and equipment	1,543,793	167,219	(94,122)		1,616,890
Infrastructure	61,441,576	2,893,720			64,335,296
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	73,771,764	3,783,323	(107,374)		77,447,713
Net capital assets being depreciated	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	62,653,543	4,048,486		13,157,063	79,859,092
Total net capital assets	<u><u>\$79,626,283</u></u>	<u><u>\$19,419,026</u></u>			<u><u>\$99,045,309</u></u>

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 5 – CAPITAL ASSETS (Continued)**

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

Governmental Activities:	
General government	\$319,432
Public safety	1,131
Public works	2,893,721
Culture and recreation	412,473
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	156,566
Total depreciation expense - governmental activities	<u>\$3,783,323</u>

**NOTE 6 – ACCOUNTS PAYABLE**

Accounts payable in the governmental funds are composed of payables to various vendors during the normal course of business. At June 30, 2019, the most significant general fund payable was the payable to the Contra Costa County Sheriff totaling \$299,971. The most significant major fund payable at June 30, 2019 was a \$425,804 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, 2019.

**NOTE 7 – INTERFUND TRANSFERS**

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2019 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount
General Fund	Road Stabilization Capital Projects Fund	\$750,000 A
	<b>Special Revenue Funds:</b>	
	Special Assessment District L-42 Fund	240 B
	Special Assessment District M-9 Fund	352 B
	Special Assessment District M-11 Fund	40,911 B
	Stormwater Fund	23,429 B
Other Grants Capital Project Fund	General Fund	<u>3,049 C</u>
		<u>\$817,981</u>

- A: To fund capital projects
- B: To finance programs
- C: To rebuild General Fund Reserves

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 8 – 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 at June 30, 2018	Retirements	Balance at June 30, 2019	Current Portion
2015 Refunding Certificates of Participation, 4.0% to 5.0%, due 7/1/2035	\$7,945,000	\$7,350,000	(\$310,000)	\$7,040,000	\$315,000
Add: Unamortized Bond Premium		201,763	(10,619)	191,144	10,619
2014 General Obligation Bonds, Series A 2.0 to 4.0%, due 9/1/35	10,000,000	7,700,000	(250,000)	7,450,000	260,000
Add: Unamortized Bond Premium		302,442	(16,802)	285,640	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	175,000
Add: Unamortized Bond Premium		575,936	(30,312)	545,624	30,312
2016 General Obligation Bonds, Series A 1.4% to 4.0%, due 9/1/37	25,000,000	25,000,000	(1,225,000)	23,775,000	1,225,000
Add: Unamortized Bond Premium		2,083,376	(109,651)	1,973,725	
<b>Total</b>		<b>\$53,213,517</b>	<b>(\$1,952,384)</b>	<b>\$51,261,133</b>	<b>\$2,032,733</b>

**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.

As provided in Section 4(b)(iii) of the Continuing Disclosure Agreement for the 2015 Refunding COP, the City is providing an update of "City Financing Information - General Fund Revenues - Summary of Revenue Sources" for the period ending June 30, 2019.

General Fund Key Revenues	2018-2019 Revenue	Percent of Total
Property Taxes	\$5,249,201	49%
Property Tax in Lieu VLF	2,118,227	20%
Sales tax	2,277,395	21%
Franchise Taxes	1,127,003	10%
<b>Total</b>	<b>\$10,771,826</b>	

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 8 – LONG-TERM DEBT (Continued)**

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 obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$833,769. The Bonds are payable from any source of available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

**2015 Refunding Certificate of Participation**

	Principal	Interest
2020	\$315,000	\$245,119
2021	325,000	235,519
2022	335,000	225,619
2023	345,000	215,419
2024	355,000	204,919
2025-2029	1,970,000	819,960
2030-2034	2,325,000	452,288
2035-2036	1,070,000	43,200
Total	7,040,000	\$2,442,043
Premium, net of amortization	191,144	
	\$7,231,144	

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 8 – LONG-TERM DEBT (Continued)**

**2014 General Obligation Bonds, Series A**

In March of 2015, the City issued General Obligation Bonds, Election of 2014, Series A, 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. The Bonds are payable from any source of available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

**2014 General Obligation Bonds, Series A**

	Principal	Interest	
2020	\$260,000	\$234,362	
2021	275,000	229,012	
2022	290,000	221,912	
2023	310,000	212,912	
2024	330,000	201,662	
2025-2029	2,025,000	794,760	
2030-2034	2,675,000	431,813	
2035-2036	1,285,000	43,960	
Total	7,450,000	\$2,370,393	
Premium, net of amortization	285,640		
	\$7,735,640		

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 8 – LONG-TERM DEBT (Continued)**

**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. The Bonds are payable from any source of available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

**2014 General Obligation Bonds, Series B**

	Principal	Interest
2020	\$175,000	\$372,575
2021	205,000	367,325
2022	240,000	359,125
2023	320,000	355,825
2024	325,000	343,025
2025-2029	1,940,000	1,473,125
2030-2034	2,745,000	1,034,225
2035-2038	4,050,000	415,726
Total	10,000,000	\$4,720,951
Premium, net of amortization	545,624	
	\$10,545,624	

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 8 – LONG-TERM DEBT (Continued)**

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

In April of 2017, the City issued General Obligation Bonds, Election of 2016, Series A, 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. The Bonds are payable from any source of available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

**2016 General Obligation Bonds, Series A**

	Principal	Interest
2020	\$1,125,000	\$941,500
2021	515,000	907,750
2022	640,000	887,150
2023	755,000	878,350
2024	865,000	840,600
2025-2029	5,405,000	3,602,500
2030-2034	7,085,000	2,326,000
2035-2038	7,385,000	765,400
Total	23,775,000	\$11,149,250
Premium, net of amortization	1,973,725	
	\$25,748,725	

**NOTE 9 – NET POSITION AND FUND BALANCES**

**A. 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.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

- 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*

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**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

*Reserve Policy*

The City Council adopted policy related to reserves was developed using an analytical framework developed by the Government Finance Officers Association (GFOA). The tool applies local judgement examining the range of reserves an agency may need based on eight areas of financial risk. These criteria for Contingency and Emergency can be summarized in three key categories: Cash Flow Needs, Economic Uncertainty, and Emergency Disaster Reserves. The policy establishes the reserves determined to be appropriate for these situations as a calculation of 40% of the subsequent years general fund budget. The contingency reserve is \$5,802,890 as of June 30, 2019 and per the policy this is shown as an unassigned balance as required by accounting standards. There is an additional unassigned amount of \$871,864 which combined with the contingency and emergency reserve represents 47% of the FY 2020 general fund budget.

The City Council also directed that a \$100,000 unassigned balance be identified as a future contribution to an OPEB Trust. The City Council expects a trust to be established in Fiscal Year 2019-2020 and the initial funding will come from this unassigned balance. Until the trust is established there will be no change in the reported liability for OPEB as presented in Note 11.

The City Council policy also established an additional target goal of \$750,000 for Road and Slope Stabilization of \$750,000. The City has exceeded the target as of June 30, 2019 with a balance for future capital projects of \$801,346. The Road Stabilization fund is consolidated as part of the Other Governmental funds in the schedule below. The Council policy has a target goal of \$1 million for General and Long Term Plans and has an assigned balance towards this goal of \$651,359 as of June 30, 2019.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

Detailed classifications of the City’s Fund Balances, as of June 30, 2019, are stated below:

	General Fund	Community Facilities Maintenance	CCTA	City Capital Projects Fund	Road Bonds 2016 Capital Projects	Road Bonds 2014 Debt Service	Road Bonds 2016 Debt Service	Other Governmental Funds	Total
<b>Nonspendable:</b>									
Prepaid items	\$495,087							\$119,729	\$614,816
Total nonspendable	495,087							119,729	614,816
<b>Restricted:</b>									
Streets & roads			\$724,248		\$13,422,241			1,803,321	15,949,810
Debt service						\$852,933	\$1,712,298		2,565,231
Public facilities		\$1,410,014						603,234	2,013,248
Parks development improvements								1,185,953	1,185,953
Trees and landscaping								11,789	11,789
Police								177,288	177,288
Affordable housing								136,755	136,755
Storm drain								1,524,173	1,524,173
Library								115,007	115,007
Traffic mitigation								957,432	957,432
Total restricted		1,410,014	724,248		13,422,241	852,933	1,712,298	6,514,952	24,636,686
<b>Committed:</b>									
Streets & roads				\$492,147				801,346	1,293,493
Compensated absences	317,194								317,194
Total committed	317,194			492,147				801,346	1,610,687
<b>Assigned:</b>									
Long term and general plan	651,360							21,513	672,873
Capital outlay and add-on sales tax	2,524,244								2,524,244
Total assigned	3,175,604							21,513	3,197,117
<b>Unassigned**:</b>									
Contingency / emergency	5,802,890								5,802,890
Unrealized Investment Gain	86,239								86,239
Unassigned	871,864								871,864
FY 2020 OPEB Trust	100,000								100,000
Total unassigned	6,860,993								6,860,993
Total Fund Balances	\$10,848,878	\$1,410,014	\$724,248	\$492,147	\$13,422,241	\$852,933	\$1,712,298	\$7,457,540	\$36,920,299

Contingency / Emergency Reserve is calculated based on Resolution 35-19 General Fund Reserve:

It is to be equal to 40% of the budgeted operating and debt service expenditures in the General Fund for the subsequent Fiscal Year (excludes Measure L Sales Tax)

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 10 – 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 working a minimum of 20 hours per week. The base contribution by the city for all eligible employees is 13%. In addition, for unrepresented employees the city will match up to a 3% employee contribution for a maximum of 16%. Vesting occurs over a three year period, with the exception of those employees over 50 years old who are fully vested from the first 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, 2018	\$6,518,871
Contributions	539,446
Loans, net	(8,231)
Disbursements, net	(958,987)
Earnings	<u>677,754</u>
Balance at June 30, 2019	<u><u>\$6,768,853</u></u>

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

For the fiscal year ended June 30, 2019, employees had an option of participating in a deferred compensation plan where contributions are from employee earnings at a maximum of 25% of earnings. For employees represented by Teamsters Local No.856, the city will match up to 3% of an employee contribution, provided the total contributions do not 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, 2018	\$5,463,946
Contributions	348,834
Disbursements, net	(229,776)
Earnings	<u>273,214</u>
Balance at June 30, 2019	<u><u>\$5,856,218</u></u>

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 11 – POST EMPLOYMENT HEALTH CARE BENEFITS**

**A. General Information about the City’s Other Post Employment Benefit (OPEB) Plan**

**Plan Description** – The City’s Post Employment Benefit Plan is a single-employer Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

**Benefits Provided** – The following is a summary of Plan benefits by employee group as of June 30, 2019:

Active Employee Coverage

Integrated medical/prescription drug coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA). Employees can choose from a variety of HMO and PPO options providing comprehensive medical and prescription drug coverage. For purposes of its contract with PEMHCA, the City uses a statutory schedule to determine its monthly contribution on behalf of each active employee. The statutory amount is \$133.00 for 2018 and \$136 for 2019, and will be indexed by the Medical CPI each year thereafter.

Post-retirement Coverage

The City offers the same medical plans to its retirees and surviving spouses as to its active employees, with the exception that once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan, with Medicare becoming the primary payer.

Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 55 and 7 years of service. The City contribution towards retiree health benefits is determined under the "unequal contribution method" under PEMHCA, whereby the contribution is increased by 5% per year until the contribution equals the City's contribution for active employees (\$133.00/month for 2018 and \$136.00/month for 2019, and scheduled to be indexed by medical inflation for years after 2019). For 2018, the City contribution was 80% of \$133.00, or \$106.40 per month, and for 2019 the City contribution was 85% of \$136.00, or \$115.60 per month. In 2022, the percentage will reach 100% and the City's contribution on behalf of eligible retirees will thereafter be the same as its contribution on behalf of active employees. Retired City Council members are not eligible for this benefit.

**Employees Covered by Benefit Terms** – Membership in the plan consisted of the following at the measurement date of June 30, 2019:

Active employees	42
Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	0
Total	45

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 11 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)**

**B. Total OPEB Liability**

*Actuarial Methods and Assumptions* – The City’s total OPEB liability was measured and rolled forward using standard update procedures based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	July 01, 2017
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	3.50%
Inflation	2.25%
Payroll Growth	3.0%
Mortality Rate	
	Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Mortality Tables for Males or Females, as appropriate, projected using a generational projection based on 100% of scale MP-2016 for years 2014 through 2029, 50% of MP-2016 for years 2030 through 2049, and 20% of MP-2016 for 2050 and thereafter.
	8.00% for 2017-18, decreasing to 5.00% for 2020-21 and Healthcare Trend Rates after.

The discount rate was based on Bond Buyer 20-bond General Obligation Index.

**C. Changes in Total OPEB Liability**

The changes in the total OPEB liability follows:

	Total OPEB Liability
Balance at July 1, 2018	\$411,965
Changes Recognized for the Measurement Period:	
Service cost	42,927
Interest on the total OPEB liability	17,516
Changes of benefit terms	
Differences between expected and actual experience	(5,409)
Changes of assumptions	27,443
Contributions from the employer	
Benefit payments	(6,131)
Net changes	76,346
Balance at June 30, 2019 (Measurement Date)	\$488,311

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 11 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)**

**D. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Total OPEB Liability/(Asset)		
Discount Rate -1%	Current Discount Rate	Discount Rate +1%
(2.5%)	(3.5%)	(4.5%)
\$562,403	\$488,311	\$428,229

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB Liability/(Asset)		
Current Healthcare Cost		
1 % Decrease	Trend Rates	1% Increase
(7.0% decreasing to 4.0%)	(8.0% decreasing to 5.0%)	(9.0% decreasing to 6.0%)
\$473,965	\$488,311	\$506,175

**E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the City recognized OPEB expense of \$60,799. At June 30, 2019, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$6,131	
Differences between actual and expected experience		\$6,241
Changes of assumptions	24,394	13,213
Total	\$30,525	\$19,454

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 11 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)**

\$6,131 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2020	(\$355)
2021	(355)
2022	(355)
2023	(355)
2024	(355)
Thereafter	(3,165)
Total	(\$4,940)

**NOTE 12 – 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, 2019:

	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	1,000,000	100,000
Liability	29,000,000	5,000
Employment Liability	2,000,000	50,000
Auto-physical damage (Police Dept.)	250,000	3,000
Auto-physical damage (other)	250,000	2,000
Workers' compensation	Statutory Limit	No deductible

The total coverage includes the City's deductible, the portion underwritten by MPA and other participating public agency insurance pools 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.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 13 – 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, 2019, the risk management fund had net position of \$47,424.

**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.

**Storm Damage 2017-Sinkhole**

During the major Drain 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 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). On March 20, 2018 the City Council accepted as final the major construction work which included final resolution of all contract change orders (Resolution 11-18). As of June 30, 2018, approximately \$3.228 million had been expended.

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). The City has also initiated exploration of possible insurance coverage for the loss. The City's deductible for the unscheduled infrastructure is \$500,000 and the maximum covered loss under the policy is \$2 million. The policy contains a provision that the loss will only be paid in the event that there is not specific disaster reimbursements. Given the long lead time to determine whether there would be an ultimate loss, the insurer advanced \$947,773 under a loan agreement approved by the City Council in January 2018. The agreement provides that the loan is not subject to interest and will be repaid to the extent that there is a recovery from Disaster funds.

**CITY OF ORINDA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)**

The largest grant request pending is a submittal to FHWA. FHWA would not accept a submittal until the City obtained a Certified Right of Way clearance which required obtaining easements from private parties. The City received the right of way certification on October 3, 2018. The City prepared the necessary reports and received an obligation approval in the spring of 2019, however no funding was available as of June 30, 2019. In September 2019 CalTrans issued a finance letter allowing for the submittal of invoices for reimbursement of approximately \$2.2 million. Public works staff have submitted invoices which are still under review by Cal-Trans as of November 15, 2019. Although the precise timing of the reimbursement remains uncertain, however, it is expected to be received by June 30, 2020.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

City of Orinda OPEB Plan  
Last 10 fiscal years\*

<b>Measurement Date</b>	<u><b>6/30/2018</b></u>	<u><b>6/30/2019</b></u>
<b>Total OPEB Liability (1)</b>		
Service Cost	\$44,208	\$42,927
Interest	15,049	17,516
Changes of benefit terms		
Differences between expected and actual experience	(1,843)	(5,409)
Changes of assumptions	(16,988)	27,443
Benefit payments	<u>(6,381)</u>	<u>(6,131)</u>
<b>Net change in total OPEB liability</b>	34,045	76,346
<b>Total OPEB liability - beginning</b>	<u>377,920</u>	<u>411,965</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$411,965</u></u>	<u><u>\$488,311</u></u>
Covered-employee payroll	<u><u>\$3,489,277</u></u>	<u><u>\$3,593,955</u></u>
Total OPEB liability as a percentage of covered-employee payroll	11.81%	13.59%

**Notes to Schedule:**

- (1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

\* Fiscal year 2018 was the first year of implementation.

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Fund  
For the year ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance
<b>Revenues</b>				
Taxes				
Property tax and assessments	\$5,020,606	\$5,185,606	\$5,249,201	\$63,595
Property tax in lieu of VLF	2,095,000	2,095,000	2,118,227	23,227
Business license registration	20,000	12,500	12,581	81
Sales tax	2,291,410	2,065,000	2,277,395	212,395
Franchise tax	1,150,000	1,150,000	1,127,003	(22,997)
Property transfer tax	240,000	280,000	301,824	21,824
Transient Occupancy Tax	75,000	75,000	79,128	4,128
Rent and interest	125,150	135,150	715,734	580,584
Recreation fees				
Recreation class fees	1,142,500	1,242,500	1,218,438	(24,062)
OYA sports fees	300,000	340,000	291,974	(48,026)
Wagner ranch gym rentals			43,496	43,496
Sports field rentals	481,950	516,950	393,322	(123,628)
Other	176,868	176,868	141,761	(35,107)
Service fees				
Vehicle and parking fines	145,000	95,000	130,675	35,675
Building inspection	650,000	650,000	749,150	99,150
Planning	400,000	472,500	499,719	27,219
Public works and engineering	116,800	116,800	141,065	24,265
Police	12,700	12,700	15,023	2,323
Other agencies				
Homeowners tax reimbursement	33,200	33,200	32,114	(1,086)
Vehicle abatement	8,000	8,000	8,919	919
Miscellaneous	316,000	685,830	486,323	(199,507)
Total revenues	<u>14,800,184</u>	<u>15,348,604</u>	<u>16,033,072</u>	<u>684,468</u>
<b>Expenditures</b>				
Current:				
City management	464,864	466,529	411,145	55,384
City attorney	701,250	701,250	531,901	169,349
City clerk	297,583	299,908	277,165	22,743
Administrative services	1,102,100	1,100,230	1,025,534	74,696
Police services	4,724,066	4,816,766	4,300,939	515,827
Public works/ engineering	1,647,817	1,765,102	1,769,584	(4,482)
Parks and recreation	2,742,327	3,120,412	3,120,361	51
Planning	1,108,724	1,207,034	1,125,968	81,066
Library operations	32,200	50,245	39,551	10,694
Capital outlay	2,815,965	2,842,905	611,549	2,231,356
Debt Service:				
Interest and fiscal charges	249,845	249,845	124,922	124,923
Principal	315,000	315,000		315,000
Total expenditures	<u>16,201,741</u>	<u>16,935,226</u>	<u>13,338,619</u>	<u>3,596,607</u>
Excess (deficiency) of revenues over expenditures	<u>(1,401,557)</u>	<u>(1,586,622)</u>	<u>2,694,453</u>	<u>4,281,075</u>
<b>Other financing sources (uses)</b>				
Transfers in			3,049	3,049
Transfers out	(161,268)	(911,268)	(814,932)	96,336
Total other financing sources (uses)	<u>(161,268)</u>	<u>(911,268)</u>	<u>(811,883)</u>	<u>99,385</u>
Net changes in fund balance	<u>(\$1,562,825)</u>	<u>(\$2,497,890)</u>	1,882,570	<u>\$4,380,460</u>
Fund balance - beginning of year			<u>8,966,308</u>	
Fund balance - end of year			<u>\$10,848,878</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, 2019

	Original Budget	Amended Budget	Actual	Variance
Revenues				
Interest	\$10,000	\$10,000	\$33,361	\$23,361
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>33,361</u>	<u>23,361</u>
Expenditures				
Public works			146,487	146,487
Total expenditures			<u>146,487</u>	<u>146,487</u>
Excess (deficiency) of revenues over expenditures	<u>10,000</u>	<u>10,000</u>	<u>(113,126)</u>	<u>169,848</u>
Net changes in fund balance	<u>\$10,000</u>	<u>\$10,000</u>	<u>(113,126)</u>	<u>\$169,848</u>
Fund balance - beginning of year			<u>1,523,140</u>	
Fund balance - end of year			<u><u>\$1,410,014</u></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, 2019

	Original Budget	Amended Budget	Actual	Variance
Revenues				
Rent and interest	\$500	\$500	\$6,770	\$6,270
CCTA Return to Source	844,669	880,669	1,078,534	197,865
Total revenues	<u>845,169</u>	<u>881,169</u>	<u>1,085,304</u>	<u>204,135</u>
Expenditures				
Current:				
Public works and engineering			5,146	(5,146)
Capital outlay	626,669	712,669	408,044	304,625
Total expenditures		<u>712,669</u>	<u>413,190</u>	<u>299,479</u>
Net changes in fund balance	<u>\$845,169</u>	<u>\$168,500</u>	672,114	<u>(\$95,344)</u>
Fund balance - beginning of year			<u>52,134</u>	
Fund balance - end of year			<u>\$724,248</u>	

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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 Projects Fund  
For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Miscellaneous	<u>\$1,089,370</u>	<u>\$1,089,370</u>	<u>\$697,624</u>	<u>(\$391,746)</u>
Total revenues	<u>1,089,370</u>	<u>1,089,370</u>	<u>697,624</u>	<u>(391,746)</u>
Expenditures				
Current:				
Capital improvement		204,925	1,780,244	(1,575,319)
Capital outlay	<u>2,132,935</u>	<u>2,158,309</u>	<u>147,739</u>	<u>2,010,570</u>
Total expenditures	<u>2,132,935</u>	<u>2,363,234</u>	<u>1,927,983</u>	<u>435,251</u>
Excess (deficiency) of revenues over expenditures	<u>(1,043,565)</u>	<u>(1,273,864)</u>	<u>(1,230,359)</u>	<u>43,505</u>
Net changes in fund balance	<u>(\$1,043,565)</u>	<u>(\$1,273,864)</u>	<u>(1,230,359)</u>	<u>(\$348,241)</u>
Fund balance - beginning of year			<u>1,722,506</u>	
Fund balance - end of year			<u>\$492,147</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$175,000	\$175,000	\$264,453	\$89,453
Miscellaneous			203,490	203,490
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>467,943</u>	<u>292,943</u>
Expenditures:				
Current:				
Public works and engineering			143,751	(143,751)
Capital outlay	<u>12,886,280</u>	<u>10,556,280</u>	<u>9,044,901</u>	<u>1,511,379</u>
Total expenditures	<u>12,886,280</u>	<u>10,556,280</u>	<u>9,188,652</u>	<u>1,367,628</u>
Excess of revenues over expenditures	<u>(12,711,280)</u>	<u>(10,381,280)</u>	<u>(8,720,709)</u>	<u>1,660,571</u>
Net changes in fund balance	<u>(\$12,711,280)</u>	<u>(\$10,381,280)</u>	(8,720,709)	<u>\$1,953,514</u>
Fund balance at beginning of year			<u>22,142,950</u>	
Fund balance at end of year			<u>\$13,422,241</u>	

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax and assessments	\$1,041,210	\$1,041,210	\$1,088,433	\$47,223
Interest	3,000	3,000	10,782	7,782
Total revenues	<u>1,044,210</u>	<u>1,044,210</u>	<u>1,099,215</u>	<u>55,005</u>
Expenditures:				
Debt service:				
Principal	250,000	250,000	250,000	
Interest and fiscal charges	425,423	615,038	617,353	(2,315)
Total expenditures	<u>675,423</u>	<u>865,038</u>	<u>867,353</u>	<u>(2,315)</u>
Excess of revenues over expenditures	<u>368,787</u>	<u>179,172</u>	<u>231,862</u>	<u>52,690</u>
Net changes in fund balance	<u>\$368,787</u>	<u>\$179,172</u>	231,862	<u>\$52,690</u>
Fund balance at beginning of year			<u>621,071</u>	
Fund balance at end of year			<u>\$852,933</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax and assessments	\$1,283,280	\$1,283,280	\$1,339,634	\$56,354
Interest	5,000	5,000	29,691	24,691
Total revenues	<u>1,288,280</u>	<u>1,288,280</u>	<u>1,369,325</u>	<u>81,045</u>
Expenditures:				
Debt Service:				
Principal	1,225,000	1,225,000	1,225,000	
Interest and fiscal charges	2,000	955,750	956,070	(320)
Total expenditures	<u>1,227,000</u>	<u>2,180,750</u>	<u>2,181,070</u>	<u>(320)</u>
Excess of revenues over expenditures	<u>61,280</u>	<u>(892,470)</u>	<u>(811,745)</u>	<u>80,725</u>
Net changes in fund balance	<u>\$61,280</u>	<u>(\$892,470)</u>	<u>(811,745)</u>	<u>\$80,725</u>
Fund balance at beginning of year			<u>2,524,043</u>	
Fund balance at end of year			<u><u>\$1,712,298</u></u>	

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**CITY OF ORINDA, CALIFORNIA**  
**COMBINING FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2019**

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<u>Fund</u>	<u>Description</u>
<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.
Add-On 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, 2019

	General Purpose	Add - On Sales Tax	Total
ASSETS			
Cash, cash equivalents and investments	\$9,103,789	\$2,196,027	\$11,299,816
Accounts receivable	433,363	364,621	797,984
Accrued interest receivable	176,468	4,065	180,533
Prepaid items and deposits	495,087		495,087
Due from other funds	538,727		538,727
Total assets	\$10,747,434	\$2,564,713	\$13,312,147
LIABILITIES AND FUND BALANCES			
Accounts payable and accrued liabilities	\$2,061,577	\$40,469	\$2,102,046
Other current liabilities	317,194		317,194
Unearned revenue	30,000		30,000
Planning and engineering deposits	14,029		14,029
Total Liabilities	2,422,800	40,469	2,463,269
Fund balances:			
Nonspendable	495,087		495,087
Assigned	651,360	2,524,244	3,175,604
Committed	317,194		317,194
Unassigned	6,860,993		6,860,993
Total fund balances	8,324,634	2,524,244	10,848,878
Total liabilities and fund balance	\$10,747,434	\$2,564,713	\$13,312,147

CITY OF ORINDA  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
General Fund  
For the year ended June 30, 2019

	General Purpose	Add - On Sales Tax	Total
<b>Revenues</b>			
Taxes			
Property tax and assessments	\$7,367,428		\$7,367,428
Sales tax	1,039,770	\$1,237,625	2,277,395
Franchise tax	1,127,003		1,127,003
Transient Occupancy Tax	79,128		79,128
Property transfer tax	301,824		301,824
Business License Registration	12,581		12,581
Use of money and properties	672,346	43,388	715,734
Recreation fees			
Recreation class fees	1,218,438		1,218,438
OYA sports fees	291,974		291,974
Wagner Ranch sports fees	43,496		43,496
Sports field rentals	393,322		393,322
Other	141,761		141,761
Service fees			
Vehicle fees and parking fines	130,675		130,675
Building inspection	749,150		749,150
Planning	499,719		499,719
Public works and engineering	141,065		141,065
Police	15,023		15,023
Other agencies			
Homeowners tax reimbursement	32,114		32,114
Vehicle abatement	8,919		8,919
Miscellaneous	339,533	146,790	486,323
Total Revenues	<u>14,605,269</u>	<u>1,427,803</u>	<u>16,033,072</u>
<b>Expenditures</b>			
Current:			
City management	411,145		411,145
City attorney	531,901		531,901
City clerk	277,165		277,165
Administrative services	1,025,534		1,025,534
Parks and recreation	3,120,361		3,120,361
Public works and engineering	1,769,584		1,769,584
Police services	4,300,939		4,300,939
Planning	1,125,968		1,125,968
Library operations	39,551		39,551
Capital outlay	79,003	532,546	611,549
Debt Service:			
Interest	124,922		124,922
Principal payments on bonds			
Total Expenditures	<u>12,806,073</u>	<u>532,546</u>	<u>13,338,619</u>
Excess (deficiency) of revenues over expenditures	<u>1,799,196</u>	<u>895,257</u>	<u>2,694,453</u>
Other financing sources (uses):			
Transfers in	3,049		3,049
Transfers out	(814,932)		(814,932)
Total other financing sources (uses)	<u>(811,883)</u>		<u>(811,883)</u>
Net changes in fund balance	987,313	895,257	1,882,570
Fund balance - beginning of year	<u>7,337,321</u>	<u>1,628,987</u>	<u>8,966,308</u>
Fund balance - end of year	<u><u>\$8,324,634</u></u>	<u><u>\$2,524,244</u></u>	<u><u>\$10,848,878</u></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, 2019

	General Purpose			
	Original Budget	Amended Budget	Actual	Variance
Revenues				
Taxes				
Property tax and assessments	\$5,020,606	5,185,606	5,249,201	\$63,595
Property tax in lieu of VLF	2,095,000	2,095,000	2,118,227	23,227
Sales tax	1,090,000	920,000	1,039,770	119,770
Franchise tax	1,150,000	1,150,000	1,127,003	(22,997)
Transient Occupancy Tax	75,000	75,000	79,128	4,128
Property transfer tax	240,000	280,000	301,824	21,824
Rent and interest	119,150	129,150	672,346	543,196
Business License Registration	20,000	12,500	12,581	81
Recreation fees				
Recreation class fees	1,142,500	1,242,500	1,218,438	(24,062)
OYA sports fees	300,000	340,000	291,974	(48,026)
Wagner ranch sports fees			43,496	43,496
Sports field rentals	481,950	516,950	393,322	(123,628)
Other	176,868	176,868	141,761	(35,107)
Service fees				
Vehicle and parking fines	145,000	95,000	130,675	35,675
Building inspection	650,000	650,000	749,150	99,150
Planning	400,000	472,500	499,719	27,219
Public works and engineering	116,800	116,800	141,065	24,265
Police	12,700	12,700	15,023	2,323
Other agencies				
Homeowners tax reimbursement	33,200	33,200	32,114	(1,086)
Vehicle licenses fees				
Vehicle abatement	8,000	8,000	8,919	919
Miscellaneous	316,000	316,000	339,533	23,533
<b>Total revenues</b>	<b>13,592,774</b>	<b>13,827,774</b>	<b>14,605,269</b>	<b>777,495</b>
Expenditures				
Current:				
City management	464,864	466,529	411,145	55,384
City attorney	701,250	701,250	531,901	169,349
City clerk	297,583	299,908	277,165	22,743
Finance/ administrative services	1,102,100	1,100,230	1,025,534	74,696
Police services	4,724,066	4,816,766	4,300,939	515,827
Public works/ engineering	1,647,817	1,765,102	1,769,584	(4,482)
Parks and recreation	2,742,327	3,120,412	3,120,361	51
Planning	1,108,724	1,207,034	1,125,968	81,066
Library operations	32,200	50,245	39,551	10,694
Capital outlay	70,000	70,000	79,003	(9,003)
Debt service:				
Interest	249,845	249,845	124,922	124,923
Principal payments on bonds	315,000	315,000		315,000
<b>Total expenditures</b>	<b>13,455,776</b>	<b>14,162,321</b>	<b>12,806,073</b>	<b>1,356,248</b>
Excess (deficiency) of revenues over expenditures	136,998	(334,547)	1,799,196	2,133,743
Other financing sources (uses)				
Transfers in			3,049	3,049
Transfers out	(161,268)	(911,268)	(814,932)	96,336
<b>Total Other Financing Sources (Uses)</b>	<b>(161,268)</b>	<b>(911,268)</b>	<b>(811,883)</b>	<b>99,385</b>
<b>Net changes in fund balance</b>	<b>(\$24,270)</b>	<b>(\$1,245,815)</b>	<b>987,313</b>	<b>\$2,233,128</b>
Fund balance - beginning of year			7,337,321	
Fund balance - end of year			<b>\$8,324,634</b>	

Add - On Sales Tax				Total			
Original Budget	Amended Budget	Actual	Variance	Original Budget	Amended Budget	Actual	Variance
				\$5,020,606	\$5,185,606	\$5,249,201	\$63,595
				2,095,000	2,095,000	2,118,227	23,227
\$1,201,410	\$1,145,000	\$1,237,625	\$92,625	2,291,410	2,065,000	2,277,395	212,395
				1,150,000	1,150,000	1,127,003	(22,997)
				75,000	75,000	79,128	4,128
				240,000	280,000	301,824	21,824
6,000	6,000	43,388	37,388	125,150	135,150	715,734	580,584
				20,000	12,500	12,581	81
				1,142,500	1,242,500	1,218,438	(24,062)
				300,000	340,000	291,974	(48,026)
						43,496	43,496
				481,950	516,950	393,322	(123,628)
				176,868	176,868	141,761	(35,107)
				145,000	95,000	130,675	35,675
				650,000	650,000	749,150	99,150
				400,000	472,500	499,719	27,219
				116,800	116,800	141,065	24,265
				12,700	12,700	15,023	2,323
				33,200	33,200	32,114	(1,086)
				8,000	8,000	8,919	919
	369,830	146,790	(223,040)	316,000	685,830	486,323	(199,507)
1,207,410	1,520,830	1,427,803	(93,027)	14,800,184	15,348,604	16,033,072	684,468
				464,864	466,529	411,145	55,384
				701,250	701,250	531,901	169,349
				297,583	299,908	277,165	22,743
				1,102,100	1,100,230	1,025,534	74,696
				4,724,066	4,816,766	4,300,939	515,827
				1,647,817	1,765,102	1,769,584	(4,482)
				2,742,327	3,120,412	3,120,361	51
				1,108,724	1,207,034	1,125,968	81,066
				32,200	50,245	39,551	10,694
2,745,965	2,772,905	532,546	2,240,359	2,815,965	2,842,905	611,549	2,231,356
				249,845	249,845	124,922	124,923
				315,000	315,000	315,000	315,000
2,745,965	2,772,905	532,546	2,240,359	16,201,741	16,935,226	13,338,619	3,596,607
(1,538,555)	(1,252,075)	895,257	2,147,332	(1,401,557)	(1,586,622)	2,694,453	4,281,075
						3,049	3,049
				(161,268)	(911,268)	(814,932)	96,336
				(161,268)	(911,268)	(811,883)	99,385
(1,538,555)	(\$1,252,075)	895,257	\$2,147,332	(\$1,562,825)	(\$2,497,890)	1,882,570	\$4,380,460
		1,628,987				8,966,308	
		\$2,524,244				\$10,848,878	

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**CITY OF ORINDA, CALIFORNIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2019**

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Fund	Description
SPECIAL REVENUE FUNDS:	
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.
Federal Grants	Accounts for grant revenues received and the expenditures of federal grant monies.
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, 2019**

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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.
Road Maintenance – Garbage Co.	Accounts for fees collected from the franchised garbage hauler based on a study of the allocated impact on street maintenance from garbage/recycling vehicles. The expenditures are for maintenance of public streets.
General Plan Surcharge	Accounts for fees added as a surcharge to Planning Permits and used to fund updates of the General Plan including the required Housing Element.

**CITY OF ORINDA, CALIFORNIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2019**

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Fund	Description
CAPITAL PROJECTS FUNDS	
Road Bonds 2014	Accounts for costs associated with repair, restoration and upgrade of the City's roads and drains funded by the 2014 General Obligation Bonds.
Oaksprings Assessment District Improvements	Accounts for activities related to the Oaksprings Assessment District improvements.
Other Grants	Accounts for the grant revenue received from BART for improving access ramps.
Road Stabilization	Accounts for activities related to unpredictable road failures due to erosion or other earth-moving events.

CITY OF ORINDA  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	<b>Special Revenue Funds</b>				
	Gas Tax	Transportation Impact	Drainage Impact	Library	Park Dedication
<u>ASSETS</u>					
Cash, cash equivalents and investments	\$1,016,981	\$1,183,986	\$1,500,304	\$190,338	\$1,205,658
Restricted cash					
Accounts receivable	62,835				
Accrued interest receivable	1,862	2,235	2,766	387	2,215
Prepaid items				10,979	
Total assets	<u>\$1,081,678</u>	<u>\$1,186,221</u>	<u>\$1,503,070</u>	<u>\$201,704</u>	<u>\$1,207,873</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Accounts payable and accrued liabilities	\$15,130	\$228,789	\$46,452	\$75,718	\$21,920
Due to other funds					
Total liabilities	<u>15,130</u>	<u>228,789</u>	<u>46,452</u>	<u>75,718</u>	<u>21,920</u>
Fund balance					
Nonspendable				10,979	
Restricted	1,066,548	957,432	1,456,618	115,007	1,185,953
Committed					
Assigned					
Total fund balance	<u>1,066,548</u>	<u>957,432</u>	<u>1,456,618</u>	<u>125,986</u>	<u>1,185,953</u>
Total liabilities and fund balance	<u>\$1,081,678</u>	<u>\$1,186,221</u>	<u>\$1,503,070</u>	<u>\$201,704</u>	<u>\$1,207,873</u>

**Special Revenue Funds**

<u>Tree Mitigation</u>	<u>Federal Grants</u>	<u>Recycling</u>	<u>Supplemental Law Enforcement (S.L.E.S.)</u>	<u>Assessment District L-42</u>	<u>Assessment District M-9</u>	<u>Assessment District M-11</u>
\$11,766		\$261,419	\$121,038	\$3,148	\$1,541	\$7,782
23	\$76,436	134,537 570 108,750	55,948 302	5	3	
<u>\$11,789</u>	<u>\$76,436</u>	<u>\$505,276</u>	<u>\$177,288</u>	<u>\$3,153</u>	<u>\$1,544</u>	<u>\$7,782</u>
	\$41,016 31,793	\$18		\$579	\$1,544	\$7,782
	<u>72,809</u>	<u>18</u>		<u>579</u>	<u>1,544</u>	<u>7,782</u>
\$11,789	3,627	108,750 396,508	\$177,288	2,574		
<u>11,789</u>	<u>3,627</u>	<u>505,258</u>	<u>177,288</u>	<u>2,574</u>		
<u>\$11,789</u>	<u>\$76,436</u>	<u>\$505,276</u>	<u>\$177,288</u>	<u>\$3,153</u>	<u>\$1,544</u>	<u>\$7,782</u>

(Continued)

CITY OF ORINDA  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	<b>Special Revenue Funds</b>				
	Wilder CFD	Stormwater	Affordable Housing	TDA Grant	Road Maintenance
<u>ASSETS</u>					
Cash and cash equivalents	\$4	\$16,907	\$136,492		\$585,108
Restricted cash					
Accounts receivable	453,838	132,051			
Accrued interest receivable	52	30	263		1,016
Prepaid items					
Total assets	\$453,894	\$148,988	\$136,755		\$586,124
<u>LIABILITIES AND FUND BALANCES</u>					
Accounts payable and accrued liabilities	\$36,980	\$7,019			
Due to other funds	212,762	74,414			
Total liabilities	249,742	81,433			
Fund balance					
Nonspendable					
Restricted	204,152	67,555	\$136,755		\$586,124
Committed					
Assigned					
Total fund balance	204,152	67,555	136,755		586,124
Total liabilities and fund balance	\$453,894	\$148,988	\$136,755		\$586,124

<b>Special Revenue Fund</b>	<b>Capital Projects Funds</b>				
General Plan Surcharge	Road Bonds 2014	Oaksprings Assessments District Improvements	Other Grants	Road Stabilization	Total
\$21,480		\$146,740		\$840,942	\$7,251,634
33	\$6,700	282		656	922,345
					12,700
					119,729
<u>\$21,513</u>	<u>\$6,700</u>	<u>\$147,022</u>		<u>\$841,598</u>	<u>\$8,306,408</u>
	\$6,700			\$40,252	\$529,899
					318,969
	6,700			40,252	848,868
		\$147,022			119,729
\$21,513				801,346	6,514,952
					801,346
					21,513
21,513		147,022		801,346	7,457,540
<u>\$21,513</u>	<u>\$6,700</u>	<u>\$147,022</u>		<u>\$841,598</u>	<u>\$8,306,408</u>

CITY OF ORINDA  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the year ended June 30, 2019

	<b>Special Revenue Funds</b>				
	<u>Gas Tax</u>	<u>Transportation Impact</u>	<u>Drainage Impact</u>	<u>Library</u>	<u>Park Dedication</u>
Revenues					
Property tax and assessments				\$516,672	
Interest	\$16,649	\$25,133	\$30,279	2,755	\$24,336
Gasoline tax	731,589				
State and local grants					
Federal grants					
Development impact fees		111,021	533,355		196,046
Service fees					
C.O.P.S. - State AB 3229					
NPDES revenue					
Miscellaneous	21,651				
<b>Total revenue</b>	<u>769,889</u>	<u>136,154</u>	<u>563,634</u>	<u>519,427</u>	<u>220,382</u>
Expenditures					
Current:					
Administrative services					
Parks and Recreation					26,820
Public works and engineering	2,259	135,543	95,770		
Police					
Planning					
Landscaping and street maintenance					
Library services				434,950	
Capital outlay	107,730	41,360	170,647		
Debt service:					
Principal					
Interest and fiscal charges					
<b>Total expenditures</b>	<u>109,989</u>	<u>176,903</u>	<u>266,417</u>	<u>434,950</u>	<u>26,820</u>
Excess (deficiency) of revenues over expenditures	659,900	(40,749)	297,217	84,477	193,562
Transfers in					
Transfers out					
<b>Net transfers in (out)</b>					
Net changes in fund balance	659,900	(40,749)	297,217	84,477	193,562
Fund balances at beginning of year	406,648	998,181	1,159,401	41,509	992,391
Fund balances at end of year	<u>\$1,066,548</u>	<u>\$957,432</u>	<u>\$1,456,618</u>	<u>\$125,986</u>	<u>\$1,185,953</u>

**Special Revenue Funds**

<u>Tree Mitigation</u>	<u>Federal Grants</u>	<u>Recycling</u>	<u>Supplemental Law Enforcement (S.L.E.S.)</u>	<u>Assessment District L-42</u>	<u>Assessment District M-9</u>	<u>Assessment District M-11</u>
\$192		\$9,106	\$3,038	\$8,018 31	\$10,633 18	\$37,851
4,250	\$78,701	144,615				
			204,694			
<u>4,442</u>	<u>78,701</u>	<u>153,721</u>	<u>207,732</u>	<u>8,049</u>	<u>10,651</u>	<u>37,851</u>
		105,140				
			110,000			
				5,949	11,003	78,762
	75,074	134,537				
	<u>75,074</u>	<u>239,677</u>	<u>110,000</u>	<u>5,949</u>	<u>11,003</u>	<u>78,762</u>
4,442	3,627	(85,956)	97,732	2,100	(352)	(40,911)
				240	352	40,911
				<u>240</u>	<u>352</u>	<u>40,911</u>
4,442	3,627	(85,956)	97,732	2,340		
<u>7,347</u>		<u>591,214</u>	<u>79,556</u>	<u>234</u>		
<u>\$11,789</u>	<u>\$3,627</u>	<u>\$505,258</u>	<u>\$177,288</u>	<u>\$2,574</u>		

(Continued)

CITY OF ORINDA  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the year ended June 30, 2019

	<b>Special Revenue Funds</b>				
	<u>Wilder CFD</u>	<u>Stormwater</u>	<u>Affordable Housing</u>	<u>TDA Grant</u>	<u>Road Maintenance</u>
<b>Revenues</b>					
Property tax and assessments	\$453,838				
Interest	2,380	\$530	\$3,004		\$7,915
Gasoline tax					
State grant					
Federal grants					
Development impact fees					
Service fees					
C.O.P.S. - State AB 3229					
NPDES revenue		301,955			
Miscellaneous		575			461,425
					<u>461,425</u>
Total revenue	<u>456,218</u>	<u>303,060</u>	<u>3,004</u>		<u>469,340</u>
<b>Expenditures</b>					
Current:					
Administrative services					
Parks and Recreation					
Public works and engineering		333,377			
Police	150,580				
Planning			1,170		
Landscaping and street maintenance	321,709				
Library services					
Capital outlay					
Debt service:					
Principal Payment					
Interest and fiscal charges					
Total expenditures	<u>472,289</u>	<u>333,377</u>	<u>1,170</u>		
Excess (deficiency) of revenues over expenditures	(16,071)	(30,317)	1,834		469,340
Transfers in		23,429			
Transfers out					
Net transfers in (out)		<u>23,429</u>			
Net changes in fund balance	(16,071)	(6,888)	1,834		469,340
Fund balances at beginning of year	<u>220,223</u>	<u>74,443</u>	<u>134,921</u>		<u>116,784</u>
Fund balances at end of year	<u>\$204,152</u>	<u>\$67,555</u>	<u>\$136,755</u>		<u>\$586,124</u>

<b>Special Revenue Fund</b>	<b>Capital Projects Funds</b>				
General Plan Surcharge	Road Bonds 2014	Oaksprings Assessments District Improvements	Other Grants	Road Stabilization	Total
					\$1,027,012
\$135	\$14,265	\$3,213		\$3,651	146,630
					731,589
					144,615
					78,701
19					844,672
					19
					204,694
					301,955
21,359	22,447		\$50,000	29,889	607,346
21,513	36,712	3,213	50,000	33,540	4,087,233
					131,960
					566,949
					260,580
					1,170
					417,423
					434,950
	3,413,245		50,000	178,112	4,170,705
	3,413,245		50,000	178,112	5,983,737
21,513	(3,376,533)	3,213		(144,572)	(1,896,504)
				750,000	814,932
			(3,049)		(3,049)
			(3,049)	750,000	811,883
21,513	(3,376,533)	3,213	(3,049)	605,428	(1,084,621)
	3,376,533	143,809	3,049	195,918	8,542,161
\$21,513		\$147,022		\$801,346	\$7,457,540

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, 2019

	Original Budget	Amended Budget	Actual	Variance
Revenues				
Gas tax	\$693,000	\$693,000	\$731,589	\$38,589
Interest	7,500	7,500	16,649	9,149
Miscellaneous	200,000	200,000	21,651	(178,349)
 Total revenue	 900,500	 900,500	 769,889	 (130,611)
Expenditures				
Current:				
Public works and engineering		115,000	2,259	112,741
Capital outlay	888,120	887,629	107,730	779,899
 Total expenditures	 888,120	 1,002,629	 109,989	 892,640
Excess (deficiency) of revenues over expenditures	12,380	(102,129)	659,900	762,029
 Net changes in fund balance	 <u>\$12,380</u>	 <u>(\$102,129)</u>	 659,900	 <u>\$762,029</u>
Fund balance at beginning of year			406,648	
Fund balance at end of year			<u>\$1,066,548</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Development impact fees	\$55,000	\$55,000	\$111,021	\$56,021
Interest	5,000	5,000	25,133	20,133
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>136,154</u>	<u>76,154</u>
Expenditures:				
Current:				
Public works and engineering			135,543	(135,543)
Capital outlay	256,331	256,331	41,360	214,971
Total expenditures	<u>256,331</u>	<u>256,331</u>	<u>176,903</u>	<u>79,428</u>
Excess (deficiency) of revenues over expenditures	<u>(196,331)</u>	<u>(196,331)</u>	<u>(40,749)</u>	<u>155,582</u>
Net changes in fund balance	<u>(\$196,331)</u>	<u>(\$196,331)</u>	<u>(40,749)</u>	<u>\$155,582</u>
Fund balance at beginning of year			<u>998,181</u>	
Fund balance at end of year			<u>\$957,432</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Development impact fees	\$156,000	\$156,000	\$533,355	\$377,355
Interest	4,000	4,000	30,279	26,279
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>563,634</u>	<u>403,634</u>
Expenditures:				
Current:				
Public works and engineering	300,000	300,000	95,770	204,230
Capital outlay			<u>170,647</u>	<u>(170,647)</u>
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>266,417</u>	<u>33,583</u>
Excess (deficiency) of revenues over expenditures	<u>(296,000)</u>	<u>(140,000)</u>	<u>297,217</u>	<u>437,217</u>
Net changes in fund balance	<u>(\$140,000)</u>	<u>(\$140,000)</u>	297,217	<u>\$437,217</u>
Fund balance at beginning of year			<u>1,159,401</u>	
Fund balance at end of year			<u>\$1,456,618</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax and assessments	\$514,000	\$514,000	\$516,672	\$2,672
Interest	1,000	1,000	2,755	1,755
Total revenues	<u>515,000</u>	<u>515,000</u>	<u>519,427</u>	<u>4,427</u>
Expenditures:				
Current:				
Library services	463,371	505,626	434,950	70,676
Total expenditures	<u>463,371</u>	<u>505,626</u>	<u>434,950</u>	<u>70,676</u>
Excess (deficiency) of revenues over expenditures	<u>51,629</u>	<u>9,374</u>	<u>84,477</u>	<u>75,103</u>
Net changes in fund balance	<u>\$51,629</u>	<u>\$9,374</u>	84,477	<u>\$75,103</u>
Fund balance at beginning of year			<u>41,509</u>	
Fund balance at end of year			<u>\$125,986</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$4,000	\$4,000	\$24,336	\$20,336
Development impact fees	<u>106,000</u>	<u>106,000</u>	<u>196,046</u>	<u>90,046</u>
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>220,382</u>	<u>110,382</u>
Expenditures:				
Parks and recreation	<u>365,000</u>	<u>412,793</u>	<u>26,820</u>	<u>385,973</u>
Total expenditures	<u>365,000</u>	<u>412,793</u>	<u>26,820</u>	<u>385,973</u>
Excess (deficiency) of revenues over expenditures	<u>(255,000)</u>	<u>(302,793)</u>	<u>193,562</u>	<u>496,355</u>
Net changes in fund balance	<u><u>(\$255,000)</u></u>	<u><u>(\$302,793)</u></u>	<u>193,562</u>	<u><u>\$496,355</u></u>
Fund balance at beginning of year			<u>992,391</u>	
Fund balance at end of year			<u><u>\$1,185,953</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$30	\$30	\$192	\$162
Fees	130	130	4,250	4,120
Total revenues	160	160	4,442	4,282
Excess (deficiency) of revenues over expenditures	160	160	4,442	4,282
Net changes in fund balance	<u>\$160</u>	<u>\$160</u>	4,442	<u>\$4,282</u>
Fund balance at beginning of year			<u>7,347</u>	
Fund balance at end of year			<u><u>\$11,789</u></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, 2019

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Grants	<u>\$320,000</u>	<u>\$320,000</u>	<u>\$78,701</u>	<u>(\$241,299)</u>
Total revenues	<u>320,000</u>	<u>320,000</u>	<u>78,701</u>	<u>(241,299)</u>
Expenditures				
Capital outlay	<u>320,000</u>	<u>320,000</u>	<u>75,074</u>	<u>244,926</u>
Total expenditures	<u>320,000</u>	<u>320,000</u>	<u>75,074</u>	<u>244,926</u>
Excess (deficiency) of revenues over expenditures			<u>3,627</u>	<u>3,627</u>
Net changes in fund balance			<u>3,627</u>	<u>\$3,627</u>
Fund balance - beginning of year				
Fund balance - end of year			<u>\$3,627</u>	

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State and local	\$355,000	\$355,000	\$144,615	(\$210,385)
Interest	7,000	7,000	9,106	2,106
Total revenues	<u>362,000</u>	<u>362,000</u>	<u>153,721</u>	<u>(208,279)</u>
Expenditures:				
Current:				
Parks and recreation	125,000	125,000	105,140	19,860
Capital outlay	350,000	350,000	134,537	215,463
Total expenditures	<u>475,000</u>	<u>475,000</u>	<u>239,677</u>	<u>235,323</u>
Excess (deficiency) of revenues over expenditures	<u>(475,000)</u>	<u>(113,000)</u>	<u>(85,956)</u>	<u>27,044</u>
Net changes in fund balance	<u>(\$113,000)</u>	<u>(\$113,000)</u>	<u>(85,956)</u>	<u>\$27,044</u>
Fund balance at beginning of year			<u>591,214</u>	
Fund balance at end of year			<u>\$505,258</u>	

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
C.O.P.S. - State AB 3229	\$100,000	\$100,000	\$204,694	\$104,694
Interest			3,038	3,038
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>207,732</u>	<u>107,732</u>
Expenditures:				
Current:				
Police	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	
Total expenditures	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>97,732</u>	<u>107,732</u>
Net changes in fund balance	<u>(\$10,000)</u>	<u>(\$10,000)</u>	97,732	<u>\$107,732</u>
Fund balance at beginning of year			<u>79,556</u>	
Fund balance at end of year			<u>\$177,288</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property tax and assessments	\$8,014	\$8,014	\$8,018	\$4
Interest			31	31
Total revenues	<u>8,014</u>	<u>8,014</u>	<u>8,049</u>	<u>35</u>
<b>Expenditures:</b>				
Current:				
Landscaping and street maintenance	6,976	6,976	5,949	1,027
Total expenditures	<u>6,976</u>	<u>6,976</u>	<u>5,949</u>	<u>1,027</u>
<b>Other financing sources (uses):</b>				
Transfers in	240	240	240	
Total other financing sources (uses)	<u>240</u>	<u>240</u>	<u>240</u>	
Net changes in fund balance	<u>\$1,278</u>	<u>\$1,278</u>	2,340	<u>\$1,062</u>
Fund balance at beginning of year			<u>234</u>	
Fund balance at end of year			<u>\$2,574</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax and assessments	\$10,627	\$10,627	\$10,633	\$6
Interest			18	18
Total revenues	10,627	10,627	10,651	24
Expenditures:				
Current:				
Landscaping and street maintenance	9,275	9,275	11,003	(1,728)
Total expenditures	9,275	9,275	11,003	(1,728)
Other financing sources:				
Transfers in	979	979	352	(627)
Total other financing sources	979	979	352	(627)
Net changes in fund balance	\$2,331	\$2,331		(\$2,331)
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  
Assessment District M-11 Special Revenue Fund  
For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax and assessments	\$37,829	\$37,829	\$37,851	\$22
Total revenues	<u>37,829</u>	<u>37,829</u>	<u>37,851</u>	<u>22</u>
Expenditures:				
Current:				
Landscaping and street maintenance	69,422	69,422	78,762	(9,340)
Total expenditures	<u>69,422</u>	<u>69,422</u>	<u>78,762</u>	<u>(9,340)</u>
Excess of revenues over expenditures	<u>(31,593)</u>	<u>(31,593)</u>	<u>(40,911)</u>	<u>(9,318)</u>
Other financing sources:				
Transfers in	31,971	31,971	40,911	8,940
Total other financing sources	<u>31,971</u>	<u>31,971</u>	<u>40,911</u>	<u>8,940</u>
Net changes in fund balance	<u>\$378</u>	<u>\$378</u>		<u>(\$378)</u>
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  
Wilder CFD Special Revenue Fund  
For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax and assessments	\$439,000	\$439,000	\$453,838	\$14,838
Interest			2,380	2,380
Total revenues	<u>439,000</u>	<u>439,000</u>	<u>456,218</u>	<u>17,218</u>
Expenditures:				
Current:				
Police	143,086	143,086	150,580	(7,494)
Landscaping and street maintenance	<u>295,952</u>	<u>295,952</u>	<u>321,709</u>	<u>(25,757)</u>
Total expenditures	<u>439,038</u>	<u>439,038</u>	<u>472,289</u>	<u>(33,251)</u>
Net changes in fund balance	<u>(\$38)</u>	<u>(\$38)</u>	(16,071)	<u>(\$16,033)</u>
Fund balance at beginning of year			<u>220,223</u>	
Fund balance at end of year			<u>\$204,152</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Interest	\$100	\$100	\$530	\$430
NPEDES revenue	314,500	314,500	301,955	(12,545)
Miscellaneous			575	575
<b>Total revenues</b>	<b>314,600</b>	<b>314,600</b>	<b>303,060</b>	<b>(11,540)</b>
<b>Expenditures:</b>				
Current:				
Public works and engineering	442,678	442,678	333,377	109,301
<b>Total expenditures</b>	<b>442,678</b>	<b>442,678</b>	<b>333,377</b>	<b>109,301</b>
<b>Other Financing Sources (uses)</b>				
Transfers in	128,078	128,078	23,429	(104,649)
<b>Total other financing sources (uses)</b>	<b>128,078</b>	<b>128,078</b>	<b>23,429</b>	<b>(104,649)</b>
<b>Net changes in fund balance</b>			<b>(6,888)</b>	<b>(\$6,888)</b>
Fund balance at beginning of year			74,443	
Fund balance at end of year			<b>\$67,555</b>	

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	<u>\$600</u>	<u>\$600</u>	<u>\$3,004</u>	<u>\$2,404</u>
Total Revenues	<u>600</u>	<u>600</u>	<u>3,004</u>	<u>2,404</u>
Expenditures:				
Current:				
Planning	<u>2,000</u>	<u>2,000</u>	<u>1,170</u>	<u>830</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,170</u>	<u>830</u>
Excess of revenues over expenditures	<u>(1,400)</u>	<u>(1,400)</u>	<u>1,834</u>	<u>3,234</u>
Net changes in fund balance	<u>(\$1,400)</u>	<u>(\$1,400)</u>	<u>1,834</u>	<u>\$3,234</u>
Fund balance at beginning of year			<u>134,921</u>	
Fund balance at end of year			<u>\$136,755</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State and local grants	\$75,000	\$75,000		(\$75,000)
Total Revenues	75,000	75,000		(75,000)
Expenditures:				
Capital outlay	75,000	75,000		75,000
Total expenditures	75,000	75,000		75,000
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 Maintenance Special Revenue Fund  
For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Rent and interest	\$5,000	\$5,000	\$7,915	\$2,915
Miscellaneous	345,000	345,000	461,425	116,425
Total revenues	\$350,000	350,000	469,340	119,340
Net changes in fund balance	\$350,000	\$350,000	469,340	\$119,340
Fund balance at beginning of year			116,784	
Fund balance at end of year			\$586,124	

CITY OF ORINDA  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual  
General Plan Special Revenue Fund  
For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest			\$135	\$135
Service Fees			19	
Miscellaneous		\$20,000	21,359	1,359
Total revenue		20,000	21,513	1,494
Excess (deficiency) of revenues over expenditures		20,000	21,513	1,494
Net changes in fund balance		\$20,000	21,513	\$1,494
Fund balance at beginning of year				
Fund balance at end of year			\$21,513	

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$5,000	\$5,000	\$14,265	\$9,265
Miscellaneous			22,447	22,447
Total revenues	5,000	5,000	36,712	31,712
Expenditures:				
Capital outlay	531,651	3,376,295	3,413,245	(36,950)
Total expenditures	531,651	3,376,295	3,413,245	(36,950)
Excess of revenues over expenditures	(526,651)	(3,371,295)	(3,376,533)	(5,238)
Net changes in fund balance	(\$526,651)	(\$3,371,295)	(3,376,533)	(\$5,238)
Fund balance at beginning of year			3,376,533	
Fund balance at end of year				

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest			\$3,213	\$3,213
Total Revenues			3,213	3,213
Expenditures:				
Capital outlay	\$143,348	\$143,349		143,349
Total expenditures	143,348	143,349		143,349
Excess of revenues over expenditures	(143,348)	(143,349)	3,213	146,562
Net changes in fund balance	<u>(\$143,348)</u>	<u>(\$143,349)</u>	3,213	<u>\$146,562</u>
Fund balance at beginning of year			<u>143,809</u>	
Fund balance at end of year			<u><u>\$147,022</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Grants	\$150,000	\$150,000		(\$150,000)
Miscellaneous	<u>605,970</u>	<u>605,970</u>	<u>\$50,000</u>	<u>(555,970)</u>
Total revenues	<u>755,970</u>	<u>755,970</u>	<u>50,000</u>	<u>(705,970)</u>
Expenditures:				
Capital outlay	<u>755,970</u>	<u>755,970</u>	<u>50,000</u>	<u>705,970</u>
Total expenditures	<u>755,970</u>	<u>755,970</u>	<u>50,000</u>	<u>705,970</u>
Other financing sources (uses)				
Transfers out			<u>(3,049)</u>	<u>3,049</u>
Total other financing sources (uses)			<u>(3,049)</u>	<u>3,049</u>
Net changes in fund balance			<u>(3,049)</u>	<u>\$3,049</u>
Fund balance at beginning of year			<u>3,049</u>	
Fund balance at end of year			<u><u>3,049</u></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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest			\$3,651	\$3,651
Miscellaneous			29,889	29,889
Total Revenues			33,540	33,540
Expenditures:				
Public works and engineering		\$137,861		(137,861)
Capital outlay		44,000	178,112	(134,112)
Total expenditures		181,861	178,112	(271,973)
Other financing sources (uses)				
Transfers in		750,000	750,000	
Total other financing sources (uses)		750,000	750,000	
Net changes in fund balance		\$568,139	605,428	\$305,513
Fund balance at beginning of year			195,918	
Fund balance at end of year			\$801,346	

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**CITY OF ORINDA, CALIFORNIA**  
**INTERNAL SERVICE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2019**

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<u>Fund</u>	<u>Description</u>
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, 2019

	Information Systems	Buildings Maintenance	Vehicle Replacement	Risk Management	Total
<b>Assets</b>					
Current Assets:					
Cash, cash equivalents and investments	\$317,197	\$594,451	\$368,575	\$47,331	\$1,327,554
Accounts receivable			3,458		3,458
Interest receivable	744	724	714	93	2,275
Prepays and deposits	1,443				1,443
<b>Total Current Assets</b>	<b>319,384</b>	<b>595,175</b>	<b>372,747</b>	<b>47,424</b>	<b>1,334,730</b>
Non-current assets:					
Capital assets, net of Accumulated depreciation	95,987	45,210	389,144		530,341
<b>Total Assets</b>	<b>415,371</b>	<b>640,385</b>	<b>761,891</b>	<b>47,424</b>	<b>1,865,071</b>
<b>Liabilities</b>					
Current Liabilities:					
Accounts payable	44,651	6,275			50,926
Accrued payroll		842			842
<b>Total Liabilities</b>	<b>44,651</b>	<b>7,117</b>			<b>51,768</b>
<b>Net Position</b>					
Net position:					
Net investments in capital assets	95,987	45,210	389,144		530,341
Unrestricted	274,733	588,058	372,747	47,424	1,282,962
<b>Total Net Position</b>	<b>\$370,720</b>	<b>\$633,268</b>	<b>\$761,891</b>	<b>\$47,424</b>	<b>\$1,813,303</b>

CITY OF ORINDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Information Systems</u>	<u>Buildings Maintenance</u>	<u>Vehicle Replacement</u>	<u>Risk Management</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$201,218	\$455,805	\$150,754	\$289,771	\$1,097,548
Other	154				154
Total operating revenues	<u>201,372</u>	<u>455,805</u>	<u>150,754</u>	<u>289,771</u>	<u>1,097,702</u>
Operating expenses:					
Administrative and general		66,127			66,127
Contract services	115,362				115,362
Services and supplies	15,880	3,820		888	20,588
Special department expenses	5,225			284,979	290,204
Depreciation		5,353	151,213		156,566
Total operating expenses	<u>136,467</u>	<u>75,300</u>	<u>151,213</u>	<u>285,867</u>	<u>648,847</u>
Operating income (loss)	<u>64,905</u>	<u>380,505</u>	<u>(459)</u>	<u>3,904</u>	<u>448,855</u>
Non-operating revenues (expenses):					
Investment income	8,150	7,609	7,631	317	23,707
Gain on disposal of capital asset			3,458		3,458
Total non-operating revenues	<u>8,150</u>	<u>7,609</u>	<u>11,089</u>	<u>317</u>	<u>27,165</u>
Change in net position	73,055	388,114	10,630	4,221	476,020
Net position at beginning of year	<u>297,665</u>	<u>245,154</u>	<u>751,261</u>	<u>43,203</u>	<u>1,337,283</u>
Net position at end of year	<u>\$370,720</u>	<u>\$633,268</u>	<u>\$761,891</u>	<u>\$47,424</u>	<u>\$1,813,303</u>

CITY OF ORINDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019

	Equipment and Information Systems	Buildings Maintenance	Vehicle Replacement	Risk Management	Total
Cash flows from operating activities:					
Cash received from department users	\$201,372	\$455,805	\$147,296	\$289,771	\$1,094,244
Cash receipts (payments) to suppliers of goods and services	(88,539)	2,558		(1,313)	(87,294)
Cash receipts (payments) to employees for services	26	(66,123)		(284,979)	(351,076)
Net cash provided by (used for) operating activities	<u>112,859</u>	<u>392,240</u>	<u>147,296</u>	<u>3,479</u>	<u>655,874</u>
Cash flows from capital and related financing activities:					
(Acquisition) of capital assets	(95,987)	(28,346)	(7,476)		(131,809)
Proceeds from sale of capital assets			3,458		3,458
Net cash (used for) capital and related financing activities	<u>(95,987)</u>	<u>(28,346)</u>	<u>(4,018)</u>		<u>(128,351)</u>
Cash flows from investing activities:					
Interest received on investments	7,560	7,065	7,090	822	22,537
Net cash provided by investing activities	<u>7,560</u>	<u>7,065</u>	<u>7,090</u>	<u>822</u>	<u>22,537</u>
Net increase (decreased) in cash and cash equivalents	24,432	370,959	150,368	4,301	550,060
Cash and cash equivalents at beginning of year	<u>292,765</u>	<u>223,492</u>	<u>218,207</u>	<u>43,030</u>	<u>777,494</u>
Cash and cash equivalents at end of year	<u><u>\$317,197</u></u>	<u><u>\$594,451</u></u>	<u><u>\$368,575</u></u>	<u><u>\$47,331</u></u>	<u><u>\$1,327,554</u></u>
Reconciliation of operating income to net cash flows provided by operating activities:					
Operating income (loss)	\$64,905	\$380,505	(\$459)	\$3,904	\$448,855
Adjustments to reconcile operating income to net cash provided by operating activities:					
Decrease in accounts receivable			(3,458)		(3,458)
Depreciation		5,353	151,213		156,566
Decrease in prepaid items	6,976	103			7,079
Increase (decreased) in accounts payable	40,952	6,275		(425)	46,802
Increase in accrued expenses	26				26
Increase in accrued payroll		4			4
Net cash provided by (used for) operating activities	<u><u>\$112,859</u></u>	<u><u>\$392,240</u></u>	<u><u>\$147,296</u></u>	<u><u>\$3,479</u></u>	<u><u>\$655,874</u></u>

**CITY OF ORINDA, CALIFORNIA**  
**AGENCY FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2019**

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Fund	Description
Oaksprings Assessment District Debt Service, Oaksprings Assessment District Reserve, Oaksprings Assessment District Expense.	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, 2019

<u>Oaksprings Debt Service</u>				
	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Assets				
Cash and cash equivalents	\$334,116		\$334,116	
Accounts receivable	278		278	
Total Assets	<u>\$334,394</u>		<u>\$334,394</u>	
Liabilities				
Due to bondholders	\$334,394		\$334,394	
Total Liabilities	<u>\$334,394</u>		<u>\$334,394</u>	
<u>Oaksprings Reserve</u>				
	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Assets				
Cash and cash equivalents	\$236,304		\$236,304	
Accounts receivable	189		189	
Total Assets	<u>\$236,493</u>		<u>\$236,493</u>	
Liabilities				
Due to bondholders	\$236,493		\$236,493	
Total Liabilities	<u>\$236,493</u>		<u>\$236,493</u>	
<u>Oaksprings Expense Fund</u>				
	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Assets				
Cash and cash equivalents		\$130,872		\$130,872
Interest receivable		252		252
Total Assets		<u>\$131,124</u>		<u>\$131,124</u>
Liabilities				
Due to bondholders		\$131,124		\$131,124
Total Liabilities		<u>\$131,124</u>		<u>\$131,124</u>

Planning and Engineering Deposits

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Assets				
Cash and cash equivalents	\$2,131,472		\$22,216	\$2,109,256
Accounts receivable	165,853	\$94,874	165,853	94,874
Total Assets	<u>\$2,297,325</u>	<u>\$94,874</u>	<u>\$188,069</u>	<u>\$2,204,130</u>
Liabilities				
Accounts payable and accrued expenses	\$95,689	\$8,599	\$95,689	\$8,599
Deposits	2,201,636	86,275	92,380	2,195,531
Total Liabilities	<u>\$2,297,325</u>	<u>\$94,874</u>	<u>\$188,069</u>	<u>\$2,204,130</u>

Total

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Assets				
Cash and cash equivalents	\$2,701,892	\$130,872	\$592,636	\$2,240,128
Accounts receivable	166,320	94,874	166,320	94,874
Interest receivable		252		252
Total Assets	<u>\$2,868,212</u>	<u>\$225,998</u>	<u>\$758,956</u>	<u>\$2,335,254</u>
Liabilities				
Accounts payable and accrued expenses	\$95,689	\$8,599	\$95,689	\$8,599
Deposits	2,201,636	86,275	92,380	2,195,531
Due to bondholders	570,887	131,124	570,887	131,124
Total Liabilities	<u>\$2,868,212</u>	<u>\$225,998</u>	<u>\$758,956</u>	<u>\$2,335,254</u>

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***STATISTICAL SECTION***

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**CITY OF ORINDA, CALIFORNIA**  
**STATISTICAL SECTION**  
**FISCAL YEAR ENDED JUNE 30, 2019**

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>
 <b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	136-143
 <b>Revenue Capacity</b>	
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.	144-151
 <b>Debt Capacity</b>	
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.	152-155
 <b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	156
 <b>Operating Information</b>	
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.	157-161

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.

City of Orinda  
 Net Position By Component  
 Seven Fiscal Years\*  
 Fiscal year ended June 30, 2019  
 (Accrual basis of accounting)

Fiscal Year Ended June 30,

	2013	2014	2015	2016
<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
Restricted	5,005,803	6,693,791	17,424,073	7,753,790
Unrestricted	8,119,847	8,394,982	9,622,488	10,916,822
<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>

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

Fiscal Year Ended June 30,

2017	2018	2019
\$ 49,771,041	\$ 52,843,727	\$ 62,085,833
9,768,262	10,697,044	11,769,764
6,621,778	8,723,981	10,819,487
<u>\$ 66,161,081</u>	<u>\$ 72,264,752</u>	<u>\$ 84,675,084</u>

City of Orinda  
 Changes in Net Position  
 Seven Fiscal Years\*  
 Fiscal year ended June 30, 2019  
 (Accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
<b>Expenses</b>				
<b>Governmental Activities</b>				
General Government	\$ 1,848,816	\$ 2,125,066	\$ 2,709,476	\$ 2,593,399
Police Services	3,894,363	3,777,584	3,938,840	4,027,414
Public works and engineering	1,327,714	4,079,063	3,520,175	4,972,953
Parks, recreation and library	2,278,091	2,661,469	3,331,865	3,519,154
Planning	681,671	746,236	894,001	1,011,480
Interest on bonds payable	397,959	379,260	496,430	767,185
Total governmental activities	10,428,614	13,768,678	14,890,787	16,891,585
<b>Program Revenues</b>				
<b>Governmental activities:</b>				
Charges for services:				
General government	42,302	42,302	724,694	-
Police Services	194,153	136,247	127,821	163,897
Public works and engineering	655,472	2,010,224	1,672,036	2,215,638
Parks, recreation and library	1,756,948	2,089,129	2,272,615	2,426,005
Planning	842,645	980,002	980,448	1,318,350
Operating grants and contributions	268,194	936,273	431,776	1,254,815
Capital grants and contributions	1,630,723	1,615,848	2,171,109	795,526
Total governmental activities	5,390,437	7,810,025	8,380,499	8,174,231
Net revenues (expenses):	(5,038,177)	(5,958,653)	(6,510,288)	(8,717,354)
<b>General revenues and other changes in net assets:</b>				
<b>Governmental activities:</b>				
Taxes:				
Property taxes	4,869,694	5,227,355	5,686,724	6,123,408
Sales taxes	1,021,274	2,071,438	2,067,331	2,121,297
Franchise taxes	986,349	1,009,114	1,034,647	1,082,218
Transfer taxes	200,663	235,119	316,208	250,992
Transient occupancy tax	-	-	-	-
Shared intergovernmental revenues	9,158	7,605	7,994	7,510
Interest income	160,612	117,578	168,378	225,216
Unrealized gain (loss) on sale of assets	(10,766)	(10,345)	(10,550)	27,411
Miscellaneous	214,751	411,858	416,513	154,494
Total governmental activities	7,451,735	9,069,722	9,687,245	9,992,546
<b>Changes in net assets</b>	2,413,558	3,111,069	3,176,957	1,275,192

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

Fiscal Year Ended June 30,

	2017	2018	2019
\$	2,299,303	\$ 2,336,578	\$ 2,612,766
	4,102,948	4,175,273	4,407,099
	2,919,281	3,946,827	7,384,599
	3,677,620	3,997,130	4,411,986
	908,403	879,871	962,950
	721,750	1,559,887	1,394,652
	<u>14,629,305</u>	<u>16,895,566</u>	<u>21,174,052</u>
	-	-	-
	128,437	160,729	219,717
	1,779,708	1,662,106	2,075,783
	2,364,387	3,262,864	3,059,501
	1,039,671	1,237,921	1,261,469
	168,031	902,369	275,290
	2,904,294	756,620	9,876,949
	<u>8,384,528</u>	<u>7,982,609</u>	<u>16,768,709</u>
	(6,244,777)	(8,912,957)	(4,405,343)
	7,648,593	8,633,632	9,795,495
	2,106,881	2,281,872	2,277,395
	1,118,568	1,139,414	1,127,003
	262,260	316,381	301,824
	-	58,658	79,128
	-	-	-
	282,691	561,504	1,231,128
	-	-	-
	290,073	2,403,087	2,003,702
	<u>11,709,066</u>	<u>15,394,548</u>	<u>16,815,675</u>
	<u>5,464,289</u>	<u>6,481,591</u>	<u>12,410,332</u>

City of Orinda  
Fund Balances, Governmental Funds  
Seven Fiscal Years\*  
Fiscal year ended June 30, 2019  
(Modified accrual basis of accounting)

Fiscal Year Ended June 30,

	2013	2014	2015	2016
<b>General Fund:</b>				
Non-Spendable	\$ 201,145	\$ 119,037	\$ -	\$ 99,088
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	7,309,966	7,590,562	7,972,055	9,204,680
<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>All Other Governmental Funds:</b>				
Non-Spendable	\$ -	\$ -	\$ -	\$ 5,339
Restricted	3,939,719	5,554,221	17,424,073	13,322,144
Committed	-	155,594	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(460)
<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>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>

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

Fiscal Year Ended June 30,

2017	2018	2019
\$ 98,306	\$ 49,122	\$ 495,087
-	-	-
5,532,561	5,586,807	317,194
695,539	1,895,656	3,175,604
612,209	1,434,723	6,860,993
<u>6,938,615</u>	<u>8,966,308</u>	<u>10,848,878</u>
\$ 4,490	\$ 294,666	\$ 119,729
44,485,762	35,110,833	24,636,686
1,196,263	-	1,293,493
-	-	21,513
(729,717)	1,722,506	-
<u>44,956,798</u>	<u>37,128,005</u>	<u>26,071,421</u>
<u>\$ 51,895,413</u>	<u>\$ 46,094,313</u>	<u>\$ 36,920,299</u>

City of Orinda  
 Changes in Fund Balances, Governmental Funds  
 Seven Fiscal Years\*  
 Fiscal year ended June 30, 2019  
 (Modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
<b>Revenues:</b>				
Taxes and assessments	\$ 7,556,931	\$ 9,092,586	\$ 10,411,611	\$ 11,665,853
Licenses, permits and fees	982,885	1,043,059	920,153	1,375,557
Fines and forfeitures	169,975	111,785	127,821	92,549
Intergovernmental	2,398,705	3,153,262	3,438,680	2,638,744
Use of money and property	189,497	150,931	149,198	241,144
Charges for services	2,965,192	2,917,662	2,587,144	3,112,393
Other revenues	187,196	390,722	424,507	162,004
<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>Expenditures:</b>				
General Government	1,838,147	1,907,113	1,834,515	2,047,563
Police Services	3,892,706	3,783,388	3,959,757	4,033,935
Public works and engineering	1,361,059	1,402,895	2,808,965	2,913,730
Parks and recreation	2,120,747	2,156,909	2,386,392	2,557,929
Planning	681,600	795,674	903,543	1,007,036
Special districts	133,309	378,606	-	-
Library operations	342,208	324,230	350,263	341,982
Capital improvements	5,335,159	3,511,348	2,845,381	8,334,648
Capital Outlay	-	-	-	-
Bond Issuance	-	-	136,770	-
Debt Service:				
Interest on bonds payable & fiscal charges	388,660	379,260	369,660	439,759
Principle payment on bonds	235,000	240,000	250,000	8,345,000
<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>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)
Other financing sources (uses):				
Transfers in	1,966,275	1,667,208	571,703	416,357
Transfers out	(1,966,275)	(1,679,208)	(1,171,703)	(616,357)
Proceeds from long-term debt	-	-	10,000,000	7,945,000
Premium on bonds issued	-	-	362,848	223,001
Total other financing sources (uses)	-	(12,000)	9,762,848	7,968,001
Net change in fund balances	<b>\$ (1,878,214)</b>	<b>\$ 1,968,584</b>	<b>\$ 11,976,716</b>	<b>\$ (2,765,337)</b>
Debt service as a percentage of noncapital expenditures	5.67%	5.45%	4.77%	40.51%

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

Source: City of Orinda Finance Department

Fiscal Year Ended June 30,

2017	2018	2019
\$ 11,858,635	\$ 13,197,191	\$ 14,639,971
1,364,512	1,366,535	1,606,422
95,347	110,859	130,675
3,697,094	2,431,226	2,549,007
173,572	553,626	1,207,421
2,505,242	3,306,755	2,744,798
390,992	2,403,087	1,994,783
<u>20,085,394</u>	<u>23,369,279</u>	<u>24,873,077</u>
2,016,142	1,910,182	2,245,745
4,112,216	4,196,825	4,561,519
4,108,748	2,061,156	2,626,771
2,761,601	2,947,811	3,257,467
922,311	911,161	1,127,138
339,516	331,063	417,423
299,905	440,347	474,501
600,017	245,508	1,780,242
12,368,781	13,410,450	14,382,940
-	-	-
858,822	1,727,271	1,698,345
1,360,000	1,220,000	1,475,000
<u>29,748,059</u>	<u>29,401,774</u>	<u>34,047,091</u>
(9,662,665)	(6,032,495)	(9,174,014)
2,782,818	2,870,343	817,981
(2,782,818)	(2,638,948)	(817,981)
35,000,000	-	-
2,908,926	-	-
<u>37,908,926</u>	<u>231,395</u>	<u>-</u>
<u>\$ 28,246,261</u>	<u>\$ (5,801,100)</u>	<u>\$ (9,174,014)</u>
<u>12.77%</u>	<u>18.43%</u>	<u>16.14%</u>

City of Orinda  
Assessed 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 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%
FY 2017-18	6,563,379,892	31,674,579	100,972,956	6,494,081,515	7.3680%
FY 2018-19	6,999,868,227	33,858,885	102,752,297	6,930,974,815	7.3690%

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 2009/10 - 2018/19 Combined Tax Rolls

City of Orinda  
Direct and Overlapping Debt  
As of June 30, 2019

City Assessed Valuation		\$ 6,930,974,815	
	Percentage Applicable (1)	Outstanding Debt 6/30/2019	Estimated Share of Overlapping Debt
<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Bay Area Rapid Transit District	3.379%	\$ 219,953,951	7,431,637
Contra Costa Community College District	3.390%	525,715,000	17,824,211
Acalanes Union High School District	19.430%	284,392,772	55,257,759
Lafayette School District	0.175%	81,000,000	141,895
Moraga School District	0.030%	15,225,000	4,554
Orinda Union School District	99.294%	7,941,476	7,885,445
East Bay Regional Park District	3.379%	77,218,361	2,608,995
<b>City of Orinda General Obligation Bonds</b>	<b>100.000%</b>	<b>41,225,000</b>	<b>44,029,989</b>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>135,184,485</b>
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Contra Costa County General Fund Obligations	3.379%	524,537,748	17,726,063
Moraga Orinda Fire Pension Obligation Bonds	61.150%	16,682,291	10,201,211
<b>City of Orinda Certificates of Participation</b>	<b>100.000%</b>	<b>7,040,000</b>	<b>7,231,144</b>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>35,158,418</b>
<b>TOTAL DIRECT DEBT</b>			<b>51,261,133</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>170,342,903</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>119,081,770</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

<u>Assessed Valuation Level</u>	FY 2018-19			FY 2009-10		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total</u>
OG Property Owner, LLC	36,446,349	1	0.53%			
Pine Grove, LLC	33,486,591	2	0.48%			
Orinda Dunhill, LLC	33,052,888	3	0.48%			
Taylor Morrison of CA LLC	30,046,729	4	0.43%			
Davidon Homes	25,217,112	5	0.36%			
Qian Wang	12,610,355	6	0.18%			
Orinda Country Club	10,838,012	7	0.16%			
25 Orinda Way LLC	8,619,000	8	0.12%			
Kara Singleton Dille Trust	8,512,940	9	0.12%			
29 Orinda Way LLC	8,325,000	10	0.12%			
OG Property Owner, LLC				169,095,954	1	3.51%
GLL BVK Properties LP				30,171,600	2	0.63%
R Jacobs Family LP				29,632,952	3	0.62%
Charles H. Esserman Trust				11,107,000	4	0.23%
Orinda Country Club				10,779,528	5	0.22%
Axa Rosenberg Group LLC				8,868,377	6	0.18%
Richard S. Wiley				6,943,070	7	0.14%
Scott C. and Lisa A. Kovalik Trust				6,714,980	8	0.14%
Michael J. Novogradac Trust				6,423,396	9	0.13%
Petra Michel Trust				6,290,120	10	0.13%
<b>Total</b>	<u>207,154,976</u>		<u>2.98%</u>	<u>286,026,977</u>		<u>5.93%</u>

**Source:** Contra Costa County Assessor 2018/19 and 2009/10 Combined Tax Rolls

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

(listed in alphabetical order)

2019 (represents 77.11% of total sales tax)	2013* (represents 79.31% of total sales tax)
76 Orinda	Barbacoa Restaurant
Beneift Marketing	Beverages & More
Beverages & More	Casa Orinda Restaurant
Casa Orinda Restaurant	Chevron Service Station
Chevron Service Station	CVS Pharmacy
CVS Pharmacy	Energy Comm
Energy Comm	Europa Hofbrau, Deli & Pub
Europa Hofbrau, Deli & Pub	Insight Resource Group
Fourth Bore Tap Room & Grill	Juvenon
McCaulou's Department Store	La Pizza Restaurant
McDonnell Moraga Nursery	Maria Tenaglia Architecture
Morrison's Jewelers	McCaulou's Department Store
Nations Giant Hamburgers	McDonnell Moraga Nursery
Orinda Books	Nations Giant Hamburgers
Orinda Country Club	Orinda Country Club
Orinda Hardware & Rental	Orinda Hardware
Orinda Motors	Orinda Motors
Orinda Shell	P & M Window Company
P & M Window Company	Rite Aid Drug Store
Rite Aid Drug Store	Safeway Stores
Safeway Stores	Shell Service Stations
Siam Orchid Thai Restaurant	Siam Orchid Thai Restaurant
Szechwan Restaurant	Table 24
Taverna Pellegrini	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:** State Board of Equalization

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

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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>	Percentage		<u>Amount</u>	Percentage
			<u>of Levy</u>			<u>of Levy</u>
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%
2018	4,933,170	4,933,170	100%	-	4,933,170	100%
2019	5,132,064	5,132,064	100%	-	5,132,064	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

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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 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
FY 2017-18	1.00000	1.00000	0.03250	0.00840	0.01140	0.00210
FY 2018-19	1.00000	1.00000	0.03230	0.00700	0.01100	0.00210

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 2009/10 - 2018/19 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>	<b>City's Share of 1% Levy Per Prop 13</b>
0.03260	0.03020	0.02360		1.14530	<b>0.07411</b>
0.03260	0.03110	0.02440		1.14400	<b>0.07411</b>
0.02790	0.03120	0.02740		1.14540	<b>0.07411</b>
0.02840	0.02790	0.02730		1.13500	<b>0.07411</b>
0.02670	0.02640	0.02550		1.14330	<b>0.07393</b>
0.02410	0.02430	0.02320	0.01300	1.15780	<b>0.07393</b>
0.02090	0.02290	0.01900	0.01850	1.14580	<b>0.07391</b>
0.04370	0.02240	0.01650	0.01690	1.15500	<b>0.07391</b>
0.04190	0.04830	0.01440	0.02500	1.18400	<b>0.07391</b>
0.04120	0.04480	0.01460	0.03350	1.18650	<b>0.07391</b>

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	Debt Per Capita	Debt Outstanding	Debt Per Capita	
30th:	(1), (2)		(3)		
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%
2018	42,700,000	2,224.07	7,040,000	367	2.8%
2019	44,029,989	2,260.85	7,231,144	371	2.7%

**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  
Income - US Census Bureau

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

	Fiscal Year Ended June 30,			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Assessed Value Secured	\$ 4,775,376,797	\$ 4,762,300,926	\$ 4,615,128,899	\$ 4,656,504,710
Conversion Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted Assessed Value	1,193,844,199	1,190,575,232	1,153,782,225	1,164,126,178
Debt Limit Percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt Limit	179,076,630	178,586,285	173,067,334	174,618,927
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 179,076,630</u>	<u>\$ 178,586,285</u>	<u>\$ 173,067,334</u>	<u>\$ 174,618,927</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 of Orinda Finance Department

Fiscal Year Ended June 30,

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 4,942,008,441	\$ 5,387,051,165	\$ 5,835,129,469	\$ 6,172,625,746	\$ 6,537,156,590	\$ 6,904,577,718
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
1,235,502,110	1,346,762,791	1,458,782,367	1,543,156,437	1,634,289,148	1,726,144,430
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
185,325,317	202,014,419	218,817,355	231,473,465	245,143,372	258,921,664
-	10,000,000	9,685,000	43,620,000	42,700,000	44,029,989
<u>\$ 185,325,317</u>	<u>\$ 212,014,419</u>	<u>\$ 209,132,355</u>	<u>\$ 187,853,465</u>	<u>\$ 202,443,372</u>	<u>\$ 214,891,675</u>

0%	4.95%	4.43%	18.84%	17.42%	17.01%
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City of Orinda  
Demographic and Economic Statistics  
For the last ten years

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<u>Year</u>	<u>Population</u>	Personal Income City of Orinda (in thousands)	Per Capita Personal Income	Unemployment Rate City of Orinda	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
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%
2017	19,199	1,787,130	93,084	2.2%	48.1	98.6%	80.4%
2018	19,475	1,907,280	97,934	1.9%	48.3	98.3%	80.8%

**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 Ten 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>	<u>2018</u>	<u>2019</u>
Police*										
Stations	1	1	1	1	1	1	1	1	1	1
Fire**										
Stations	3	3	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	92.70	92.70
Streetlights***										
Parks and recreation										
Parks	4	4	5	5	5	5	5	5	5	5
Community centers	1	1	1	1	1	1	1	1	1	2
Public Tennis Courts	3	3	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 Seven Years\*  
 Fiscal year ended June 30, 2019

Fiscal Year Ended June 30,

<u>Function</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Police**				
Arrests	113	204	215	154
Parking citations issued	1,578	405	1,161	1,561
Public works				
Street resurfacing (miles)	1.50	0	2.87	10.09
Encroachment permits	285	322	335	411
Parks and recreation				
Recreation classes (enrollment)	7,712	8,523	9,056	9,590
Facility rental hours	2,788	2,414	4,873	5,022
Sports field rental hours - City	3,120	6,852	8,270	9,870
Sports field rental hours - OUSD***	-	-	-	-
Building Valuations				
Commercial/Industrial Construction	3,893,591	2,186,520	2,346,691	3,548,400
Residential Construction	46,624,040	49,855,541	40,589,805	46,297,341
Total building actions	50,517,631	52,042,061	42,936,496	49,845,741
Fire, Water, Sewer****				

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

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

\*\*\* Starting January 2019, City entered into an MOU and began to maintain and schedule Orinda Union School District (OUSD) sports fields during non-school hours.

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

Source: City of Orinda Finance Department

Fiscal Year Ended June 30,

<u>2017</u>	<u>2018</u>	<u>2019</u>
119	107	124
2,415	1,878	2,403
10.82	13.20	14.68
383	349	320
10,046	10,475	10,569
5,780	6,942	7,234
9,925	10,384	10,730
-	-	1,707
11,965,873	14,839,696	15,132,128
54,122,263	51,818,127	58,955,489
<u>66,088,137</u>	<u>66,657,823</u>	<u>74,087,618</u>

City of Orinda  
 Full-time and Part-time\*\* City Employees by Function  
 Last Seven Fiscal Years\*

Fiscal Year Ended June 30,	General Government	Public Safety Non-Sworn	Public Safety Sworn **	Public Works	Community Development	Parks And Recreation	<b>TOTAL</b>
2013 **	7.60	2.40	-	11.50	3.50	8.50	<b>33.50</b>
2014 **	7.70	2.40	-	11.00	4.50	10.00	<b>35.60</b>
2015 **	7.70	2.40	-	11.00	4.50	10.00	<b>35.60</b>
2016 **	7.95	2.40	-	12.00	6.00	11.00	<b>39.35</b>
2017 **	7.95	2.40	-	12.00	6.00	11.00	<b>39.35</b>
2018	8.62	2.00	-	12.16	6.00	14.56	<b>43.34</b>
2019	7.50	2.00	-	11.03	6.10	15.30	<b>41.93</b>

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

\*\* Fiscal Years 2012-13 through 2016-17 exclude part-time equivalents

\*\*Police services are provided by Contra Costa County Office of the Sheriff

**Source:** City of Orinda Finance Department

City of Orinda  
Principal Employers  
2018-19 and Six Years Ago\*

Employer	FY 2018-2019			FY 2013-2014**		
	Employees	Rank	Percentage of Top 10 Employment	Employees	Rank	Percentage of Top 10 Employment
Orinda Union School District	317	1	33.83%	300	1	34.13%
Orinda Country Club	137	2	14.62%	110	2	12.51%
Miramonte High School	110	3	11.74%	103	3	11.72%
Orinda Care Center	73	4	7.79%	37	8	4.21%
Moraga-Orinda Fire District	72	5	7.68%	73	5	8.30%
Safeway	66	6	7.04%	86	4	9.78%
John Muir Physician Network	56	7	5.98%			
Casa Orinda	38	8	4.06%	35	9	3.98%
City of Orinda	36	9	3.84%			0.00%
MacKenzie Capital Management	32	10	3.42%			0.00%
Sleepy Hollow Swim & Tennis				60	6	6.83%
Litman Gregory Asset Management				47	7	5.35%
Orinda Academy				28	10	3.19%
<b>Total</b>	<b>937</b>		<b>100.00%</b>	<b>879</b>		<b>100.00%</b>

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

Note: the number of employees is based on permanent employees only

Source: City of Orinda Finance Department and \*\* San Francisco Center For Economic Development

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

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, 2019, and have issued our report thereon dated December 14, 2019. Our report included an emphasis of a matter paragraph disclosing the implementation of a new accounting standard.

***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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***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*.

***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  
December 14, 2019