



**Town of Moraga, California**

**Comprehensive Annual  
Financial Report  
Fiscal Year Ended June 30, 2013**



**Town of Moraga, California**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**



**Prepared by the Administrative Services Department**  
Stephanie Hom, Administrative Services Director  
Yuliya Elbo, Accountant  
Beth Cowley, Administrative Services Technician  
Bradley Ward, Town Treasurer (volunteer)



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# Town of Moraga

December 2, 2013

To the Citizens of the Town of Moraga  
and the Honorable Mayor and Members of the Town Council:

## **Re: Transmittal Letter of the Town of Moraga's Comprehensive Annual Financial Report**

We are pleased to submit the Town of Moraga's first Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. The overall goal of this report is to provide a full and transparent understanding of the Town's financial activities, and also serves to satisfy the continuing disclosure requirement under the Securities and Exchange Commission (SEC) related to the Town's debt issuances.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures rests with Town management. To the best of our knowledge and belief, the data used throughout this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Town.

The Town's financial statements have been audited by Maze & Associates, a full-service independent, certified public accounting firm based in Pleasant Hill, California. The purpose of the independent audit is to provide reasonable assurance that the financial statements of the Town are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the adequacy of internal accounting controls; and evaluating the overall quality of financial reporting.

This letter of transmittal is intended to be read in conjunction with the Management's Discussion and Analysis, as well as the Basic Financial Statements.

## **Organization of the Report**

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This CAFR is presented in three sections: introductory, financial and statistical.

The *Introductory* section includes this transmittal letter and other information to familiarize the reader with the Town, including a list of officials, advisory committees and administration, organization chart and map.

The *Financial* section consists of four parts: the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements and supplemental information.

The *Statistical* section includes selected unaudited financial and demographic information, generally presented on a multi-year basis. This information includes Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information, and Operating Information.

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**TRANSMITTAL LETTER**

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**Profile of the Town of Moraga**

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The Town of Moraga is located in Contra Costa County, approximately 22 miles east of San Francisco. The Town encompasses an area of approximately 9.5 square miles and has a population of approximately 16,000.

The Town is predominantly residential in nature with clusters of community-serving retail and commercial spaces. The Town is home to Saint Mary's College, a prestigious private Catholic university of about 2,000 graduate and undergraduate students. With a national ranking of 125 and a state ranking of 20, the Town of Moraga's Campolindo High School was one of 500 schools nationwide awarded a gold medal by U.S. News and World Report in its 2013 list of the nation's best public high schools. Residents further enjoy award winning schools at the lower levels as well as convenient access to diverse employment options throughout the San Francisco Bay Area.

***Form of Government***

The Town of Moraga was incorporated as a general law city in the State of California on November 12, 1974. The Town operates under as Council-Manager form of government and is governed by a town council of five members of the community elected at-large. Each Council position has a term of four years. Council elections are held biennially in November of even numbered years, with the number of open seats being filled alternating between two and three. The Mayor's position is filled by one of the members of the Council and is annually appointed by the Council.

The Council establishes overall goals and objectives for the Town through the adoption of policies aimed at enhancing the community to the benefit of the general public. The Council is guided by the policies established in the General Plan and sets priorities for the development and implementation of programs and services, determines the overall needs of the community, set and monitors financial and administrative activities, and develops and prioritizes goals. The Council also confers with officials from other public agencies and associations to further the goals of the Town.

***Town Services***

The Town provides a range of municipal services including police, public works (e.g., construction and maintenance of streets, storm drains, public buildings and other infrastructure), parks and recreation (recreational programming, park acquisition and improvements, and maintenance of parks), planning and general administrative services. Fire protection services are provided by the Moraga-Orinda Fire District, a special district in Contra Costa County. Water services are provided by the East Bay Municipal Utility District (EBMUD). Sanitary sewer services are provided by the Central Contra Costa Sanitary District. Solid waste and residential recycling services are provided by the Central Contra Costa Solid Waste Authority.

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**TRANSMITTAL LETTER**

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**Financial Policies and Practices**

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***Minimal Government Philosophy***

The Town has a track record of living within its means. The Town provides services to Moraga residents and businesses under a standard for high quality community services. The “minimal government philosophy,” as defined in Moraga’s General Plan, is to:

*“operate the Town to achieve maximum efficiency in its service delivery, utilizing a minimum number of permanent service employees and keeping capital expenditures and operating costs to a minimum while responding to community needs and priorities; continue to seek improved methods of governmental administration that will be as cost-effective as possible; and avoid the incremental growth of government service except for urgent short-term situations.”*

***Budgetary Policy and Control***

The Town’s annual budget serves as the foundation for planning and controlling the Town’s finances. The budget development process begins in January each year with the Town Council goal setting meeting. Relative to the established Town Council goals, Town staff evaluates existing programs and staffing levels, analyzes revenue sources, and prepares a balanced budget based on priorities that fit within the constraints of projected revenue assumptions. The Audit and Finance Committee reviews the proposed budget before submission to the Town Council. The Town Council deliberates on the proposed budget in May of each year and adopts a budget before July 1. The Town Council has the legal authority to amend the budget at any time during the fiscal year. The Town Manager has the authority to make administrative adjustments to the budget as long as those changes do not have a significant policy impact or affect budgeted year-end fund balances.

The Town’s Administrative Services Department maintains revenue, expenditure and budgetary detail using a computerized financial system. The system contains an on-going record of budget balances throughout the year based on actual expenditures. Open encumbrances and unspent capital project budgets at year-end are reported as assignments of fund balance.

***Internal Controls***

The Town maintains an internal control structure designed to provide reasonable assurance that the Town’s assets are protected from loss, theft or misuse. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Town management believes that the existing internal control systems are adequate to provide reasonable assurance the Town’s assets are safeguarded against loss, theft or misuse and to that the financial records are reliable for the preparation of financial statements in conformity with generally accepted accounting principles. This belief is supported by the independent auditor’s “unqualified” report of the Town’s financial statements for the year ended June 30, 2013.

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***Fund Balance and Reserve Policy***

By resolution, the Town's policy is to maintain an unassigned fund balance in the General Fund of 50% of operating expenditures, which has been achieved for the fiscal year ended June 30, 2013.

***Economic Condition and Outlook***

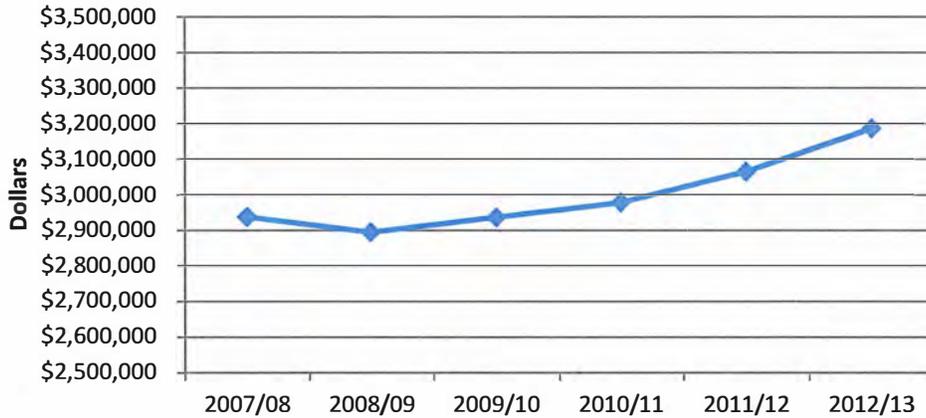
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Overall, the Town has fared relatively well as nearly every community in the State has struggled financially with a major economic recession and the recent elimination of Redevelopment Agencies. The Town's track record of fiscal prudence and discipline, reluctance historically to form a Redevelopment Agency, coupled with its flat but stable property tax base, has enabled the Town to maintain a balanced budget without the common, drastic measures of reduced services, layoffs, furloughs, salary cuts and significant benefit reductions.

***Property Taxes***

Property tax revenue is the single, largest source of revenue for the Town. Property taxes have remained relatively stable even during the historic upswings and recent downturn in the economy. The reasoning may be related to the overall stability of the community, which creates both financial advantages and disadvantages. For example, since Moraga is a desirable and relatively wealthy community, it has a stable assessed valuation of property, which has not historically benefitted as much from dramatic increases in property values due in large part to the Town's low turnover rates in property ownership. The low turnover rates limit the number of properties being reassessed at market rates under Proposition 13.

**Chart 1. Historical Property Tax Revenues.**



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The Town receives only 5.3% of every property tax dollar paid by its property owners. The rest of the tax goes to Contra Costa County, schools and special districts. The chart below illustrates how each \$1.00 of the countywide basic 1% property tax is allocated.<sup>1</sup>

**Chart 2. Distribution of Property Tax Dollars.**



The Contra Costa Association of Realtors (CCAR) has provided positive data about the Town’s residential property values. The most recent data for the 2013 calendar year to date (August) indicates a 14.7% increase in single-family home values and a 20.4% increase in townhouse-condo home values based in average sales prices between 2012 and 2013. However, the inventory of homes for sale has decreased by 44.3% in single-family homes and 66.2% in townhouse-condo homes for the same time period.

**Chart 3. Average Home Sales Prices as of August 2013**

Average Sales Price		Single-Family				Townhouse-Condo			
		This Month	YTD 2012	YTD 2013	+ / -	This Month	YTD 2012	YTD 2013	+ / -
Alamo	4800	\$1,577,100	\$1,244,560	\$1,367,044	9%	\$0	\$384,167	\$507,700	24.3%
Blackhawk	4600	\$1,275,300	\$1,187,097	\$1,461,566	18.8%	\$710,000	\$611,000	\$619,143	1.3%
Clayton	5900	\$652,115	\$569,790	\$637,718	10.7%	\$287,500	\$268,548	\$366,207	26.7%
Concord	5701	\$455,067	\$331,339	\$419,600	21%	\$205,826	\$113,384	\$168,248	32.6%
Clyde	5702	\$0	\$182,500	\$272,000	32.9%	\$0	\$0	\$0	0
Danville	4500	\$1,037,302	\$918,258	\$1,021,181	10.1%	\$556,875	\$431,348	\$525,523	17.9%
Diablo	4700	\$1,640,000	\$1,683,615	\$1,829,631	8%	\$0	\$0	\$0	0
Lafayette	5100	\$1,207,057	\$1,044,936	\$1,244,380	16%	\$499,500	\$442,731	\$579,889	23.7%
Martinez	5601	\$471,144	\$345,259	\$423,827	18.5%	\$268,106	\$180,572	\$252,776	28.6%
Pacheco	5602	\$482,500	\$301,565	\$346,250	12.9%	\$0	\$155,800	\$184,950	15.8%
Moraga/Canyon	5200	\$1,284,125	\$989,525	\$1,160,490	14.7%	\$531,667	\$397,727	\$499,506	20.4%
Orinda	5300	\$1,352,682	\$1,083,333	\$1,255,025	13.7%	\$0	\$518,033	\$890,000	41.8%
Pleasant Hill	5400	\$587,656	\$470,350	\$565,087	16.8%	\$414,164	\$264,842	\$327,926	19.2%
Rossmoor	5000	\$0	\$1,098,333	\$1,077,500	-1.9%	\$449,733	\$272,167	\$354,850	23.3%
San Ramon	4400	\$928,944	\$746,200	\$877,626	15%	\$544,162	\$330,636	\$516,993	36%
Walnut Creek	4900	\$910,342	\$725,018	\$851,544	14.9%	\$409,843	\$304,412	\$396,435	23.2%

Source: Contra Costa Association of Realtors

<sup>1</sup> The Town of Moraga is comprised of nine (9) Contra Costa County Tax Rate Areas (TRAs) and allocations of property tax vary slightly by TRA. The figures used here are based on TRA 15-002 but are similar for other TRAs.

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The low inventory of homes listed for sale in Moraga may be a reflection of the financial wealth and stability of the residents which often translates to long-term home ownership. Many families initially moved into Moraga for the school district when their children were young. Even after their grown children moved out, many empty nesters decided to stay in Town and some have even enjoyed their children and grandchildren moving back to Moraga. Consequently, Moraga's home values and the longevity of home ownership means that Proposition 13—with its annual limit on property tax increases—have kept the assessed value of homes and the corresponding 1% property tax artificially low.

Proposition 13 not only reduced and retained then-current property values to 1976 levels, but it set post-Proposition 13 home sales at the initial purchase price and then, most importantly, limited the annual inflation and/or increase in home value to no more than 2% annually. During the period of extraordinary growth in home values over the past 35 years, Proposition 13 kept assessed home values (and property taxes) significantly lower than market rate. Since market rate home value is only reflected immediately after a home is purchased and the home is reassessed based on the purchase price, communities with a younger or more transient population tend to have higher home turnover rates and benefit significantly from increases in home values and a corresponding increase in property taxes received. Those same communities, however, also suffer more dramatically during a deep recession if homes that are “underwater” (e.g., their market value is less than the mortgage) are sold or foreclosed upon for a financial loss. In contrast, Moraga's slow turnover in home ownership allowed the Town's minimal services to survive, although the same characteristic will also keep Moraga from thriving as the economy recovers overall.

***Sales Taxes***

Sales tax revenues is the second largest revenue source for the Town and sales tax proceeds are expected to increase as a percentage of total revenue for the Town as a direct result of the recent passage of a one-cent local add-on sales tax increase (i.e., “Measure K”).

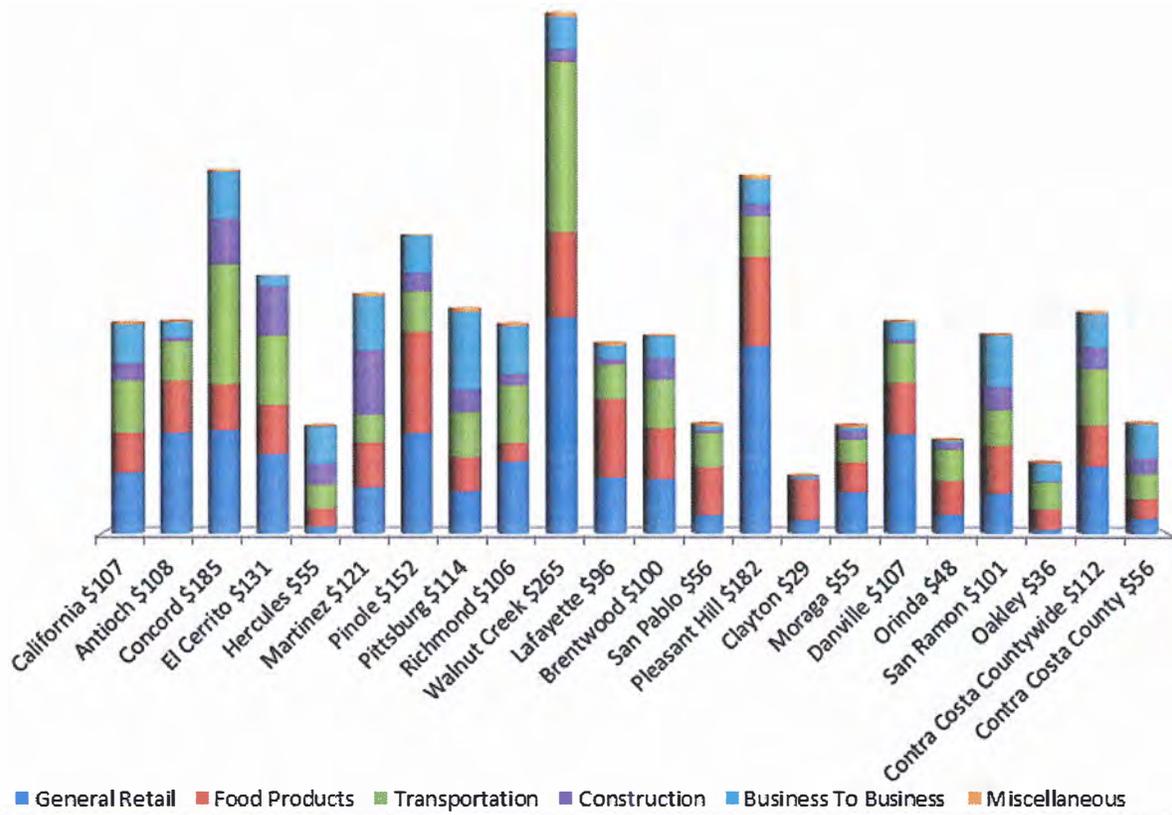
Prior to the passage of Measure K, sales tax was affected during the recession – peaking in FY 2007-08 and dropping significantly in FY 2008-09. Since 2008-09, sales tax has recovered and remained relatively stable. According to quarterly sales tax analyses conducted on behalf of the Town by MuniServices, Inc., the five year outlook for sales tax is stable and somewhat optimistic with annual increases of three to four percent.

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As shown in the chart below, the sales tax per capita varies significantly throughout the county. The regional and subregional shopping centers and auto dealerships significantly improve the per capita revenue in communities like Walnut Creek, Concord, and Pleasant Hill. The retail choices our community has made, and the limited low-density housing market in Moraga, make Moraga a desirable place to live but it also limits retail growth in the future. Consequently, any improvement in the overall economy is likely to have only a slightly positive impact on the budget.

**Chart 4. Contra Costa County Sales Tax Per Capita  
 January – December 2012 Sales Period**

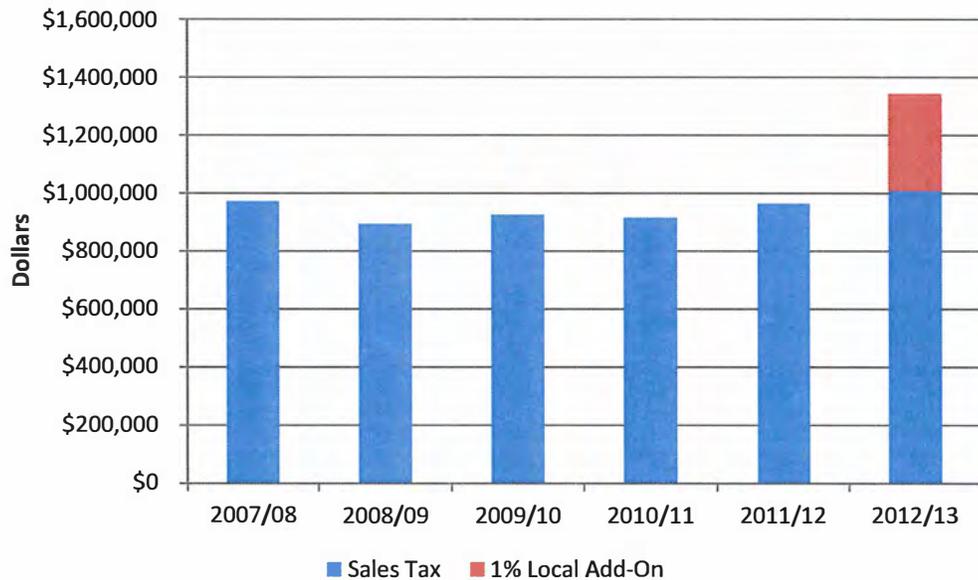


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The most significant change in the outlook of the Town’s sales tax is the passage of the Measure K 1% Local Add-On Sales Tax. As discussed in the MD&A, the Town’s voters approved “Measure K” – a new one-cent local transaction and use (add-on sales) tax on November 6, 2012 with a 70% approval rate. This general sales tax became effective on April 1, 2013 and will sunset in 20 years. The new sales tax is expected to increase sales tax revenues by at least one million dollars annually.

**Chart 5. Historical Sales Tax Revenues<sup>2</sup>**



The Measure K sales tax measure was approved for general purposes and although the Town may use the revenue for a variety of purposes, the Town Council has directed those funds to only be used for the Town’s most financially critical need to repair its failing streets and storm drains. The Town Council has consistently stated its intention to spend the proceeds from the additional sales tax for road repair, as reflected in its annual goals since 2010 and unanimously supported by the entire Town Council. In accordance, the Town Council has subsequently issued 2013 Certificates of Participation leveraging the additional sales tax revenue for a three-year intensive road rehabilitation program.

***Long-Term Financial Planning***

The Town engages in a number of activities focused on long-term financial planning including:

*Five Year Financial Plan.* As part of the annual budget, the Council reviews and approves a Five Year Financial Plan that, on the whole, serves as a strategic tool to better manage the Town’s limited financial resources. The plan has multiple components including (1) a Five Year Financial Projection that is far-reaching in making projections of the Town’s revenues and expenditures five years into the future. The projections are based on historical trends and current information about future revenue sources and

<sup>2</sup> Excludes Public Safety Sales Tax (Proposition 172), a half-cent sales tax from the State of California provided to local governments to offset decreased funding due to State property tax shifts.

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expenditures; (2) a Five Year Capital Improvement Program; (3) the annual operating budget; and (4) the Town's financial management policies.

*Containment of Operating Costs.* The Town's "minimal government" philosophy has served its citizens well from the perspective of containing operating costs in providing Town services. While personnel expenditures constitute the largest, single expenditure line-item in the financial plan, staffing levels are very lean relative to the needs of the Town. The Town has also kept personnel expenditures at prudent levels, including maintaining low retirement system plans offer by CalPERS for both miscellaneous and sworn employees, providing high deductible medical plans with health savings accounts, and contracting out services where possible to keep staffing levels at a minimum. And unlike many other municipalities, the Town does not provide any post-retirement benefits to its employees.

*Infrastructure Rehabilitation and Maintenance.* Lack of adequate resources over many years has resulted in the deferred maintenance of the Town's capital assets. The Five Year Capital Improvement Program includes projects, both funded and unfunded, that are intended to identify and remedy the need of adequately repairing, replacing and maintaining the Town's existing infrastructure, facilities and equipment. Most recently, Moraga voters approved the Measure K Local Add-On Sales Tax and the Town Council has taken action to leverage a majority of the additional sales tax proceeds in the form of the \$7.72 million 2013 Certificates of Participation to fund a three-year intensive street rehabilitation program. And while the remaining proceeds of the additional sales tax are intended to support an on-going annual street rehabilitation program, it is not sufficient to maintain the Town's streets to better than fair conditions. The Town will also continue to be challenged in securing adequate resources to repair and maintain its other existing assets, such as storm drains and community facilities.

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**Major Initiatives**

The Town undertook a number of significant initiatives in 2012-13 that will have beneficial effect on the fiscal health and quality of life for the Town's citizens.

***Economic Development***

*Rheem Area Business Attraction and Retention.* Several new businesses were approved, are under construction, or are currently under review in and around the Rheem Park Center. In light of the community's recommendations and the Council's desire for enhanced and community-oriented economic development, the last several years have focused on two activities: (1) to assist small business through the complex maze of Town and County zoning and building permit processes and, when required, the County Health Department, utilities, and health department permits; and (2) to work long-term on zoning amendments to reduce the local review required of most applications through previously approved municipal code requirements. The second effort is currently under public discussion and review by the Moraga Planning Commission. The first effort has helped facilitate a number of new businesses in Town, including Moraga Produce, Tangelo's Yogurt, and the New Delhi Bistro and the review of an 18 single-family residential small lot subdivision on Moraga Road in the Rheem Planning Area.

*Moraga Center.* On the other end of Town a number of development projects are commencing as part of the implementation of the Moraga Center Specific Plan.

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- Camino Ricardo Single-Family Homes is a proposed 26-lot subdivision along the western boundary of the Moraga Center Specific Plan. The proposal includes an offer of dedication for a small passive park/open space and trail connection.
  
- Moraga Town Center Homes is proposed on Moraga Way between the Moraga-Orinda Fire District station and the creek. The multi-family higher density project would provide approximately 49 two- and three-story units on Moraga Way, walking distance to the restaurants and shops in the Moraga Center.

***Five Year Financial Plan***

To address the long-term sustainability of the Town financial resources, the Council in 2011 identified a goal for developing a five year financial plan. FY 2012-13 marked the first year of the plan, which includes the annual budget and a rolling expectation of future revenue and expenditures over the next five years.

***General Fund Reserve***

At the fiscal year ended June 30, 2013, the Town achieved its General Fund reserve policy of 50% of operating expenditures. With the increase in fund balance of \$386,462, the Town's unassigned fund balance at year end reached 51.8% of operating expenditures.

***Local Add-On Sales Tax***

The overwhelming approval of the Measure K Local Add-On Sales Tax in November 2012 enabled the Town to issue Certificates of Participation in August 2013 repayable from a portion of the additional sales tax for an intensive \$7.72 million three-year street rehabilitation program. The first year of the street pavement project was completed within ten months of the election.

***Capital Projects***

*Remodel of Town Offices and Council Chambers.* The remodel of Town Offices and the relocation of all staff, with the exception of Parks and Recreation staff, to 329 Rheem was completed in May 2013. The remodel has made the space at 329 Rheem Boulevard more efficient so that not only could all staff locate in the same facility, but the significant number of files could be relocated out of the corporation yard at 331 Rheem Boulevard, freeing up that space for a new community meeting room and Council chambers, currently being remodeled.

*Moraga Commons (Skatepark) Off-Street Parking Lot.* Through a cooperative agreement with the cities of Orinda and Lafayette, the Town of Moraga has been able to design and build a new parking lot this year adjacent to the Lamorinda Skatepark. The parking lot not only increases the safety of park visitors, but also increases disabled access to the rest of Moraga Commons and the bandshell. This "green" parking lot also has a bioswale to capture runoff from the lot.

*Moraga Commons Bandshell Improvements.* After years of fundraising, planning, design and redesign, the Moraga Park Foundation expanded the Bandshell's food service area. The Town Council awarded the construction contract and the County signed off on the Certificate of Occupancy / Completion in April of 2013, giving the Park Foundation the opportunity to enjoy the new facilities during the Free Summer Concert Series.

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*Pavilion Building Improvements at the Hacienda de las Flores.* In partnership with the Hacienda Foundation, restroom renovations and Americans with Disabilities Act (ADA) access to the Pavilion Building were completed. The Pavilion Building is one of several facilities at the Hacienda de las Flores that is used for community events and private rentals for special events.

*Crosswalks on Moraga Road at Corliss and Woodford.* Another capital project that was initiated in 2009 and designed and completed this year was high visibility crosswalks on Moraga Road at Corliss Drive and Woodford Drive. The two crosswalks were selected to increase pedestrian visibility and safety. The design includes a higher reflective cross hatch, better signage, solar street lights, and blinking lights that inform drivers a pedestrian is attempting to cross the roadway.

*2013 Pavement Repair Project.* The 2013 Pavement Repair Project that began in FY 2012-13 focuses on applying rubberized cape seals and micro seals this summer and fall on 105 street segments, or nearly half of all residential streets. Coupled with this project, the Council approved a moratorium on street cuts to protect these newly repaved streets from cuts from utilities that were unable to schedule non-emergency repairs prior to the road repair projects. In the event of an unanticipated and critical repair by the utility, the pavement after the work is complete will be at a much higher standard to avoid a patchwork effect and increased road deterioration. This will require increased communication and coordination of the street repair programming with each of the utilities, but will lengthen the life of the streets.

**Acknowledgements**

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The preparation of this Comprehensive Annual Financial Report was made possible by the year-round and dedicated efforts of the Administrative Services Department staff, working in conjunction with Maze & Associates, the Town's independent auditors.

We would like to take this opportunity to commend all of those staff members of both the Town and Maze & Associates who were associated with the preparation of this report. Special thanks is extended to the Town Treasurer and Audit and Finance Committee for their individual and group contributions to the report. Finally, we would like to thank the Town Council for their continued support in planning and conducting the financial operations of the Town in a responsible and prudent manner.

**Respectfully submitted,**



**Jill Keimach**  
**Town Manager**



**Stephanie Hom**  
**Administrative Services Director**

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**LIST OF OFFICIALS, ADVISORY COMMITTEES AND ADMINISTRATION**

Elected Officials

Dave Trotter, Mayor  
Ken Chew, Vice Mayor  
Phil Arth, Councilmember  
Michael Metcalf, Councilmember  
Roger Wykle, Councilmember

Audit and Finance Committee

Bradley Ward, Town Treasurer  
Dave Trotter, Mayor  
Michael Metcalf, Councilmember  
Tim Freeman, Committee Member  
Robert Kennedy, Committee Member

Town Manager

Jill Keimach

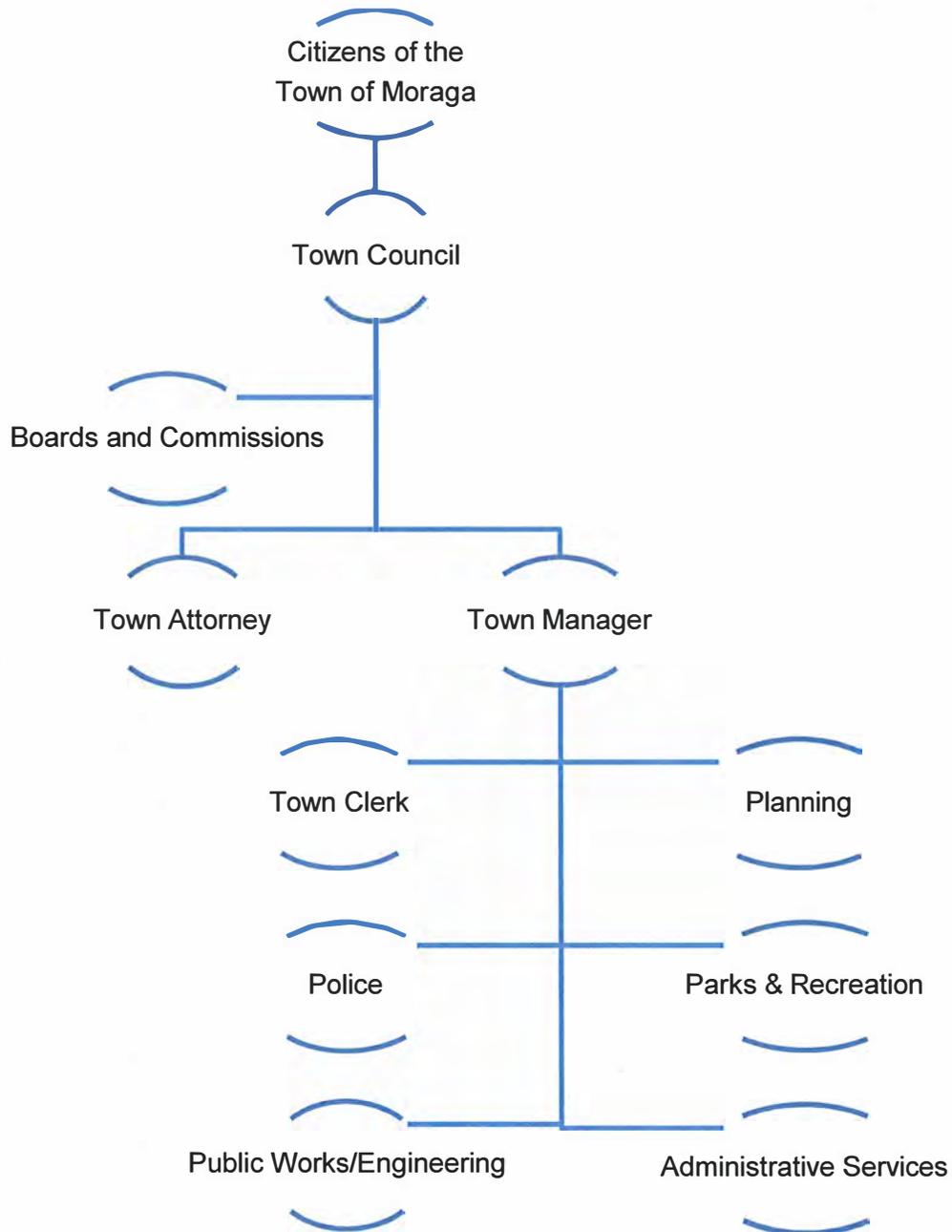
Department Directors

Shawna Brekke-Read, Planning Director  
Stephanie Hom, Administrative Services Director  
Jay Ingram, Parks and Recreation Director  
Edric Kwan, Public Works Director/Town Engineer  
Marty McInturf, Town Clerk  
Robert Priebe, Chief of Police

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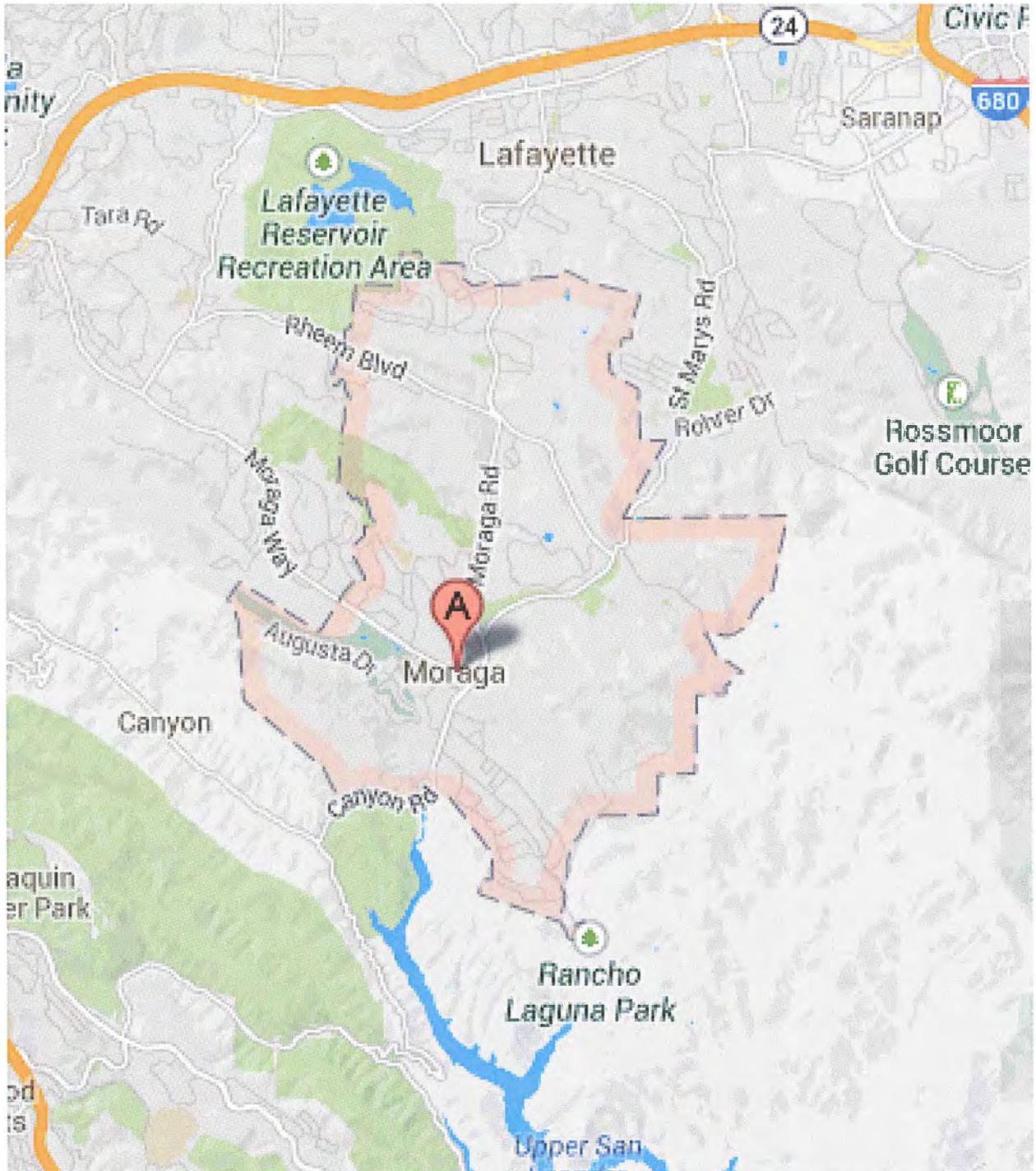
**ORGANIZATION CHART**



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**LOCATION MAP**



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Town Council of the  
Town of Moraga  
Moraga, 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 Town of Moraga as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town'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 Town'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 Town'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 Town as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matters***

Net position as of July 1, 2012 was restated as discussed in Note 7B.

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2013 and required a format change in the financial statements and certain nomenclature revisions in the footnotes accompanying the financial statements:

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 63-*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which became effective during the year ended June 30, 2013 and required certain title changes to the Statement of Net Position and Statement of Changes in Net Position. See Note 1L to the financial statements for relevant disclosures.

The emphasis of these matters does not constitute a modification to our opinions.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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 Town's basic financial statements as a whole. The Introductory Section, Supplemental 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.

The Supplemental 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 Supplemental 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 October 4, 2013, on our consideration of the Town'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 Town's internal control over financial reporting and compliance.

*Maze & Associates*

Pleasant Hill, California  
October 4, 2013

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**TOWN OF MORAGA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**INTRODUCTION**

The management of the Town of Moraga ("Town") offers readers of the Town's financial statements this overview of the Town's financial performance for the fiscal year ended June 30, 2013. In accordance with *Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, this Management's Discussion and Analysis is intended to:

- Highlight information readers need to assess whether the Town's financial position has improved or deteriorated,
- Make comparisons of current year to prior year financial activity,
- Explain any significant changes in funds and budget variances,
- Describe capital asset and long-term debt activity during the year,
- Describe currently known facts, decisions, or conditions that are expected to have a significant effect on financial position.

The Town adopts an annual budget that serves as the financial plan for the year. The budget is a planning tool and is based on projected expenditures and revenues, cash flow and available cash resources for that year. The Town's financial statements serve the purpose of reporting all revenues and all costs of providing services each year, not just those received or paid in the current year. In addition, the financial statements report current assets and liabilities, as well as long-term assets and liabilities.

**FINANCIAL HIGHLIGHTS**

The financial statements present information on the financial health of the Town. Highlights for the year ended June 30, 2013 are noted as follows:

1. The Town's assets exceeded its liabilities (total net position<sup>1</sup>) by \$40,781,006 (Statement of Net Position, page 18). This compares to the net position of \$39,741,490<sup>2</sup> in the prior year ended June 30, 2012, an increase of \$1,039,516 (2.6%).
2. The Town's unassigned fund balance is \$3,125,652 (Balance Sheet, page 22), which represents 51.8% of the actual General Fund expenditures (\$6,028,324) (Statement of Revenues, Expenditures and Changes in Fund Balances, page 24). In addition, the One-Time Developer Fee Fund, determined through a settlement agreement, has a fund balance of \$2,165,737 classified as *committed* fund balance based and subject to Town Council action on its use (Balance Sheet, page 22).
3. The Town ended the year with a surplus, where actual revenues exceeded expenditures by \$940,553 in all funds (Total Governmental Funds). Specific to the Town's General Fund, there was a surplus of \$386,462. (Statement of Revenues, Expenditures and Changes in Fund Balance, page 24.)

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<sup>1</sup> The term "net assets" is replaced with "net position" as a result of Governmental Accounting Standards Board (GASB) Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* implemented this year.

<sup>2</sup> The prior year net position is reduced due to a restatement of a net pension asset. Refer to Note 7B, Notes to Financial Statements, for more information.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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4. The Town's actual General Fund expenditures of \$6,028,324 (Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, page 26) increased by 3.8% from the prior year ended June 30, 2012 expenditures of \$5,807,303.
  
5. From a budget perspective, the Town's costs for the year were fully covered with revenues received during the same year combined with anticipated transfers from other funds. The Town's General Fund actual revenue receipts totaled \$6,196,285 and net interfund transfers totaled \$218,501, while actual expenditures totaled \$6,028,324. Both revenue receipts and expenditures exceeded budget expectations. Revenues came in over budget by \$490,476 (8.6%) partially attributed to one-time sources, specifically Real Estate Transfer Taxes and a Property Tax Administrative Fee reimbursement from Contra Costa County. In addition, the Town received \$333,008 in new sales tax receipts due to the voter-approved Measure K measure, which was not initially included in the budget. Expenditures came in under budget with a savings of \$351,828 (5.5%), primarily due to vacancies in the Public Works/Engineering and Planning departments, as well as continued conscientiousness amongst Town staff to keep expenditures to a minimum. (Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, page 26).

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements are comprised of three components: (1) Government-side financial statements, (2) Fund financial statements, and (3) Notes to the financial statements.

**THE TOWN AS A WHOLE (Government-wide Financial Statements)**

The *Statement of Net Position* and the *Statement of Activities* report information about the Town's finances as a whole. They report consolidated financial information on the Town's *primary activities*, which include police, public works, parks and recreation, planning and general administration. While some of these activities are supported in part by charges for services and grants, the majority are financed by property taxes, sales tax, franchise fees, and other governmental taxes and assessments such as the State Gas Tax, State Public Safety Sales Tax, and County-wide National Pollutant Discharge Elimination System (NPDES) assessment.

These statements include all assets and deferred outflows, and liabilities and deferred inflows, using the full accrual basis of accounting similar to the accounting model used by private sector firms. Under this accounting model, all assets and all liabilities, including revenues and expenses for providing services, are included regardless of when cash is actually received or paid.

Looking at the Town's net position – the difference between assets, and deferred outflow, and liabilities, and deferred outflow, – is one way to measure the Town's financial health. Over time, increases or decreases in the Town's net position is an indicator of whether its financial health is improving or deteriorating. Of course, other, non-financial factors must also be considered such as changes in the Town's property tax base, sales tax, and condition of the Town's roads and other infrastructure.

***Statement of Net Position***

The detailed *Statement of Net Position* (Basic Financial Statements, page 18) is a snapshot of the Town's financial position at the end of the Fiscal Year (FY) 2012-13. The following table provides a summary of the Town's net position at June 30, 2013 compared to the prior years.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 1. Summary of Net Position for FY 2010/11, 2011/12 and 2012/13**

	FY 2010/11	FY 2011/12	% Change 10/11 to 11/12	FY 2012/13	% Change 11/12 to 12/13
<b>Assets</b>					
Current Assets	\$9,129,357	\$9,620,689	5.4%	\$10,516,430	9.3%
Noncurrent Assets	33,062,713	32,348,249	(2.2%)	32,420,039	0.2%
<b>Total Assets</b>	<b>42,192,070</b>	<b>41,968,938</b>	<b>(0.5%)</b>	<b>42,936,469</b>	<b>2.3%</b>
<b>Liabilities</b>					
Current liabilities	1,185,501	777,851	(34.4%)	772,999	(0.6%)
Noncurrent liabilities	1,440,000	1,449,597	0.7%	1,382,464	(4.6%)
<b>Total Liabilities</b>	<b>2,625,501</b>	<b>2,227,448</b>	<b>(15.2%)</b>	<b>2,155,463</b>	<b>(3.2%)</b>
<b>Net Position</b>					
Net Investment in capital assets	31,117,713	31,326,914	0.7%	31,262,841	(0.2%)
Restricted		4,020,379		4,574,470	13.8%
Unrestricted	8,448,856	4,394,197	(47.99%)	4,943,695	12.5%
<b>Total Net Position<sup>3</sup></b>	<b>\$39,566,569</b>	<b>\$39,741,490</b>	<b>0.4%</b>	<b>\$40,781,006</b>	<b>2.6%</b>

For the year ended June 30, 2013, total assets exceeded liabilities by \$40,781,006. This compares to a net position of \$39,741,490 in the prior year ended June 30, 2012, an increase of \$1,039,516 (2.6%). The Town's net position has grown over the prior two years.

The increase in current assets for the year ended June 30, 2013 compared to the prior year is primarily attributed to revenue receipts not collected in the current year, including budget savings and capital projects programmed out in future years. The decrease in noncurrent liabilities is attributed to paying down the 2010 Certificates of Participation for the Town Hall Improvement Project.

Of the Town's net position, 76.7% is invested in capital assets (\$31,262,841) (e.g., land, buildings, machinery and equipment) and is reported net of related debt, and since these capital assets are used to provide services to the community, they may not be readily used to liquidate liabilities. An additional 10.9% is restricted for capital projects and special revenue projects.

***Statement of Activities***

The detailed *Statement of Activities* (Basic Financial Statements, page 19) presents the Town's revenue and incurred expenses as a whole for the year ended June 30, 2013. All financial activities of the Town are recorded here, including operational costs, capital project costs, depreciation and accrued liabilities such as vacation and sick leave.

The format of the *Statement of Activities* shows how much each activity is funded through fees and grants, and illustrates the relative expense supported by the Town's general revenues (i.e., property taxes, sales tax, franchise fees, gas tax, NPDES and lighting assessment). The following table is information from the *Statement of Activities* presented in an alternative format and comparing the Town's activities at June 30, 2013 with that of prior years.

<sup>3</sup> In FY 2012/13, the prior year net position is reduced due to a restatement of a net pension asset. Refer to Note 7B, Notes to Financial Statements, for more information.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 2. Statement of Activities for FY 2010/11, 2011/12 and 2012/13**

	FY 2010/11	FY 2011/12	% Change 10/11 to 11/12	FY 2012/13	% Change 11/12 to 12/13
<b>Program Revenues:</b>					
Charges for Services	\$887,031	\$1,058,161	19.3%	\$1,247,856	17.9%
Operating Grants / Contributions	100,000	109,016	9.0%	1,365,249	1,152.3%
Capital Grants / Contributions	593,824	1,096,496	84.6%	430,697	(60.7%)
<i>Total Program Revenues</i>	<i>1,580,855</i>	<i>2,263,673</i>	<i>43.2%</i>	<i>3,043,802</i>	<i>34.5%</i>
<b>General Revenues:</b>					
Property Taxes	2,978,396	3,065,030	2.9%	3,070,278	0.2%
Sales Taxes	967,688	1,018,561	5.3%	1,342,747	31.8%
Franchise Fees	735,390	738,185	0.4%	749,227	1.5%
Motor Vehicle License Fees	48,982	43,316	(11.6%)	7,011	(83.8%)
Gas Tax <sup>4</sup>	417,903	467,217	11.8%		
Assessments (National Pollutant Discharge Elimination System, Lighting Assessment District) <sup>4</sup>	488,980	431,447	(11.8%)		
Interest <sup>5</sup>	249,440	27,260	(89.1%)	22,544	(17.3%)
Other	112,530			144,500	
<i>Total General Revenues</i>	<i>5,999,309</i>	<i>5,791,016</i>	<i>(3.5%)</i>	<i>5,336,307</i>	<i>(7.9%)</i>
<b>Total Revenues</b>	<b>7,580,164</b>	<b>8,054,689</b>	<b>6.3%</b>	<b>8,380,109</b>	<b>4.0%</b>
<b>Program Expenses:</b>					
General Administration	1,208,943	1,310,021	8.4%	1,528,140	16.7%
Planning	462,025	443,788	(3.9%)	445,705	0.4%
Public Safety	2,150,458	2,280,426	6.0%	2,288,770	0.4%
Public Works	2,310,181	3,154,962	36.6%	2,342,094	(25.8%)
Parks and Recreation	809,048	632,177	(21.9%)	679,215	7.4%
Interest on Long Term Debt	63,176	58,394	(7.6%)	56,669	(3.0%)
<b>Total Expenses</b>	<b>7,003,831</b>	<b>7,879,768</b>	<b>12.5%</b>	<b>7,340,593</b>	<b>(6.8%)</b>
<b>Change in Net Position</b>	<b>576,333</b>	<b>174,921</b>	<b>(69.6%)</b>	<b>1,039,516</b>	<b>494.3%</b>
<b>Net Position, Beginning of the Year<sup>6</sup></b>	<b>38,990,236</b>	<b>39,566,569</b>	<b>1.5%</b>	<b>39,741,490</b>	<b>0.4%</b>
<b>Net Position, End of the Year</b>	<b>\$39,566,569</b>	<b>\$39,741,490</b>	<b>0.4%</b>	<b>\$40,781,006</b>	<b>2.6%</b>

<sup>4</sup> In FY 2010/11 and FY 2011/12, the Gas Tax and Assessments revenues were classified under General Revenue. For FY 2012/13, the revenues are more appropriately classified under Program Revenues, "Operating Grants and Contributions". Measure J Transportation revenue was also reclassified from Program Revenues, "Capital Grants and Contributions" to Program Revenues, "Operating Grants and Contributions."

<sup>5</sup> In FY 2010/11, the revenue from the rental of Town property was classified under General Revenues as "Interest and Use of Property." For FY 2011/12 and FY 2012/13, the revenue from property rentals is more appropriately classified under Program Revenues, "Charges for Services."

<sup>6</sup> In FY 2012/13, the prior year net position is reduced due to a restatement of a net pension asset. Refer to Note 7B, Notes to Financial Statements, for more information.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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For this year ended June 30, 2013, the Town received \$5,336,307 in general revenues and incurred expenses against these revenues of \$4,296,791 (the sum of Total Expenses less Program Revenues). The change in net position was \$1,039,516, an increase of 2.6% from the prior year.

The decrease in general revenues from the prior year is attributed to the reclassification of gas tax and assessments from general revenues to program revenues. These revenues are more appropriately classified as program revenues due to the restricted use of the funds for specific programs such as transportation, clean water and storm drain programs, street lighting, and street maintenance and rehabilitation activities. Sales tax revenues show a significant increase from the prior year due to additional sales taxes charged and collected effective April 1, 2013. The \$144,500 in other general revenue in the current year is a one-time donation of the Moraga Commons Park Bandshell improvement from the Moraga Park Foundation to the Town of Moraga.

The decrease in total expenses from the prior year is primary due to the payment due in the prior year on the promissory note for the purchase of the 331 Rheem Boulevard building used as the Town's Public Works Corporation Yard. In addition, current year expenses were lower than expected due to savings from vacant positions throughout various portions of the year in the Police, Planning and Public Works/Engineering departments.

In the current year, the Town reduced the beginning net position by \$1,260,310 due to a restatement of its net pension asset. More detailed information about this restatement can be found in Note 7B of the Notes to Financial Statements.

**FINANCIAL ANALYSIS OF COMBINED FUNDS (Fund Financial Statements)**

The Governmental Funds *Balance Sheet* and *Statement of Revenues, Expenditures and Changes in Fund Balances* report information about the Town's finances by fund group. The Town's governmental funds are broken down into three major fund groups – General Fund, Capital Projects Fund and Other Governmental Funds. When considering the relative health of the Town's finances, it is useful to look more closely at the fund balances for each group.

**Governmental Funds**

The General Fund is made up of the Town's discretionary resources (e.g., property taxes; sales and use taxes) and functions as the general operating fund. The General Fund group includes the General Purpose Fund and One-Time Developer Fee Fund.

The Capital Projects Fund includes the Street Pavement Management Fund, Community Facilities/Open Space Fund, Asset Replacement Fund, 2010 Certificates of Participation (COP) 329 Rheem Renovation Fund, various grant funds and development impact fee funds.

Other Governmental Funds include the COP (Citizens' Option For Public Safety/Supplemental Law Enforcement Funding), Gas Tax, Measure J, Park Dedication, Lighting Assessment District, Traffic Safety, NPDES (Clean Water Act – National Pollutant Discharge Elimination System), Traffic Congestion Relief Funds and Asset Forfeiture, Public Safety Sales Tax (Proposition 172), and Street Lighting.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Fund Balance**

Beginning with the fiscal year ended June 30, 2011, the Town implemented *GASB Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54's intent is to provide more clearly defined fund balance classifications to make the nature and extent of the constraints placed on a government's fund balances more transparent. Town Council adopted Resolution No. 24-2011 on June 22, 2011 adopting the GASB 54 fund balance classification definitions.

GASB 54 places fund balance under five possible classifications – *nonspendable, restricted, committed, assigned, and unassigned*. Only fund balance in the General Fund is able to be classified as *unassigned* because all other funding sources come with it restrictions on its use by legislative action at the local, state or federal level.

As shown in the Balance Sheet on page 22, as of the fiscal year ended June 30, 2013, the Town's governmental fund types included combined ending fund balances of \$10,109,601. However, of that total, \$629 is classified as *nonspendable* (i.e., petty cash, prepaid expenditures, notes receivable, advances to other funds, or loan receivable), 33% (\$3,356,540) is classified as *restricted* (i.e., debt service, grants, or restricted by legislative action at the local, state or federal level), 33% (\$3,383,667) is *committed* (i.e., constrained by formal action of the Town Council), and 2% (\$243,113) is *assigned* (i.e., encumbrances).

The Town's unassigned (General Fund) fund balance is 31% (\$3,125,658) of the total combined fund balance. This amount also represents 51.8% of the actual General Fund expenditures (\$6,028,324) for the year ended June 30, 2013.

The detailed *Statement of Revenues, Expenditures and Changes in Fund Balances* (Basic Financial Statements, page 24) presents the changes to fund balances resulting from the FY 2012-13 actual revenue and expenditure activity. A summary of net changes by fund group is shown in the table below.

**Table 3. Summary of Net Changes to Fund Balance by Fund Group**

<b>Fund Balance</b>	<b>General Fund</b>	<b>Capital Projects</b>	<b>Other Gov't Funds</b>	<b>Total Gov't Funds</b>
Beginning Fund Balance	\$5,148,669	\$2,284,546	\$1,735,833	\$9,169,048
Ending Fund Balance	5,535,131	2,581,861	1,992,609	10,109,601
<b>Net Change</b>	<b>\$386,462</b>	<b>\$297,315</b>	<b>\$256,776</b>	<b>\$940,553</b>

The increases in fund balance for the General Fund, Capital Projects and Other Governmental funds are the result of revenues exceeding expenditures for the year ended June 30, 2013. In the case of the Capital Projects and Other Governmental funds, some of the revenue is committed to capital projects that typically incur expenditures over multiple years.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**STRENGTHS AND RISKS**

**Budget**

The detailed *Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual* for the General Fund (Basic Financial Statements, page 26) illustrates that both revenue receipts and expenditures exceeded budget expectations. Revenues came in over budget by \$490,476 (8.6%) partially attributed to one-time sources, specifically Real Estate Transfer Taxes and a Property Tax Administrative Fee reimbursement from Contra Costa County. However, the majority of the unbudgeted revenue is attributed to the Town receiving \$333,008 in new sales tax receipts due to the voter-approved Measure K measure that was approved in November 2012 and made effective April 1, 2013. Expenditures of \$6,028,324 also had a favorable variance of 5.5% relative to the budget. The variance is primarily attributed to vacancies in the Public Works/Engineering and Planning departments, as well as continued conscientiousness amongst Town staff to keep expenditures to a minimum.

**General Fund Reserve**

The General Fund includes the Town's primary resources for operations. The Town's policy, per Resolution No. 8-2012 adopted on February 8, 2012, is to maintain a General Fund balance equal to 50% of the General Fund operating expenditures. At the year ended June 30, 2013, the unassigned fund balance was \$3,125,652, which represents 51.8% of the actual General Fund expenditures (\$6,028,324) for the year ended June 30, 2013 (Basic Financial Statements, page 22).

**Revenue**

The Town's general operations depend heavily on property taxes, sales taxes and franchise fees.

*Property Taxes*

Historically, property tax revenues have remained relatively flat. The table below provides a three-year history of the Town's property tax revenue receipts from the *Statement of Activities*. Property tax revenues include ad valorem taxes received into the General Fund and special assessments categorized under Other Governmental Funds due to their restricted uses. For the FY 2012/13, the 4.0% increase is primarily attributed to one-time sources that were unanticipated including Real Estate Transfer Taxes that are dependent upon real estate sales activity and a Property Tax Administrative Fee reimbursement from Contra Costa County.

**Table 4. History of Property Tax Revenues**

	FY 2010/11	FY 2011/12	% Change 10/11 to 11/12	FY 2012/13	% Change 11/12 to 12/13
Property Tax	\$2,978,396	\$3,065,030	2.9%	\$3,186,487	4.0%

*Sales Taxes*

Sales tax and use taxes are the second largest revenue source for the Town. Sales and use tax is derived from the sales transactions located within the Town, a portion of sales from the County pool, and sales tax in-lieu. The economic outlook for sales tax revenues remains cautious as the State and the nation continue to pull out of the recession. Relative to other local governments, however, the Town's sales and use tax revenue changes have been modest.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

In addition, the Town's voters approved "Measure K" – a new one-cent local transaction and use (add-on sales) tax on November 6, 2012 with a 70% approval rate. This general sales tax became effective on April 1, 2013 and will sunset in 20 years. The Measure K sales tax measure was approved for general purposes and the Town may use the revenue for a variety of purposes, including but not limited to addressing the Town's most financially critical need to repair its failing streets and storm drains. The Town Council has consistently stated its intention to spend the proceeds from the additional sales tax for road repair, as reflected in its annual goals since 2010 and unanimously supported by the entire Town Council. In accordance, the Town Council has subsequently issued 2013 Certificates of Participation leveraging the additional sales tax revenue for a three-year intensive road rehabilitation program.

**Table 5. History of Sales Tax Revenues<sup>7</sup>**

	<b>FY 2010/11</b>	<b>FY 2011/12</b>	<b>% Change 10/11 to 11/12</b>	<b>FY 2012/13</b>	<b>% Change 11/12 to 12/13</b>
Sales and use tax	\$695,885	\$728,891	4.7%	\$746,182	2.4%
Sales and use tax in lieu	220,460	235,322	6.7%	263,557	12.0%
1% Local Add-on ("Measure K")			n/a	333,008	n/a
<b>Total Sales Tax Revenue</b>	<b>\$967,688</b>	<b>\$1,018,561</b>	<b>5.2%</b>	<b>\$1,342,747</b>	<b>39.3%</b>

*Franchise Fees*

Franchise fees are the third largest revenue source. Franchise fees include those from Central Contra Costa Solid Waste Authority (CCCSWA), Pacific Gas & Electric (PG&E) and Comcast Cable.

**Table 6. History of Franchise Fee Revenues**

	<b>FY 2010/11</b>	<b>FY 2011/12</b>	<b>% Change 10/11 to 11/12</b>	<b>FY 2012/13</b>	<b>% Change 11/12 to 12/13</b>
CCCSWA	\$274,728	\$282,748	2.9%	\$285,979	1.1%
PG&E	186,588	179,789	(3.6%)	174,014	(3.2%)
Comcast	274,074	275,648	0.6%	289,234	4.9%
<b>Total Franchise Fee Revenue</b>	<b>\$735,390</b>	<b>\$738,185</b>	<b>0.4%</b>	<b>\$749,227</b>	<b>1.5%</b>

Other Town general revenues include gas tax, NPDES (Clean Water Act - National Pollutant Discharge Elimination System) revenues, Lighting Assessment District, interest, and charges for services.

<sup>7</sup> In accordance with Proposition 172 approved in 1993, the Town also receives approximately \$55,000 each year from the State in sales tax restricted to public safety programs. In fiscal year 2011-2012, the Town reclassified the revenue from the General Fund to a special revenue fund in order to account for the restricted use of the revenue. This restricted sales tax is not included in the sales tax revenue shown in the table.

**TOWN OF MORAGA**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2013**

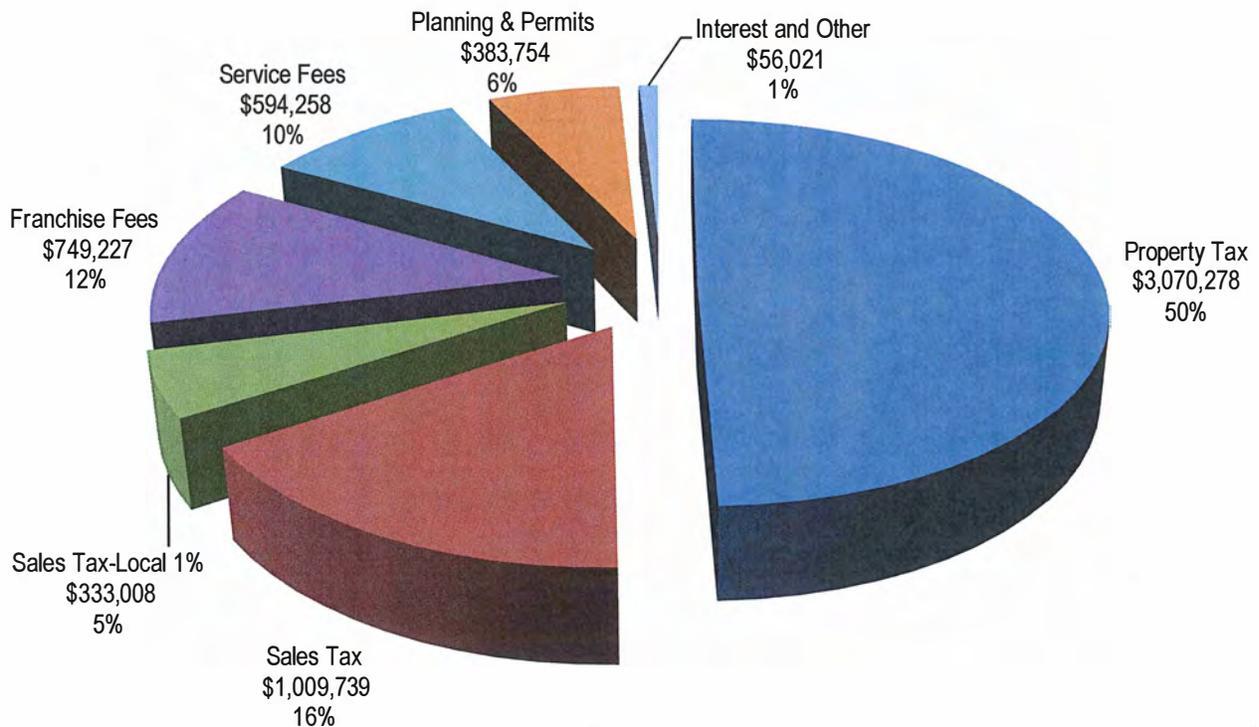
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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*General Fund*

Specific to the General Fund, the following chart illustrates the major revenues sources (using figures from the *Statement of Revenues, Expenditures and Changes in Fund Balances* on page 24).

**Chart 1. FY 2012-13 General Fund Revenues (\$6,196,285)**



While the Town addresses issues that it has some measure of control over, there exist external factors over which the Town has little or no control. While the Town relies heavily on property tax, it receives a much lower portion of property tax compared to other communities. Most homeowners may know that Proposition 13, passed by California voters in 1978, fixed the property tax rate at 1% of the assessed value of a home, plus any assessment bond approved by popular vote. But many may not know that it also froze how the property tax dollars are distributed among all the benefactors including the Town government, Moraga-Orinda Fire District, schools, Central Contra Costa Solid Waste Authority, East Bay Municipal Utility District, East Bay Regional Park District, BART and Contra Costa County. The distribution of property tax dollars was set under Prop. 13 based on what existed in 1976. At that time, the Town was a young "minimal government," which meant that the Town government was not spending, or receiving, a lot of tax dollars and so the Town's proportion of the property tax was set at 5.3%<sup>8</sup> and has held constant to this day.

Other government agencies also have an influence on the financial health of the Town. In recent years, the voters have repeatedly passed propositions to prevent the State legislature from continuing to raid local revenues. Consequently, the State is limited in how much revenue it can take back from local government. Nonetheless, the State continues to face fiscal challenges and program reductions at the State level push down service responsibilities from the State level to the county and municipal levels.

<sup>8</sup> The Town of Moraga is comprised of nine (9) Tax Rate Areas (TRA) and the actual rate varies slightly from one TRA to another. The 5.3% represents the rate in TRA 15-002.

**TOWN OF MORAGA**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2013**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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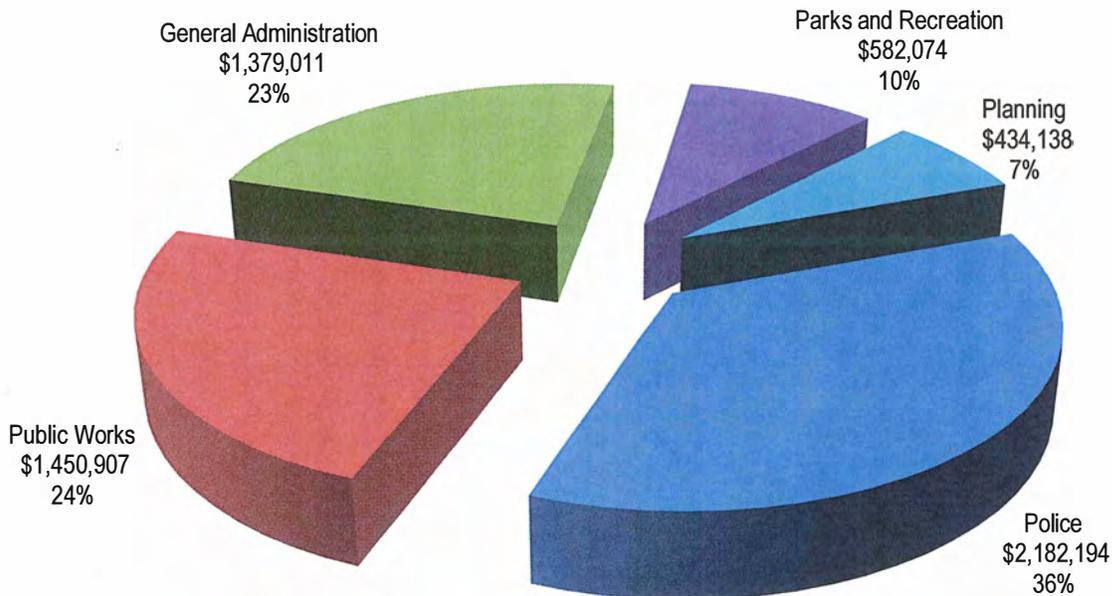
As mentioned earlier, the Town's voters approved "Measure K" – a new one-cent local transaction and use (add-on sales) tax on November 6, 2012 with a 70% approval rate. This general sales tax became effective on April 1, 2013 and will sunset in 20 years. As such the Town expects that the Sales Tax – 1% Local Add-On will comprise a larger percentage of total General Fund revenues in future years. However, the Town Council has taken action to leverage the additional sales tax revenue for an intensive and on-going road infrastructure rehabilitation program and all proceeds from the Sales Tax – 1% Local Add-On are transferred to a Capital Projects fund as an accounting mechanism used to earmark the funds for that purpose.

**Expenditures**

The Town government was founded on a "minimal government" model. In this tradition, the Town endeavors to keep its operating expenses low and the number of employees at a minimum. Volunteers play a critical role in the day-to-day operations, as well as special projects, of the Town government.

The following chart illustrates the relative distribution of the Town's General Fund expenditures (using figures from the *Statement of Revenues, Expenditures, and Changes in Fund Balances* on page 24).

**Chart 2. FY 2012-13 General Fund Expenditures (\$6,028,324)**



Expenditures under General Administration include the Town Council, Town Manager, Town Clerk, and Administrative Services departments. General Administration also includes the Town's contracts for legal services and information technology.

**TOWN OF MORAGA**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2013**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Town also contracts with Contra Costa County for a variety of services such as animal services, police dispatch, forensics, jail and booking services, Cal-ID, ARIES maintenance, which are all part of the Police expenditures. Expenditures for signal and street light maintenance services provided by the County fall under the Public Works Department. The following table shows the historical costs of these services. The significant variances include: a temporary decrease in Police Dispatch costs due to a credit applied by the County from unused revenues initially earmarked for their old radio system; a decrease in Forensic Services and Booking Fees due to a decrease in services used, and an increase in Traffic Signal maintenance due to the replacement of traffic signal cabinets during the year.

**Table 7. Cost of Services Provided by Contra Costa County**

<b>Service Type</b>	<b>FY 2010/11</b>	<b>FY 2011/12</b>	<b>% Change 10/11 to 11/12</b>	<b>FY 2012/13</b>	<b>% Change 11/12 to 12/13</b>
Animal Services	\$86,044	\$86,724	0.8%	\$85,045	(1.9%)
Police Dispatch	99,948	99,948	0.0%	70,450	(29.5%)
Cal-ID	15,089	15,839	5.0%	16,589	4.7%
ARIES Maintenance (computer system)	8,350	8,350	0.0%	8,350	0.0%
Forensic Services	10,915	14,263	30.7%	11,378	(20.2%)
Jail Services / Booking Fees	1,247	1,128	(9.5%)	340	(69.9%)
Signal/Street Light Maintenance	22,807	18,254	(20.0%)	46,155	152.8%
<b>Total Expenditures</b>	<b>\$244,400</b>	<b>\$244,506</b>	<b>0.00%</b>	<b>\$238,307</b>	<b>(2.5%)</b>

The Town spent \$986,244 in all governmental funds on capital improvement projects (Basic Financial Statements, page 24). A sampling of projects undertaken during the year include the following:

- Crosswalk Improvement at Moraga Road and Corliss Drive
- Crosswalk Improvement at Moraga Road and Woodford Drive
- Moraga Commons Park Off-Street Parking Lot
- Pavilion Building Improvements at the Hacienda de las Flores
- Moraga Commons Park Bandshell Improvements
- Town Hall Improvements/Community Meeting Room
- Annual Street Rehabilitation Program
- Laguna Creek Embankment Restabilization and Repair

**Improving the Condition of Moraga Roads**

The voters of the Town of Moraga approved a new one-cent local transaction and use (add-on sales) tax on November 6, 2012 with a 70% approval rate. This general sales tax became effective on April 1, 2013 and will sunset in 20 years. During FY 2012-13, the Town Council approved a \$7.72 million Certificates of Participation (COP) as the financing option to leverage the additional sales tax and finance a three-year intensive road repair and drainage infrastructure program that will address the deferred maintenance of the Town's streets. In addition, the Town intends to use the additional sales tax proceeds as an on-going funding source for the road and infrastructure program, supplementing other available resources such as the State Gas Tax and County Measure J.

**TOWN OF MORAGA**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2013**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Capital Assets**

The Town's investment in capital assets as of June 30, 2013 totaled \$32,420,039, compared to \$32,348,249 in FY 2011-12 (Basic Financial Statements, Note 5, page 40). This investment in capital assets includes land, buildings and improvements, roadways, storm drains, parks and recreation, and equipment and furniture.

Capital projects completed during the year included the Crosswalk Improvements (\$299,180) at Moraga Road and Corliss Drive, as well as Moraga Road and Woodford Drive; Moraga Commons Park Off-Street Parking Lot (\$313,895); and Pavilion Building Improvements at the Hacienda de las Flores (\$88,523). These project costs were transferred from being capital assets not being depreciated to depreciable capital assets. In addition, the Moraga Park Foundation completed Bandshell and ADA improvements at the Moraga Commons Park (\$144,500) and donated the improvements to the Town and the Town purchased a new police vehicle (\$29,611). These capital assets are also added as depreciable capital assets.

Construction in progress during the year included Town Hall Improvements/Community Meeting Room, Annual Street Rehabilitation Program, and the Laguna Creek Embankment Restabilization and Repair Project.

**Debt**

The Town's debt totals \$1,453,916 as of June 30, 2013, compared to \$1,513,916 in the prior year (Basic Financial Statements, Note 6, page 41). The remaining debt is attributed to the \$1,525,000 Certificates of Participation issued in 2010 for the Town Hall Improvement Project and an Energy Efficiency Loan taken to complete energy efficiency improvements to various Town facilities.

**Table 8. Summary of Debt Administration**

<b>Governmental Activities</b>	<b>Balance June 30, 2012</b>	<b>Incurred or Issued</b>	<b>Satisfied or Matured</b>	<b>Balance June 30, 2013</b>
2010 Certificates of Participation	\$1,440,000	\$0	\$60,000	\$1,380,000
Energy Efficiency Loan	73,916	0	0	73,916
<b>Total Debt</b>	<b>\$1,513,916</b>	<b>\$0</b>	<b>\$60,000</b>	<b>\$1,453,916</b>

In the current year, the Town expensed \$60,000 in principal and \$56,669 in interest payments on the 2010 Certificates of Participation. Payment on the Energy Efficiency Loan will commence in next fiscal year.

**REQUEST FOR INFORMATION**

In this Management's Discussion and Analysis we have attempted to provide the reader with a narrative overview and analysis of the Town's financial statements for the fiscal year ended June 30, 2013. Readers are encouraged to examine the Basic Financial Statements, Notes and Supplemental Information contained in this report.

Questions concerning any information provided in this report or requests for additional financial information should be directed to:

Town of Moraga  
Administrative Services Department  
329 Rheem Boulevard  
Moraga, CA 94556

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities summarize the entire Town'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 Town'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 Town's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between Town funds have been eliminated.

The Statement of Net Position reports the difference between the Town's total assets and the Town's total liabilities, including all the Town's capital assets and all its long-term debt. The Statement of Net Position presents information in a way that focuses the reader on the composition of the Town's net position, by subtracting total liabilities from total assets.

The Statement of Net Position summarizes the financial position of all of the Town's Governmental Activities in a single column.

The Town's Governmental Activities include the activities of its General Fund, along with all its Special Revenue and Capital Projects Funds.

The Statement of Activities reports increases and decreases in the Town's net position. It is also prepared on the full accrual basis, which means it includes all the Town'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, available revenues and measurable expenditures.

The Statement of Activities presents the Town'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 program. The Town's general revenues are then listed in the Governmental Activities and the Change in Net Position is computed and reconciled with the Statement of Net Position.

TOWN OF MORAGA  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and investments (Note 3)	\$9,280,593
Restricted cash (Note 3)	117,658
Accounts receivable	1,117,550
Prepays	629
Total current assets	10,516,430
Noncurrent assets:	
Net pension asset (Note 7B)	
Capital assets (Note 5)	
Capital assets, not being depreciated	12,134,490
Capital assets, being depreciated, net of accumulated depreciation	20,285,549
Total capital assets, net	32,420,039
Total non current assets	32,420,039
Total Assets	42,936,469
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	224,802
Accrued payroll	181,177
Unearned revenue	850
Loan payable - due within one year (Note 6)	11,452
Certificates of participation - due within one year (Note 6)	60,000
Accrued compensated absences - due within one year (Note 1G)	294,718
Total current liabilities	772,999
Noncurrent liabilities:	
Loan Payable - due in more than one year (Note 6)	62,464
Certificates of participation - due in more than one year (Note 6)	1,320,000
Total noncurrent liabilities	1,382,464
Total Liabilities	2,155,463
<b>NET POSITION (Note 8)</b>	
Net investment in capital assets	31,262,841
Restricted for:	
Capital projects	2,581,861
Special revenue projects	1,992,609
Unrestricted	4,943,695
Total Net Position	\$40,781,006

See accompanying notes to financial statements

TOWN OF MORAGA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary Government</b>					
Governmental activities:					
General administration	\$1,528,140	\$38,637		\$34,337	(\$1,455,166)
Planning	445,705	383,754	\$265,243		203,292
Public safety	2,288,770	132,932	159,246		(1,996,592)
Public works	2,342,094	294,212	940,760	393,260	(713,862)
Parks and recreation	679,215	398,321		3,100	(277,794)
Interest on long-term debt	56,669				(56,669)
<b>Total</b>	<b>7,340,593</b>	<b>1,247,856</b>	<b>1,365,249</b>	<b>430,697</b>	<b>(4,296,791)</b>
<b>Total primary government</b>	<b>\$7,340,593</b>	<b>\$1,247,856</b>	<b>\$1,365,249</b>	<b>\$430,697</b>	<b>(4,296,791)</b>
General revenues:					
Taxes:					
Property tax					3,070,278
Sales tax					1,342,747
Franchise tax					749,227
Motor vehicle in-lieu					7,011
Interest					22,544
Miscellaneous					144,500
<b>Total general revenues</b>					<b>5,336,307</b>
Change in Net Position					1,039,516
Net Position - Beginning, as restated (Note 7B)					39,741,490
Net Position - Ending					<b>\$40,781,006</b>

See accompanying notes to financial statements

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**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**FUND FINANCIAL STATEMENTS**  
**GOVERNMENTAL FUNDS**

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

The funds described below were determined to be Major Funds by the Town for fiscal year 2013. Individual other governmental funds may be found in the Supplemental Section.

**GENERAL FUND**

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for funds expended on various capital improvement projects.

TOWN OF MORAGA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2013

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents (Note 3)	\$5,282,874	\$2,371,732	\$1,625,987	\$9,280,593
Restricted cash (Note 3)		117,658		117,658
Accounts receivable	605,118	139,286	373,146	1,117,550
Prepays	629			629
<b>Total Assets</b>	<b><u>\$5,888,621</u></b>	<b><u>\$2,628,676</u></b>	<b><u>\$1,999,133</u></b>	<b><u>\$10,516,430</u></b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$172,313	\$45,965	\$6,524	\$224,802
Accrued payroll	181,177			181,177
Deferred revenue		850		850
<b>Total Liabilities</b>	<b><u>353,490</u></b>	<b><u>46,815</u></b>	<b><u>6,524</u></b>	<b><u>406,829</u></b>
<b>FUND BALANCES (Note 8)</b>				
Nonspendable	629			629
Restricted		1,363,931	1,992,609	3,356,540
Committed	2,165,737	1,217,930		3,383,667
Assigned	243,113			243,113
Unassigned	3,125,652			3,125,652
<b>Total Fund Balances</b>	<b><u>5,535,131</u></b>	<b><u>2,581,861</u></b>	<b><u>1,992,609</u></b>	<b><u>10,109,601</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$5,888,621</u></b>	<b><u>\$2,628,676</u></b>	<b><u>\$1,999,133</u></b>	<b><u>\$10,516,430</u></b>

See accompanying notes to financial statements

TOWN OF MORAGA  
 Reconciliation of the  
 GOVERNMENTAL FUNDS -- BALANCE SHEET  
 with the  
 STATEMENT OF NET POSITION  
 JUNE 30, 2013

<b>Total fund balances - governmental funds</b>	<b>\$10,109,601</b>
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	32,420,039
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Some expenses reported in the Statement of Activities do not require the use of the current financial resources and therefore are not reported as expenditures in the governmental funds:

Compensated absences	(294,718)
Loan payable	(73,916)
Certificates of participation	<u>(1,380,000)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$40,781,006</u></u>
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See accompanying notes to financial statements

TOWN OF MORAGA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes and assessments	\$1,671,647		\$940,760	\$2,612,407
Property tax - in lieu	1,266,002			1,266,002
Sales and use tax	746,182			746,182
Sales tax - public safety			57,116	57,116
Sales and use tax - in lieu	263,557			263,557
Sales tax - 1% local add-on (Measure K)	333,008			333,008
Franchise fees	749,227			749,227
Real property transfer fees	116,309			116,309
Motor vehicle license fees	7,011			7,011
Homeowner's property tax relief	16,320			16,320
Planning and permits	383,754			383,754
Interest	15,843	\$1,709	4,990	22,542
Property rentals	29,403			29,403
Parks and recreation	398,320			398,320
Police services	80,287			80,287
Public works services	115,651			115,651
Intergovernmental		396,362	367,373	763,735
Fines, forfeitures and penalties			49,895	49,895
Other revenues	3,764	221,119		224,883
<b>Total Revenues</b>	<b>6,196,285</b>	<b>619,190</b>	<b>1,420,134</b>	<b>8,235,609</b>
<b>EXPENDITURES</b>				
Current operations:				
General administration	1,379,011			1,379,011
Planning	434,138			434,138
Public safety	2,182,194		64,934	2,247,128
Public works	1,450,907		98,885	1,549,792
Parks and recreation	582,074			582,074
Debt service:				
Principal		60,000		60,000
Interest		56,669		56,669
Capital outlay		986,244		986,244
<b>Total Expenditures</b>	<b>6,028,324</b>	<b>1,102,913</b>	<b>163,819</b>	<b>7,295,056</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>167,961</b>	<b>(483,723)</b>	<b>1,256,315</b>	<b>940,553</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 4)	673,905	1,274,476	24,984	1,973,365
Transfers out (Note 4)	(455,404)	(493,438)	(1,024,523)	(1,973,365)
<b>Total Other Financing Sources (Uses)</b>	<b>218,501</b>	<b>781,038</b>	<b>(999,539)</b>	
<b>NET CHANGE IN FUND BALANCES</b>	<b>386,462</b>	<b>297,315</b>	<b>256,776</b>	<b>940,553</b>
<b>BEGINNING FUND BALANCES</b>	<b>5,148,669</b>	<b>2,284,546</b>	<b>1,735,833</b>	<b>9,169,048</b>
<b>ENDING FUND BALANCES</b>	<b>\$5,535,131</b>	<b>\$2,581,861</b>	<b>\$1,992,609</b>	<b>\$10,109,601</b>

See accompanying notes to financial statements

TOWN OF MORAGA  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2013

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$940,553
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Governmental funds report capital outlays as expenditures while governmental activities reports depreciation as expense to allocate those expenditures over the life of the assets:

The capitalized expenditures are therefore added back to fund balance	953,043
Depreciation expense is deducted from fund balance	(1,025,753)
Contributed capital assets is added to fund balance	144,500

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Repayment of loan payable is added back to fund balance	60,000
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Some expenses reported in the Statement of Activities do not require the use of the current financial resources and therefore are not reported as expenditures in governmental funds:

Change in accrued compensated absences	<u>(32,827)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$1,039,516</u></u>
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See accompanying notes to financial statements

TOWN OF MORAGA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Adjusted		
<b>REVENUES</b>				
Property taxes and assessments	\$1,548,944	\$1,548,944	\$1,671,647	\$122,703
Property tax - in lieu	1,261,137	1,261,137	1,266,002	4,865
Sales and use tax	757,296	757,296	746,182	(11,114)
Sales and use tax - in lieu	274,342	274,342	263,557	(10,785)
Sales tax - 1% local add-on (Measure K)			333,008	333,008
Franchise fees	761,217	761,217	749,227	(11,990)
Real property transfer fees	80,343	80,343	116,309	35,966
Motor vehicle license fees			7,011	7,011
Homeowner's property tax relief	16,986	16,986	16,320	(666)
Planning and permits	260,500	260,500	383,754	123,254
Interest	20,261	20,261	15,843	(4,418)
Property rentals	28,330	28,330	29,403	1,073
Parks and recreation	465,496	465,496	398,320	(67,176)
Police services	72,677	72,677	80,287	7,610
Public works services	145,125	145,125	115,651	(29,474)
Other revenues	13,155	13,155	3,764	(9,391)
<b>Total Revenues</b>	<b>5,705,809</b>	<b>5,705,809</b>	<b>6,196,285</b>	<b>490,476</b>
<b>EXPENDITURES:</b>				
General government	1,472,229	1,433,705	1,379,011	54,694
Planning	461,280	448,432	434,138	14,294
Public safety	2,275,447	2,275,447	2,182,194	93,253
Public works	1,643,102	1,640,912	1,450,907	190,005
Parks and recreation	580,284	581,656	582,074	(418)
<b>Total Expenditures</b>	<b>6,432,342</b>	<b>6,380,152</b>	<b>6,028,324</b>	<b>351,828</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(726,533)</b>	<b>(674,343)</b>	<b>167,961</b>	<b>842,304</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	857,634	857,634	673,905	(183,729)
Transfers out	(125,832)	(433,022)	(455,404)	(22,382)
<b>Total Other Financing Sources (Uses)</b>	<b>731,802</b>	<b>424,612</b>	<b>218,501</b>	<b>(206,111)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$5,269</b>	<b>(\$249,731)</b>	<b>386,462</b>	<b>\$636,193</b>
<b>BEGINNING FUND BALANCE</b>			<b>5,148,669</b>	
<b>ENDING FUND BALANCE</b>			<b>\$5,535,131</b>	

See accompanying notes to financial statements

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**FUND FINANCIAL STATEMENTS**  
**FIDUCIARY FUNDS**

**Agency Fund** is a clearing type fund for the collection of taxes or deposits held, on behalf of individuals, private organizations and other governments. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

TOWN OF MORAGA  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2013

	<u>Agency Fund</u>
ASSETS	
Cash and investments (Note 3)	\$401,839
Accounts receivables	<u>69</u>
Total Assets	<u><u>\$401,908</u></u>
LIABILITIES	
Accounts payable	\$45,710
Deposits	274,615
Due to others	<u>81,583</u>
Total Liabilities	<u><u>\$401,908</u></u>

See accompanying notes to financial statements

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Moraga was incorporated in November 1974. The Town operates under a Council-Manager form of government and provides the following services: public safety (police), highways and streets, culture-recreation, public improvements, planning and zoning, and general administrative services.

**A. Reporting Entity**

The basic financial statements of the Town include only the financial activities of the Town, which has no component units.

**B. Basis of Presentation**

The Town's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Statements require that the financial statements described below be presented.

**Government-wide Statements:** The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include the financial activities of the overall Town government, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category — *governmental* and *fiduciary* — are presented. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

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

**C. Major Funds**

The Town's major governmental funds are identified and presented separately in the fund financial statements. All other funds, called other governmental funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The Town may also select other funds it believes should be presented as major funds.

The Town reported the following major governmental funds in the accompanying financial statements:

The **General Fund** is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources of the general government, except those required to be accounted for in the other funds.

The **Capital Projects Fund** is used to account for funds expended on various capital improvement projects.

The fiduciary funds are used to report assets held in an agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Since these assets are being held for the benefit of a third party, these funds are not incorporated into the government-wide statements.

The Town reports the following fiduciary funds:

**Agency Fund** is a clearing type fund for the collection of taxes or deposits held, on behalf of individuals, private organizations and other governments. The fund is custodial in nature (assets equal liabilities) and does not involved measurement of results of operations.

Specific activities in the Agency Fund include planning and private development-related deposits, public works-related performance bonds and park facility rental deposits.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

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

***D. Basis of Accounting***

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

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

Those revenues susceptible to accrual are property taxes, sales taxes, real property transfer taxes, interest revenue and charges for services. Licenses, use of property and permit revenues are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Certain indirect costs are included in program expenses reported for individual functions and activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for various functions concerned.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

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

**E. Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	50 Years
Equipment and furniture	3 - 5 Years
Infrastructure	7-100 Years

**F. Property Taxes**

Property tax revenue is recognized in the fiscal year for which the tax and assessment are levied. The County of Contra Costa levies, bills, and collects property taxes and special assessments for the Town. Under the County’s “Teeter Plan,” the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1.

Secured property tax is due in two installments, on November 1 and February 1, becomes a lien on those dates and becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term “unsecured” refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the Town in the fiscal year they are assessed.

**G. Compensated Absences**

Compensated absences are comprised of unused vacation leave and compensatory time off, which are accrued as earned. No compensation is payable for sick leave. The Town’s liability for compensated absences is determined annually. The portion expected to be permanently liquidated is recorded in the governmental funds and are recorded as fund liabilities. The long-term portion is recorded in the statement of net position and is liquidated primarily by the General Fund.

The activities of the compensated absences for the year ended June 30, 2013 were as follows:

Beginning balance	\$261,891
Additions	274,033
Payments	<u>(241,206)</u>
Ending Balance	<u><u>\$294,718</u></u>
 Current Portion	 <u><u>\$294,718</u></u>

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

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

**H. Use of Estimates**

The preparation of 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.

**I. Cash and Investments**

The Town maintains a cash and investments pool that is available for use by all funds. Each fund's portion of this pool is displayed on the Balance Sheets for the governmental funds and Statement of Fiduciary Net Position for the Agency Fund as cash and investments. Investments are stated at fair value. Fair value is estimated based on quoted market prices at year end.

**J. Prepaids**

The Town uses the consumption method to report prepaid items.

**K. New and Closed Funds in Fiscal Year 2012-2013**

**Street Pavement Program**

In fiscal year 2013, the City established the Street Pavement Program Capital Projects Fund to account for all capital activities related to the rehabilitation of the Town's streets.

**Lamorinda Fee and Financing Authority (LFFA)**

The City also established the Lamorinda Fee and Financing Authority (LFFA) Capital Projects Fund. LFFA is a joint exercise of powers agreement comprised of the jurisdiction of Lafayette, Moraga and Orinda to establish a development fee program. This fund is established to account for both the regional and local set aside fees associated with the development fees established by the LFFA. The use of the funds is governed by the Joint Exercise of Powers Agreement.

**Traffic Congestion**

The City closed the Traffic Congestion Special Revenue Fund in fiscal year 2013.

**L. 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.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

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

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 Town does not have any items that qualify for reporting in this category this fiscal year.

**NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING**

**A. *Budgeting Procedures***

Each year, the Town follows these procedures in establishing the budget reflected in the financial statements:

1. In May/June, the Town Manager submits to the Town Council a proposed budget for the fiscal year commencing July 1. The proposed budget includes proposed expenditures and the revenues expected to finance them.
2. The Town Council conducts deliberations on the proposed budget, including receipt of public comment at an open meeting.
3. The Town Council formally adopts the budget by resolution before July 1. The proposed budget becomes the adopted budget.
4. The Town Council may amend the budget at any time during the fiscal year. Amendments to the adopted budget become the adjusted budget.

The Town Manager is authorized to adjust the budget to include prior year budgeted amounts that are encumbered for contracts or unspent for multi-year capital projects. All other unexpended appropriations lapse at year end and must be reappropriated in the budget for the new fiscal year. The Town Manager may also transfer budgeted amounts within or between departments at the fund level, which is the legal level of budgetary control. The Town Council must approve all budget amendments between funds or increases and decreases to a fund's overall budget.

**B. *Budgetary Accounting***

Budgets are adopted on a basis consistent with generally accepted accounting principles. The Town Council approves total appropriations for the General Fund on a departmental basis. The Town Council also approves total appropriations for the Capital Projects Fund and Other Governmental Funds on a fund level to be used for operating activities or for capital projects included in the Capital Improvement Program.

The budget is reflected in the financial statements. A budgetary comparison schedule is presented for the General Fund, including both the original adopted budget and the adjusted budget, and is presented in comparison to actual charges to appropriations.

The Town's Administrative Services Department maintains budget appropriations detail using a computerized financial management system. The system contains an on-going record of budget balances throughout the year based on actual expenditures.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – CASH AND INVESTMENTS**

**A. Classification**

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$9,280,593
Restricted cash	117,658
Fiduciary funds:	
Cash and investments	401,839
Total cash and investments	\$9,800,090

Cash and investments as of June 30, 2013 consist of the following:

Cash on hand	\$500
Deposits with financial institutions	2,270,936
Investments with trustee	117,658
Investments	7,410,996
Total cash and investments	\$9,800,090

**B. Investments Authorized by the California Government Code and the Town of Moraga's Investment Policy**

The table below identifies the investment types that are authorized for the Town of Moraga by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Town of Moraga, rather than the general provisions of the California Government Code.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
Bank Savings Accounts and Demand Deposits (collateralized or insured)	N/A	25%	10%
Certificate of Deposit (collateralized or insured)	2 years	25%	10%
U.S. Treasury Securities	5 years	None	None
Federal Agency Obligations	5 years	50%	20%
Local Agency Investment Fund (LAIF)	N/A	None	None
Banker's Acceptances	180 days	20%	10%
Commercial Paper (rated A1 or greater)	270 days	20%	10%
Negotiable Certificates of Deposit	2 years	25%	10%
Medium Term Corporate Notes	5 years	25%	10%

**C. Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements of the Town which follows the California Government Code and the Town's investment policy. The only type of investments held by the bond trustee are U.S. Treasury money market funds.

**D. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates 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 Town of Moraga 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.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

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

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

<u>Investment Type</u>	<u>12 months or less</u>	<u>Total</u>
<i>Cash and Investments in City Treasury:</i>		
Local Agency Investment Fund	\$7,410,996	\$7,410,996
<i>Held by Fiscal Agents:</i>		
U.S. Bank Money Market Fund	<u>117,658</u>	<u>117,658</u>
<b>Total Investments</b>	<u><u>\$7,528,654</u></u>	<u>7,528,654</u>
<i>Cash deposits in banks and petty cash</i>		<u>2,271,436</u>
<b>Total Cash and Investments</b>		<u><u>\$9,800,090</u></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 minimum rating required by (where applicable) the California Government Code, the Town of Moraga's investment policy, or debt agreements, and the actual Moody's rating as of year end for each investment type:

<u>Investment Type</u>	<u>A-1+</u>	<u>Not rated</u>	<u>Total</u>
<i>Rated:</i>			
U.S. Bank Money Market Fund	\$117,658		\$117,658
<i>Not rated:</i>			
California Local Agency Investment Fund		<u>\$7,410,996</u>	<u>7,410,996</u>
<b>Total Investments</b>	<u>\$117,658</u>	<u>\$7,410,996</u>	<u>7,528,654</u>
<i>Cash deposits in banks and petty cash</i>			<u>2,271,436</u>
<b>Total Cash and Investments</b>			<u><u>\$9,800,090</u></u>

**F. Concentration of Credit Risk**

At June 30, 2013, the Town held no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total Town investments.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

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

***G. Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Town of Moraga's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure Town deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

***H. Investment in State Investment Pool***

The Town is a voluntary 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 Town reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2013, these investments matured in an average of 278 days.

**NOTE 4 – INTERFUND ACTIVITIES**

***A. Transfers Between Town Funds***

With Council approval, resources may be transferred from one Town fund to another. Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

With respect to the Town's current operations, the General Purpose Fund serves as the primary operating fund for the Town. Transfers of revenue from other funds occur throughout the year to cover operating expenses that meet statutory and/or budgetary requirements of each respective fund.

Transfers between funds also occur to support capital activities. Specific capital projects are typically supported by multiple funding sources. However, for improved transparency and efficiency, a capital project is budgeted and expensed in one fund. At the end of the year and at the completion of the project, transfers of revenue occur to cover the capital expenses, subject to statutory and/or budgetary requirements of the respective funds.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – INTERFUND ACTIVITIES (Continued)**

Transfers between Town funds during fiscal year 2012-13 were as follows:

Transfer From	Transfer To	Description	Amount Transferred
<b>Major Governmental Funds</b>			
<b>General Fund</b>			
Fund 101 - General Purpose	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	\$5,813
	Fund 701 - COP 329 Rheem Renovation	2010 COP Payment - Principal and Interest	116,583
	Fund 711 - Street Pavement	Sales Tax Local Add-On	333,008
<b>Capital Projects Fund</b>			
Fund 701 - COP 329 Rheem Renovation	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor & Materials	194,997
Fund 710 - Prop 1B	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor & Materials	105,133
Fund 750 - Asset Replacement	Fund 101 - General Purpose	Parks and Recreation - Equipment	23,481
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor & Materials	35,460
Fund 770 - Storm Drain Impact Fees	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Materials	14,800
Fund 700 - Federal Grant/Reimbursement	Fund 799-LFFA Impact Fees	Reclass revenue-New fund	50,100
Fund 715-Comcast Grant Unrestricted	Fund 716-Comcast Grant Restricted	Reclass revenue	69,467
<b>Non-Major Governmental Funds</b>			
Fund 140 - Street Lighting	Fund 500 - Lighting Assessment District	General Benefits and In Lieu	24,984
	Fund 700 - Federal Grant/Reimbursement	Capital Project - Labor and Materials	34,954
Fund 109 - Public Safety Sales Tax	Fund 101 - General Purpose	Police Services	42,493
Fund 205 - Gasoline Tax	Fund 101 - General Purpose	Streets Maintenance	309,721
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	74,774
	Fund 711 - Street Pavement	Capital Projects - Labor and Materials	50,594
Fund 210 - Transportation Measure J	Fund 101 - General Purpose	Transportation Planning	53,697
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	15,739
Fund 220 - Traffic Congestion (Prop 42)	Fund 711 - Street Pavement	Capital Projects - Labor and Materials	998
Fund 230 - Traffic Safety	Fund 101 - General Purpose	Police Services	28,794
	Fund 101 - General Purpose	Crossing Guard Services	14,342
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Materials	42,470
Fund 250 - Park Dedication	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	105,086
Fund 500 - Lighting Assessment District	Fund 101 - General Purpose	Street Lighting Assessment District Admin	4,817
Fund 510 - National Pollution Discharge Elimination System	Fund 101 - General Purpose	Storm Drain Maintenance	196,560
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	24,500
	Total Interfund Transfers		<u>\$1,973,365</u>

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – CAPITAL ASSETS**

In accordance with GASB Statement No. 34, the Town has reported all capital assets including infrastructure in the Government-wide Statement of Net Position. The Town elected to use the basic approach as defined by GASB Statement No. 34 for all infrastructures reporting, whereby depreciation expense and accumulated depreciation has been recorded. The following table presents the capital assets activity for the year ended June 30, 2013:

	Balance June 30, 2012	Additions	Transfers	Balance June 30, 2013
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land and easements	\$10,680,212			\$10,680,212
Construction in progress	1,232,444	\$923,432	(\$701,598)	1,454,278
<b>Total capital assets, not being depreciated</b>	<b>11,912,656</b>	<b>923,432</b>	<b>(701,598)</b>	<b>12,134,490</b>
Depreciable capital assets:				
Building and improvements	4,945,486			4,945,486
Roadway and related	29,480,794		299,180	29,779,974
Storm drains	3,078,067			3,078,067
Parks and recreation	2,179,322	144,500	402,418	2,726,240
Equipment and furniture	1,597,927	29,611		1,627,538
<b>Total capital assets, being depreciated</b>	<b>41,281,596</b>	<b>174,111</b>	<b>701,598</b>	<b>42,157,305</b>
Accumulated depreciation:				
Building and improvements	(1,185,056)	(98,564)		(1,283,620)
Roadway and related	(15,288,427)	(684,188)		(15,972,615)
Storm drains	(2,129,885)	(47,154)		(2,177,039)
Parks and recreation	(937,180)	(87,887)		(1,025,067)
Equipment and furniture	(1,305,455)	(107,960)		(1,413,415)
<b>Total accumulated depreciation</b>	<b>(20,846,003)</b>	<b>(1,025,753)</b>		<b>(21,871,756)</b>
<b>Depreciable capital assets, net</b>	<b>20,435,593</b>	<b>(851,642)</b>	<b>701,598</b>	<b>20,285,549</b>
<b>Governmental capital assets, net</b>	<b>\$32,348,249</b>	<b>\$71,790</b>		<b>\$32,420,039</b>

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

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

**A. Depreciation Allocation**

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

<b>Governmental Activities:</b>	
General Administration	\$116,302
Planning	11,567
Public Safety:	
Police	41,642
Public Works	759,101
Parks and Recreation	97,141
Total Governmental Activities	<u>\$1,025,753</u>

**NOTE 6 – LONG-TERM LIABILITIES**

The Town generally incurs long-term debt to finance projects, which will have useful lives equal to or greater than the related debt. The Town's debt issues and transactions are related to governmental-type activities are discussed below.

**A. Current Year Transactions and Balances**

	Original Issue Amount	Balance June 30, 2012	Retirements	Balance June 30, 2013	Current Portion
Certificates of Participation	\$1,525,000	\$1,440,000	(\$60,000)	\$1,380,000	\$60,000
Energy Efficiency Loan	198,935	73,916		73,916	11,452
<b>Total Governmental Activity</b>		<u>\$1,513,916</u>	<u>(\$60,000)</u>	<u>\$1,453,916</u>	<u>\$71,452</u>

**B. 2010 Certificates of Participation – Town Hall Improvement Project**

Certificates of Participation were executed and delivered pursuant to a trust agreement dated February 1, 2010, by and among the Town, the Association of Bay Area Governments Finance Authority for Nonprofit Corporations (ABAG) and U.S. Bank, National Association (the Trustee) for the purposes of (a) financing a portion of the acquisition of real property located at 331 Rheem Boulevard in the Town and (b) the seismic upgrading and remodeling of the Town Hall located at 329 Rheem Boulevard. Principal is payable annually on October 1. Interest is payable semi-annually on April 1 and October 1. Interest on the Certificates of Participation ranges from 3.0 and 4.625 percent with a final maturity in 2030.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – LONG TERM LIABILITIES (Continued)**

**C. Energy Efficiency Loan**

In fiscal year 2009-10, the Town entered into a loan agreement with the California Energy Commission for \$198,935, at three percent (3%) interest rate, for various energy savings projects throughout the Town of Moraga. The agreement was amended on January 29, 2013 with a revised loan amount of \$73,916. First loan repayment is due December 22, 2013.

**D. Debt Service Requirements**

Annual debt service requirements are shown below for all long-term debt with specified repayment terms:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2014	\$71,452	\$60,106
2015	74,926	54,832
2016	80,375	52,508
2017	80,842	49,766
2018	86,321	46,586
2019-2023	380,000	187,090
2024-2028	465,000	101,219
2029-2030	215,000	9,994
	<u>\$1,453,916</u>	<u>\$562,101</u>

**NOTE 7 – PENSION PLAN**

**A. CalPERS Safety and Miscellaneous Employee Plans**

Substantially, all Town employees are eligible to participate in pension plans offered by the California Public Employees' Retirement System ("CalPERS"), a multiple employer defined benefit pension plan that acts as a common investment and administrative agent for its participating member employers. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries.

The Town's employees participate in the separate Safety Police and Miscellaneous (all other) Plans. In addition, since the Town has less than 100 active members, it is required to participate in a risk pool that pools together similarly-sized entities into a Plan. Effective January 1, 2013, the Town's employees also conform to the Public Employees' Pension Reform Act of 2013 ("PEPRA") such that new employee members participate in a lower-benefit plan than members enrolled before January 1, 2013. An employee participates in one of the respective Plans depending on an employee's position and CalPERS membership date.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLAN (Continued)**

Benefit provisions under the Plans are established by State statute and Town resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions made by the Town for each Plan are determined by CalPERS annually on an actuarial basis as of June 30. The Town is required to contribute the determined amounts.

The Plans' provisions and benefits in effect at June 30, 2013 are summarized as follows:

For employees hired and enrolled in CalPERS before January 1, 2013 (i.e., "Classic" members):

	Safety	Miscellaneous
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	55
Monthly benefits, as a % of annual salary	2%	2%
Required employee contribution rate	9%	7%
Required employer contribution rate	19.204%	9.716%

For employees hired and enrolled in CalPERS on January 1, 2013 or later (i.e., "New" members):

	Safety	Miscellaneous
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	57	62
Monthly benefits, as a % of annual salary	2.7%	2%
Required employee contribution rate	11.50%	11.50%
Required employer contribution rate	11.50%	11.50%

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLAN (Continued)**

CalPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the Town's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability.

*Safety Police Plan*

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$143,020	100%	---
2012	184,026	100%	---
2013	188,113	100%	---

*Miscellaneous Plan*

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$163,568	100%	---
2012	178,022	100%	---
2013	186,549	100%	---

The Town uses the actuarially determined percentages of payroll to calculate and pay contributions to CalPERS. This results in no net pension obligations or unpaid contributions. Annual Pension Costs, representing the payment of all contributions required by CalPERS, for the years ended June 30, 2013, 2012, and 2011, amounted to \$374,662, \$362,048, and \$306,588, respectively.

For the year ended June 30, 2013, the Annual Pension Costs were based in the Annual Valuation Report as of June 30, 2010. CalPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Gain and losses that occur in the operation of risk pool are amortized over a rolling thirty-year period.

As required by State law, effective July 1, 2005, the Town's Miscellaneous and Safety Plans were terminated, and the employees in those plans were required by CalPERS to join new State-wide pools.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLAN (Continued)**

*Funded Status and Funding Progress*

The following schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*State-Wide Pool - Safety Police Plan:*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2009	\$440,333,381	\$368,645,673	\$71,687,708	83.7%	\$60,158,108	119.2%
2010	469,525,634	396,740,091	72,785,543	84.5%	61,878,177	117.6%
2011	503,491,275	421,374,728	82,116,547	83.7%	63,392,685	129.5%

The Town's Safety Police Plan represents approximately 1.76%, 1.75% and 1.65% of the state-wide Safety 2% at 50 Risk Pool for the years ended June 30, 2011, 2010 and 2009 respectively, based on covered payroll of \$1,116,816, \$1,083,940 and \$992,533 for those years.

*State-Wide Pool - Miscellaneous Plan:*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2009	\$3,104,798,222	\$2,758,511,101	\$346,287,121	88.8%	\$742,981,488	46.6%
2010	3,309,064,934	2,946,408,106	362,656,828	89.0%	748,401,352	48.5%
2011	3,619,835,876	3,203,214,899	416,620,977	88.5%	759,263,518	54.9%

The Town's Miscellaneous Plan represents approximately 0.23%, 0.23% and 0.23% of the state-wide Miscellaneous 2% at 55 Risk Pool for the years ended June 30, 2011, 2010 and 2009 respectively, based on covered payroll of \$1,735,744, \$1,735,518 and \$1,740,159 for those years.

Audited annual financial statements and ten year statistical comparison are available from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLAN (Continued)**

**B. Net Pension Asset**

As required by State law, effective July 1, 2005, the Town’s Miscellaneous and Safety Plans were terminated, and the employees in those plans were required by CalPERS to join new State-wide pools. One of the conditions of entry to these pools was that the Town true-up any unfunded liability in the former Plans, either by paying cash or increasing its future contribution rates through a Side Fund offered by CalPERS. In June 2008, the Town paid off its Side Funds for both the Miscellaneous (\$524,772) and Safety (\$929,430) Plans in the total amount of \$1,454,202, funding the payment from the One-Time Developer Fee Fund (i.e., Palos Colorados settlement funds). This payment was treated as a net pension asset in the government-wide financial statements since 2008. The net pension asset was amortized over a 30-year amortization period, beginning in 2009.

For the year ended June 30, 2013, the Town has restated its beginning net position, reducing it by \$1,260,310, in order to remove the remaining net pension asset. This restatement is due to the fact that when the Side Funds were created, the unfunded liability should have been treated as a liability for the year ended June 30, 2006, in accordance with GASB Statement No. 27. When the Town paid off its Side Funds in 2008, the Town prepaid its obligation and therefore netted the payment against the pension-related debt.

**NOTE 8 – NET POSITION AND FUND BALANCES**

**A. Net Position**

Net Position is the excess of all the Town’s assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

*Net Investment in Capital Assets*, describes the portion of net position which is represented by the current net book value of the Town’s capital assets, less the outstanding balance of any debt issued to finance these assets. At June 30, 2013 the breakout of this calculation is reflected as follows:

Total Capital Assets at June 30, 2013:	\$32,420,039
Related Debts at June 30, 2013:	
Loan Payable	(73,916)
Certificates of Participation (COP)	(1,380,000)
Add: Unspent Proceeds from COP	296,718
Net Investment in Capital Assets	\$31,262,841

*Restricted* describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Town cannot unilaterally alter.

*Unrestricted* describes the portion of net position which is not restricted to use.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – NET POSITION AND FUND BALANCES (Continued)**

**B. Fund Balance**

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The Town's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the Town prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

*Nonspendables* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by formal action of the Town Council which may be altered only by formal action of the Town Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the Town's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Town Council or its designee and may be changed at the discretion of the Town Council or its designee. The Town Manager is authorized to assign amounts to a specific purpose in accordance with the Municipal Code, Chapter 3.04 – Purchasing System approved by the Town Council under Ordinance No. 231. This category includes encumbrances and unspent capital project balances for active projects; Nonspendables, when it is the Town's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue and Capital Projects Funds which have not been restricted or committed.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds. The Town Council, per resolution No. 8-2012, has established a policy to achieve and maintain a General Fund unassigned fund balance equal to fifty percent (50%) of General Fund operating expenditures from the same fiscal year.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – NET POSITION AND FUND BALANCES (Continued)**

Detailed classifications of the Town’s Fund Balances, as of June 30, 2013, are below:

	General Fund	Capital Project Fund	Other Governmental Funds	Total
<b>Nonspendable:</b>				
Prepays	\$629			\$629
<b>Total Nonspendable</b>	<b>629</b>			<b>629</b>
<b>Restricted for:</b>				
Streets and roads		\$52	\$1,568,261	1,568,313
Public safety			208,758	208,758
Traffic safety			40,263	40,263
Future projects			7,072	7,072
Clean water and storm drain			168,255	168,255
Capital projects		1,246,248		1,246,248
Debt service		117,631		117,631
<b>Total Restricted</b>		<b>1,363,931</b>	<b>1,992,609</b>	<b>3,356,540</b>
<b>Committed to:</b>				
Future projects (Palos Developer Fees)	2,165,737			2,165,737
Capital projects		613,349		613,349
Asset replacements		604,581		604,581
<b>Total Committed</b>	<b>2,165,737</b>	<b>1,217,930</b>		<b>3,383,667</b>
<b>Assigned for:</b>				
On-going capital projects and maintenance	243,113			243,113
<b>Total Assigned</b>	<b>243,113</b>			<b>243,113</b>
Unassigned	3,125,652			3,125,652
<b>Total fund balances</b>	<b>\$5,535,131</b>	<b>\$2,581,861</b>	<b>\$1,992,609</b>	<b>\$10,109,601</b>

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – RISK MANAGEMENT**

The Town is a member of the Municipal Pooling Authority (MPA) based in Walnut Creek, California. The MPA provides coverage against the following types of loss risks under the terms of a joint-powers agreement with the Town and several other cities and governmental agencies as follows:

	Participating Cities Total Coverage	Deductible (Town Portion)
All risk fire and property	\$1,000,000,000	\$25,000
Cyber liability	2,000,000	50,000
Public entity pollution liability	25,000,000	100,000
Boiler and machinery	25,000,000	5,000
Liability	29,000,000	10,000
Auto-physical damage	250,000	2,000
Workers' compensation	50,000,000	0

The MPA is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the MPA, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The Town's deposits with the MPA are in accordance with formulas established by the MPA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for the Authority are available from MPA, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA 94596.

The total coverage includes the Town's deductible, the portion underwritten by MPA, and the portion underwritten by other insurance companies. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years by any significant amount.

The Town did not record a liability for outstanding claims at fiscal year-end, as management believes that the claims were minimal.

**NOTE 10 – LAMORINDA FEE AND FINANCING AUTHORITY**

The Lamorinda Fee and Financing Authority (LFFA) is the result of the Town of Moraga entering into a Joint Powers Agreement (JPA) with the cities of Lafayette and Orinda, to administer an adopted sub-regional transportation and traffic impact fee for the Lamorinda region under the authority of the Contra Costa County half cent sales tax measure adopted in 1988. The fees collected under the LFFA from new development are used to mitigate increased traffic in the region. Complete financial statements of the LFFA are available at the Town of Lafayette, 3675 Mt. Diablo Blvd., #210 Lafayette, CA 94549.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 – COMMITMENT AND CONTINGENT LIABILITIES**

The Town participates in several Federal and State grant programs. These programs have been subjected to audits by the Town'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 which may be disallowed by the granting agencies cannot be determined at this time. The Town expects such amounts, if any, to be immaterial.

The Town is subject to litigation arising in the normal course of business. In the opinion of the Town Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the Town.

In anticipation of the sale of the 2013 Certificates of Participation in August 2013 in the amount of \$7,720,000, the Town approved a contract award of \$2,150,000 for the 2013 Street Pavement Rehabilitation Program on June 26, 2013. The funding for the contract award is the 2013 COPs and the annual payment of approximately \$600,000 related to the 2013 COP is the November 2012 voter-approved Measure K-One Cent Local Add-On Sales Tax.

**NOTE 12 – SUBSEQUENT EVENT**

On August 6, 2013, the Town issued 2013 Certificates of Participation in the amount of \$7,720,000, for the purposes of financing certain Town infrastructure improvements. Interest on the Certificates of Participation are payable on each April 1 and October 1, commencing on April 1, 2014. Principal repayments are payable on each April commencing April 1, 2014.

<p style="text-align: center;"><b>TOWN OF MORAGA</b> <b>Supplemental Information</b> <b>For the Year Ended June 30, 2013</b></p>
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**GENERAL FUND**

The General Fund is the Town'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:

The **General Purpose Fund** is the general operating fund of the Town. It is used to account 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.

The **One Time Developer Fees Fund (Palos Colorados)** accounts for revenue as the result of a settlement agreement related to the Palos Colorados development project. Through action of the Town Council in approving the settlement agreement, the funds are committed for future projects. Since receipt of the initial deposits, the Town has used these funds for one-time expenditures such as payment of the CalPERS unfunded liability and promissory note due on the purchase of the 331 Rheem Boulevard property.

TOWN OF MORAGA  
GENERAL FUND  
COMBINING BALANCE SHEETS  
JUNE 30, 2013

	<u>General Purpose</u>	<u>Developer Fee</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$3,117,137	\$2,165,737	\$5,282,874
Accounts receivable	605,118		605,118
Prepaid expense	629		629
	<u>3,722,884</u>	<u>2,165,737</u>	<u>5,888,621</u>
Total Assets			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$172,313		\$172,313
Accrued payroll	181,177		181,177
	<u>353,490</u>		<u>353,490</u>
Total Liabilities			
<b>FUND BALANCES</b>			
Nonspendable	629		629
Committed		\$2,165,737	2,165,737
Assigned	243,113		243,113
Unassigned	3,125,652		3,125,652
	<u>3,369,394</u>	<u>2,165,737</u>	<u>5,535,131</u>
Total Fund Balances			
Total Liabilities and Fund Balances	<u>\$3,722,884</u>	<u>\$2,165,737</u>	<u>\$5,888,621</u>

TOWN OF MORAGA  
GENERAL FUND  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Purpose</u>	<u>Developer Fee</u>	<u>Total</u>
<b>REVENUES</b>			
Property taxes and assessments	\$1,671,647		\$1,671,647
Property tax - in lieu	1,266,002		1,266,002
Sales and use tax	746,182		746,182
Sales and use tax - in lieu	263,557		263,557
Sales tax - 1% local add-on (Measure K)	333,008		333,008
Franchise fees	749,227		749,227
Real property transfer fees	116,309		116,309
Motor vehicle license fees	7,011		7,011
Homeowner's property tax relief	16,320		16,320
Planning and permits	383,754		383,754
Interest	15,843		15,843
Property rentals	29,403		29,403
Parks and recreation	398,320		398,320
Police services	80,287		80,287
Public works services	115,651		115,651
Other revenues	3,764		3,764
	<hr/>		<hr/>
Total Revenues	6,196,285		6,196,285
	<hr/>		<hr/>
<b>EXPENDITURES</b>			
Current operations:			
General administration	1,379,011		1,379,011
Planning	434,138		434,138
Public safety	2,182,194		2,182,194
Public works	1,450,907		1,450,907
Parks and recreation	582,074		582,074
	<hr/>		<hr/>
Total Expenditures	6,028,324		6,028,324
	<hr/>		<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	167,961		167,961
	<hr/>		<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	673,905		673,905
Transfers out	(455,404)		(455,404)
	<hr/>		<hr/>
Total Other Financing Sources (Uses)	218,501		218,501
	<hr/>		<hr/>
<b>NET CHANGE IN FUND BALANCES</b>	386,462		386,462
<b>BEGINNING FUND BALANCES</b>	2,982,932	\$2,165,737	5,148,669
	<hr/>		<hr/>
<b>ENDING FUND BALANCES</b>	<u>\$3,369,394</u>	<u>\$2,165,737</u>	<u>\$5,535,131</u>

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**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2013**

**CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for funds expended on various capital improvement projects. Funds in the Capital Projects Fund include the following:

The **Community Facilities/Open Space** fund is committed to open space uses.

The **Asset Replacement** fund is a reserve for the purchase of replacement vehicles, technology, and building and park improvements such as new roofs and replacement play structures.

The **Federal Grant/Reimbursement** fund serves as a clearing fund to capture all capital project expenditures and corresponding revenues, except for those accounted for in the Street Pavement Program fund.

The **Street Pavement Program** fund is established to account for all capital activities related to the rehabilitation of the Town's streets.

The Town has two Comcast Grant funds – the **Comcast Unrestricted Grant** is a one-time revenue receipt and the **Comcast PEG Restricted** fund has limitations on how the Town may use these monies in accordance with the franchise agreement. Generally, Comcast Grant funds are to be used for technology that enhances communications.

The **COP/329 Rheem Renovation** fund accounts for the 2010 issuance of Certificates of Participation (COP) for Town Hall Improvements, including the 331 Rheem property purchase and for the renovation of both the 329 Rheem and 331 Rheem buildings.

The **Infrastructure Preservation and Improvement** fund was established to set aside funds for capital projects that preserve or improve the Town's infrastructure assets such as its streets, storm drains, and building and facilities. In 2012 through Resolution No. 8-2012, the Town Council re-established a policy for annually transferring prior year surplus revenues exceeding the 50% reserve target into the IPI fund.

The various **Development Impact Fee funds** are all funds whose revenues derive from development and use of these funds is restricted.

The **Lamorinda Fee and Financing Authority (LFFA)** is a joint exercise of powers agreement comprised of the jurisdictions of Lafayette, Moraga and Orinda to establish a development mitigation fee program. The program assesses regional and local transportation fees and distributes them back to the member jurisdictions as governed by the Joint Exercise of Powers Agreement. This fund is established to account for both the LFFA regional and local set aside fees distributed to the Town. The use of the funds is also governed by the Joint Exercise of Powers Agreement.

TOWN OF MORAGA  
CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEETS  
JUNE 30, 2013

	Community Facilities/ Open Space	Asset Replacement	Federal Grant/ Reimbursement	Street Pavement	Prop 1B	Comcast Grant Unrestricted	Comcast Grant Restricted
<b>ASSETS</b>							
Cash and equivalents	\$8,106	\$604,581	\$194,052	\$337,630		\$86,233	\$377,133
Restricted cash							
Accounts receivable			130,354		\$52		8,571
Total Assets	<u>\$8,106</u>	<u>\$604,581</u>	<u>\$324,406</u>	<u>\$337,630</u>	<u>\$52</u>	<u>\$86,233</u>	<u>\$385,704</u>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses			\$41,343	\$4,622			
Deferred revenue			850				
Total Liabilities			<u>42,193</u>	<u>4,622</u>			
<b>FUND BALANCE</b>							
Restricted			282,213		\$52		\$385,704
Committed	\$8,106	\$604,581		333,008		\$86,233	
Total Fund Balances	<u>8,106</u>	<u>604,581</u>	<u>282,213</u>	<u>333,008</u>	<u>52</u>	<u>86,233</u>	<u>385,704</u>
Total Liabilities and Fund Balances	<u>\$8,106</u>	<u>\$604,581</u>	<u>\$324,406</u>	<u>\$337,630</u>	<u>\$52</u>	<u>\$86,233</u>	<u>\$385,704</u>

<u>COP 329 Rheem Renovations</u>	<u>Infrastructure Preserve and Improvement</u>	<u>Public Safety Impact Fees</u>	<u>Local Transportation Impact Fees</u>	<u>Storm Drain Impact Fees</u>	<u>General Government Facilities Impact Fees</u>	<u>Park Development Impact Fees</u>	<u>Lamorinda Impact Fees</u>	<u>Total Capital Projects Fund</u>
\$178,879	\$186,002	\$7,086	\$12,180	\$200,891	\$31,214	\$19,194	\$128,551	\$2,371,732
117,658								117,658
181		2	4	78	14	9	21	139,286
<u>\$296,718</u>	<u>\$186,002</u>	<u>\$7,088</u>	<u>\$12,184</u>	<u>\$200,969</u>	<u>\$31,228</u>	<u>\$19,203</u>	<u>\$128,572</u>	<u>\$2,628,676</u>
								\$45,965
								850
								46,815
\$296,718		\$7,088	\$12,184	\$200,969	\$31,228	\$19,203	\$128,572	1,363,931
	\$186,002							1,217,930
296,718	186,002	7,088	12,184	200,969	31,228	19,203	128,572	2,581,861
<u>\$296,718</u>	<u>\$186,002</u>	<u>\$7,088</u>	<u>\$12,184</u>	<u>\$200,969</u>	<u>\$31,228</u>	<u>\$19,203</u>	<u>\$128,572</u>	<u>\$2,628,676</u>

TOWN OF MORAGA  
 CAPITAL PROJECTS FUND  
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2013

	Community Facilities/ Open Space	Asset Replacement	Federal Grant/ Reimbursement	Street Pavement	Prop 1B	Comcast Grant Unrestricted	Comcast Grant Restricted
<b>REVENUES</b>							
Intergovernmental			\$317,911				
Interest					\$287		
Other revenue							\$34,337
<b>Total Revenues</b>			<b>317,911</b>		<b>287</b>		<b>34,337</b>
<b>EXPENDITURES</b>							
Debt service:							
Principal							
Interest							
Capital outlay:							
General administration			4,918				
Planning			3,701				
Public safety			42,470				
Public works			881,725	\$51,592			
<b>Total Expenditures</b>			<b>932,814</b>	<b>51,592</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			<b>(614,903)</b>	<b>(51,592)</b>	<b>287</b>		<b>34,337</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in			653,726	384,600			69,467
Transfers (out)		(\$58,941)	(50,100)		(105,133)	(\$69,467)	
<b>Total Other Financing Sources (Uses)</b>		<b>(58,941)</b>	<b>603,626</b>	<b>384,600</b>	<b>(105,133)</b>	<b>(69,467)</b>	<b>69,467</b>
<b>NET CHANGE IN FUND BALANCES</b>		<b>(58,941)</b>	<b>(11,277)</b>	<b>333,008</b>	<b>(104,846)</b>	<b>(69,467)</b>	<b>103,804</b>
<b>BEGINNING FUND BALANCES</b>	<b>\$8,106</b>	<b>663,522</b>	<b>293,490</b>		<b>104,898</b>	<b>155,700</b>	<b>281,900</b>
<b>ENDING FUND BALANCES</b>	<b>\$8,106</b>	<b>\$604,581</b>	<b>\$282,213</b>	<b>\$333,008</b>	<b>\$52</b>	<b>\$86,233</b>	<b>\$385,704</b>

COP 329 Rheem Renovation	Infrastructure Preserve and Improvement	Public Safety Impact Fees	Local Transportation Impact Fees	Storm Drain Impact Fees	General Government Facilities Impact Fees	Park Development Impact Fees	Lamorinda Impact Fees	Total Capital Projects Funds
							\$78,451	\$396,362
\$1,070		\$13	\$11	\$182	\$72	\$53	21	1,709
		2,750	9,151	169,410	5,471			221,119
1,070		2,763	9,162	169,592	5,543	53	78,472	619,190
60,000								60,000
56,669								56,669
1,838								6,756
								3,701
								42,470
								933,317
118,507								1,102,913
(117,437)		2,763	9,162	169,592	5,543	53	78,472	(483,723)
116,583							50,100	1,274,476
(194,997)				(14,800)				(493,438)
(78,414)				(14,800)			50,100	781,038
(195,851)		2,763	9,162	154,792	5,543	53	128,572	297,315
492,569	\$186,002	4,325	3,022	46,177	25,685	19,150		2,284,546
\$296,718	\$186,002	\$7,088	\$12,184	\$200,969	\$31,228	\$19,203	\$128,572	\$2,581,861

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**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2013**

**OTHER GOVERNMENTAL FUNDS**

The Town maintains the following Other Governmental Funds:

***Special Revenue Funds***

**Gasoline Tax** – This fund accounts for revenues and expenditures received from the State of California under Street and Highways Code Section 2105, 2106, 2107, 2107.5, and 7360. Revenue allocations are based on population. Eligible expenditures include the construction and maintenance of streets.

**Transportation Measure J** – This fund accounts the Town’s share of the proceeds of a one-half cent sales tax increase approved by Contra Costa County voters in 2004. Funds can be used for transportation purposes including transportation planning and street construction and maintenance.

**Park Dedication** – This fund accounts for revenues and expenditures of fees in lieu of park dedication pursuant to State of California Government Code Section 66475-66478 also known as the Quimby Act. The Town’s Ordinance No. 221 provides the requirement of three acres per one thousand persons.

**Lighting Assessment District** - This fund accounts for revenues and expenditures of the Moraga Street Lighting Assessment District 1979-1 in accordance with the Landscaping and Lighting Act of 1972 (California Streets & Highways Code Sections 22500-22509). The fund covers the costs to operate the district, which covers a significant portion of the Town, including utilities, repairs, engineering services, administrative cost, and capital improvements. The current annual assessment levied is \$58 for a single detached family residence within the district.

**COPS/AVA** - This fund accounts for COPS funds from the state that are allocated among cities and counties and special districts that provide law enforcement services in proportion to population.

**Traffic Safety** – This fund accounts for restricted funds derived from traffic fines and forfeitures, and must be used to support police activities.

**National Pollution Discharge Elimination System District (NPDES)** – This fund accounts for revenues and expenditures associated with the annual assessment for the National Pollutant Discharge Elimination System created countywide in response to the 1972 Clean Water Act.

**Traffic Congestion** – This fund accounts for revenues received under Proposition 42, Traffic Congestion Relief Program. In fiscal year 2010-2011, the State terminated Proposition 42 funding and replaced it with Gasoline Tax Section 2103 funding, intending the net effect to be revenue neutral. Beginning in fiscal year 2010-2011, the Town recorded Gasoline Tax Section 2103 revenues in the Proposition 42 fund. Eligible use of the funds is consistent with those of the Gasoline Tax. This fund was closed in fiscal year 2012-2013.

**Asset Forfeiture** – Section 309 of Public Law 98-473 (The Comprehensive Crime Control Act of 1984) as implemented by the Attorney General’s Guidelines on Seized and Forfeited Property (July 1990) allows the Drug Enforcement Administration (DEA) to share federally forfeited property with participating law enforcement agencies. The Town’s Asset Forfeiture Fund was set up to receive and expend these funds. Allowable uses include activities calculated to enhance future investigations, law enforcement training, and law enforcement equipment and operations.

**TOWN OF MORAGA  
Supplemental Information  
For the Year Ended June 30, 2013**

**OTHER GOVERNMENTAL FUNDS (Continued)**

**Public Safety Sales Tax** – This fund accounts for the revenues received from a statewide half-cent sales tax for public safety. Revenues in this special revenue fund must only be spent on public safety activities.

**Street Lighting** – This fund accounts for a special allocation of the Basic 1% Property Tax paid by Town property owners. The revenues are intended to cover street lighting activities not included in the Town of Moraga Lighting Assessment District.

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TOWN OF MORAGA  
OTHER GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2013

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District	COPS/AVA
<b>ASSETS</b>					
Cash and cash equivalents	\$316,929	\$446,082	\$7,016	\$363,506	\$147,514
Accounts receivable	35,193	265,480	56	170	36,579
<b>Total Assets</b>	<b><u>\$352,122</u></b>	<b><u>\$711,562</u></b>	<b><u>\$7,072</u></b>	<b><u>\$363,676</u></b>	<b><u>\$184,093</u></b>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses				\$6,524	
<b>Total Liabilities</b>				<b>6,524</b>	
<b>FUND BALANCE</b>					
Restricted	<u>\$352,122</u>	<u>\$711,562</u>	<u>\$7,072</u>	<u>357,152</u>	<u>\$184,093</u>
<b>Total Fund Balances</b>	<b><u>352,122</u></b>	<b><u>711,562</u></b>	<b><u>7,072</u></b>	<b><u>357,152</u></b>	<b><u>184,093</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$352,122</u></b>	<b><u>\$711,562</u></b>	<b><u>\$7,072</u></b>	<b><u>\$363,676</u></b>	<b><u>\$184,093</u></b>

<u>Traffic Safety</u>	<u>National Pollution Discharge Elimination System</u>	<u>Traffic Congestion</u>	<u>Asset Forfeiture</u>	<u>Public Safety Sales Tax</u>	<u>Street Lighting</u>	<u>Total Nonmajor Governmental Funds</u>
\$35,091	\$152,484		\$10,013	\$23	\$147,329	\$1,625,987
5,172	15,771		5	\$14,624	96	373,146
<u>\$40,263</u>	<u>\$168,255</u>		<u>\$10,018</u>	<u>\$14,647</u>	<u>\$147,425</u>	<u>\$1,999,133</u>
						\$6,524
						6,524
<u>\$40,263</u>	<u>\$168,255</u>		<u>\$10,018</u>	<u>\$14,647</u>	<u>\$147,425</u>	<u>1,992,609</u>
40,263	168,255		10,018	14,647	147,425	1,992,609
<u>\$40,263</u>	<u>\$168,255</u>		<u>\$10,018</u>	<u>\$14,647</u>	<u>\$147,425</u>	<u>\$1,999,133</u>

TOWN OF MORAGA  
OTHER GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District	COPS/AVA
<b>REVENUES</b>					
Taxes and assessment	\$380,953			\$196,431	
Sales tax - public safety					
Intergovernmental		\$265,243			\$102,130
Interest	1,250	1,354	\$306	731	363
Fines, forfeitures and penalties					
<b>Total Revenues</b>	<b>382,203</b>	<b>266,597</b>	<b>306</b>	<b>197,162</b>	<b>102,493</b>
<b>EXPENDITURES</b>					
Current operations:					
Public safety					64,934
Public works				98,885	
<b>Total Expenditures</b>				<b>98,885</b>	<b>64,934</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>382,203</b>	<b>266,597</b>	<b>306</b>	<b>98,277</b>	<b>37,559</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in				24,984	
Transfers (out)	(435,089)	(69,436)	(105,086)	(4,817)	
<b>Total Other Financing Sources (Uses)</b>	<b>(435,089)</b>	<b>(69,436)</b>	<b>(105,086)</b>	<b>20,167</b>	
<b>NET CHANGE IN FUND BALANCES</b>	<b>(52,886)</b>	<b>197,161</b>	<b>(104,780)</b>	<b>118,444</b>	<b>37,559</b>
<b>BEGINNING FUND BALANCES</b>	<b>405,008</b>	<b>514,401</b>	<b>111,852</b>	<b>238,708</b>	<b>146,534</b>
<b>ENDING FUND BALANCES</b>	<b>\$352,122</b>	<b>\$711,562</b>	<b>\$7,072</b>	<b>\$357,152</b>	<b>\$184,093</b>

Traffic Safety	National Pollution Discharge Elimination System	Traffic Congestion	Asset Forfeiture	Public Safety Sales Tax	Street Lighting	Total Other Governmental Funds
	\$247,167				\$116,209	\$940,760
				\$57,116		57,116
\$212	361	\$3	\$27	24	359	367,373
49,895						4,990
						49,895
50,107	247,528	3	27	57,140	116,568	1,420,134
						64,934
						98,885
						163,819
50,107	247,528	3	27	57,140	116,568	1,256,315
(85,606)	(221,060)	(998)		(42,493)	(59,938)	24,984
(85,606)	(221,060)	(998)		(42,493)	(59,938)	(1,024,523)
(35,499)	26,468	(995)	27	14,647	56,630	(999,539)
75,762	141,787	995	9,991		90,795	256,776
\$40,263	\$168,255	\$0	\$10,018	\$14,647	\$147,425	1,735,833
						\$1,992,609

TOWN OF MORAGA  
OTHER GOVERNMENTAL FUNDS  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Gasoline Tax			Transportation Measure J		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes and assessment	\$436,098	\$380,953	(\$55,145)			
Sales tax - public safety						
Intergovernmental				\$251,958	\$265,243	\$13,285
Interest		1,250	1,250	957	1,354	397
Fines, forfeitures and penalties						
<b>Total Revenues</b>	<b>436,098</b>	<b>382,203</b>	<b>(53,895)</b>	<b>252,915</b>	<b>266,597</b>	<b>13,682</b>
EXPENDITURES						
Current operations:						
General government						
Public safety						
Public works						
<b>Total Expenditures</b>						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	436,098	382,203	(53,895)	252,915	266,597	13,682
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(580,603)	(435,089)	145,514	(309,000)	(69,436)	239,564
<b>Total Other Financing Sources (Uses)</b>	<b>(580,603)</b>	<b>(435,089)</b>	<b>145,514</b>	<b>(309,000)</b>	<b>(69,436)</b>	<b>239,564</b>
NET CHANGE IN FUND BALANCES	<u>(\$144,505)</u>	<u>(52,886)</u>	<u>\$91,619</u>	<u>(\$56,085)</u>	<u>197,161</u>	<u>\$253,246</u>
BEGINNING FUND BALANCES		405,008			514,401	
ENDING FUND BALANCES		<u>\$352,122</u>			<u>\$711,562</u>	

Park Dedication			Lighting Assessment District			COPS/AVA		
Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
			\$196,733	\$196,431	(\$302)			
\$531	\$306	(\$225)	800	731	(69)	\$100,000 380	102,130 363	2,130 (17)
531	306	(225)	197,533	197,162	(371)	100,380	102,493	2,113
			10,000		(10,000)			
			203,851	98,885	(104,966)	102,562	64,934	(37,628)
			213,851	98,885	(104,966)	102,562	64,934	(37,628)
531	306	(225)	(16,318)	98,277	104,595	(2,182)	37,559	39,741
	(105,086)	(105,086)	24,983	24,984	1			
	(105,086)	(105,086)	24,983	20,167	(4,816)			
\$531	(104,780)	(\$105,311)	\$8,665	118,444	\$99,779	(\$2,182)	37,559	\$39,741
	111,852			238,708			146,534	
	\$7,072			\$357,152			\$184,093	

(Continued)

TOWN OF MORAGA  
OTHER GOVERNMENTAL FUNDS  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Traffic Safety			National Pollution Discharge Elimination System		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Fiscal Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes and assessment				\$237,900	\$247,167	\$9,267
Sales tax - public safety						
Intergovernmental						
Interest	\$151	\$212	\$61	293	361	68
Fines, forfeitures and penalties	43,187	49,895	6,708			
<b>Total Revenues</b>	<b>43,338</b>	<b>50,107</b>	<b>6,769</b>	<b>238,193</b>	<b>247,528</b>	<b>9,335</b>
EXPENDITURES						
Current operations:						
General government						
Public safety						
Public works						
<b>Total Expenditures</b>						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	43,338	50,107	6,769	238,193	247,528	9,335
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(110,297)	(85,606)	24,691	(259,242)	(221,060)	38,182
<b>Total Other Financing Sources (Uses)</b>	<b>(110,297)</b>	<b>(85,606)</b>	<b>24,691</b>	<b>(259,242)</b>	<b>(221,060)</b>	<b>38,182</b>
NET CHANGE IN FUND BALANCES	(\$66,959)	(35,499)	\$31,460	(\$21,049)	26,468	\$47,517
BEGINNING FUND BALANCES		75,762			141,787	
ENDING FUND BALANCES		\$40,263			\$168,255	

Traffic Congestion			Asset Forfeiture			Public Safety Sales Tax		
Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
						\$54,980	\$57,116	\$2,136
\$5	\$3	(\$2)	\$38	\$27	(\$11)		24	24
5	3	(2)	38	27	(11)	54,980	57,140	2,160
5	3	(2)	38	27	(11)	54,980	57,140	2,160
(997)	(998)	(1)				(54,980)	(42,493)	12,487
(997)	(998)	(1)				(54,980)	(42,493)	12,487
(\$992)	(995)	(\$3)	\$38	27	(\$11)		14,647	\$14,647
	995			9,991				
	\$0			\$10,018			\$14,647	

(Continued)

TOWN OF MORAGA  
OTHER GOVERNMENTAL FUNDS  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Street Lighting</u>		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes and assessment	\$112,642	\$116,209	\$3,567
Sales tax - public safety			
Intergovernmental			
Interest		359	359
Fines, forfeitures and penalties			
Total Revenues	<u>112,642</u>	<u>116,568</u>	<u>3,926</u>
EXPENDITURES			
Current operations:			
General government			
Public safety			
Public works			
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>112,642</u>	<u>116,568</u>	<u>3,926</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers (out)	<u>(174,984)</u>	<u>(59,938)</u>	<u>115,046</u>
Total Other Financing Sources (Uses)	<u>(174,984)</u>	<u>(59,938)</u>	<u>115,046</u>
NET CHANGE IN FUND BALANCES	<u>(\$62,342)</u>	56,630	<u>\$118,972</u>
BEGINNING FUND BALANCES		<u>90,795</u>	
ENDING FUND BALANCES		<u>\$147,425</u>	

**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2013**

**AGENCY FUNDS**

All Agency Funds, representing all fiduciary funds of the Town are custodial in nature and do not involve measurement of results of operations. Such funds have no equity since any assets are due to individuals or other entities at some future time.

These funds are presented separately from the Governmental and Fund Financial Statements.

TOWN OF MORAGA  
 AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 June 30, 2013

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
ASSETS				
Cash and investments	\$472,200	\$401,839	\$472,200	\$401,839
Accounts receivable	84	69	84	69
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$472,284</u>	<u>\$401,908</u>	<u>\$472,284</u>	<u>\$401,908</u>
LIABILITIES				
Accounts payable	\$24,801	\$45,710	\$24,801	\$45,710
Deposits	366,945	274,615	366,945	274,615
Due to others	80,538	81,583	80,538	81,583
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>\$472,284</u>	<u>\$401,908</u>	<u>\$472,284</u>	<u>\$401,908</u>

<b>TOWN OF MORAGA STATISTICAL SECTION</b>
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This part of the Town’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town’s overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

***Financial Trends***

These schedules contain trend information to help the reader understand how the Town’s financial performance and well being have changed over time:

1. Net Position by Component - Last Ten Fiscal Years
2. Changes in Net Position - Last Ten Fiscal Years
3. Fund Balances of Governmental Funds - Last Ten Fiscal Years
4. Changes in Fund Balances - Last Ten Fiscal Years

***Revenue Capacity***

These schedules contain information to help the reader assess the Town’s most significant local revenue sources, the property tax and sales tax:

1. Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years
2. Assessed Value of Property by Use Code
3. Property Tax Rates - Direct and Overlapping
4. Principal Property Tax Payers - Current Year and Nine Years Ago
5. Property Tax Levies and Collections - Last Ten Fiscal Years
6. Sales Tax Rates
7. Principal Sales Tax Producers – Current Year and Nine Years Ago
8. Sales Tax Revenues - Last Ten Fiscal Years
9. Taxable Retail Sales

***Debt Capacity***

These schedules present information to help the reader assess the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type - Last Ten Fiscal Years
2. Direct and Overlapping Debt Computation
3. Legal Bonded Debt Margin Computation

***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers - Contra Costa County

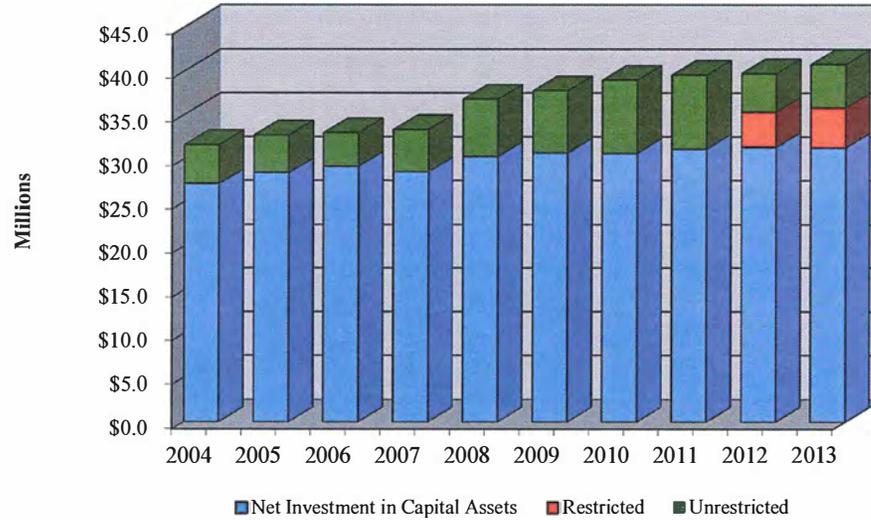
***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the Town’s financial report relates to the services the Town provides and the activities it performs:

1. Town Government Employees by Function - Last Ten Years
2. Operating Indicators by Function
3. Capital Asset Statistics by Function - Last Ten Years

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**TOWN OF MORAGA  
NET POSITION BY COMPONENT  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**



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	<b>Fiscal Year Ended June 30</b>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u> (a)	<u>2012</u>	<u>2013</u> (b)
<b>Governmental activities:</b>										
Investment in capital assets, net of related debt	\$27,106,451	\$28,396,153	\$29,153,081	\$28,517,706	\$30,258,389	\$30,658,278	\$30,636,715	\$31,117,713	\$31,326,914	\$31,262,841
Restricted									4,020,379	4,574,470
Unrestricted	<u>4,455,120</u>	<u>4,275,254</u>	<u>3,798,245</u>	<u>4,793,445</u>	<u>6,541,410</u>	<u>7,099,523</u>	<u>8,353,521</u>	<u>8,448,856</u>	<u>4,394,197</u>	<u>4,943,695</u> (c)
<b>Total governmental activities net assets</b>	<u>\$31,561,571</u>	<u>\$32,671,407</u>	<u>\$32,951,326</u>	<u>\$33,311,151</u>	<u>\$36,799,799</u>	<u>\$37,757,801</u>	<u>\$38,990,236</u>	<u>\$39,566,569</u>	<u>\$39,741,490</u>	<u>\$40,781,006</u>

(a) Effective 2011, the Town implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, more clearly defining fund balance categories (e.g., "restricted" and "unrestricted") to make the nature and extent of the constraints placed on a government's fund balances more transparent.

(b) The Town implemented the provisions of GASB Statement 63 in 2013, which replaced the term "net assets" with the term "net position."

(c) In fiscal year 2013, the Town restated its net pension asset, reducing the beginning net position by \$1,260,310. This restatement is applied to prior fiscal years back to 2008 when the net pension asset was initially applied.

Source: Town of Moraga: Basic Financial Statements

**TOWN OF MORAGA  
CHANGES IN NET POSITION  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30				
	2004	2005	2006	2007	2008
<b>Expenses</b>					
Governmental activities:					
General administration	\$718,170	\$804,983	\$1,078,312	\$1,004,281	\$1,509,936
Planning	369,977	346,032	400,498	561,547	880,282
Public safety	1,900,098	1,946,308	1,974,900	2,528,217	2,522,333
Public works	2,114,315	819,962	1,654,466	1,809,005	2,143,704
Parks and recreation	498,519	717,873	1,136,680	1,064,012	703,257
Town Center	216,830				
Infrastructure depreciation	730,796	587,921			
Interest and long-term debt					
Other	376,933	9,882			
<b>Total Governmental activities expenses</b>	<u>6,925,638</u>	<u>5,232,961</u>	<u>6,244,856</u>	<u>6,967,062</u>	<u>7,759,512</u>
Business-type activities:					
Rental property	33,620	143,592	186,100	167,427	
<b>Total Business-type activities expenses</b>	<u>33,620</u>	<u>143,592</u>	<u>186,100</u>	<u>167,427</u>	<u>0</u>
<b>Total Primary Government Expenses</b>	<u>\$6,959,258</u>	<u>\$5,376,553</u>	<u>\$6,430,956</u>	<u>\$7,134,489</u>	<u>\$7,759,512</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General administration	\$0	\$0	\$0	\$0	\$183,562
Planning	181,626	171,454	381,002	377,596	297,407
Public safety	39,307	43,247	116,496	137,973	142,806
Publicworks	0	0	0	0	201,199
Parks and recreation	267,039	187,082	225,887	236,398	308,927
Operating Grants and Contributions	869,090	957,301	532,344	436,072	599,347
Capital Grants and Contributions	489,115	91,700	371,246	347,960	1,015,873
<b>Total Governmental activities program revenues</b>	<u>1,846,177</u>	<u>1,450,784</u>	<u>1,626,975</u>	<u>1,535,999</u>	<u>2,749,121</u>
Business-type activities:					
Charges for services:					
Rental property	41,487	87,028	108,242	149,248	
<b>Total Business-type program revenues</b>	<u>41,487</u>	<u>87,028</u>	<u>108,242</u>	<u>149,248</u>	<u>0</u>
<b>Net Revenues / (Expenses)</b>					
Governmental activities	(\$5,079,461)	(\$3,782,177)	(\$4,617,881)	(\$5,431,063)	(\$5,010,391)
Business-type activities	7,867	(56,564)	(77,858)	(18,179)	
<b>Total Primary Government Net Expense</b>	<u>(\$5,071,594)</u>	<u>(\$3,838,741)</u>	<u>(\$4,695,739)</u>	<u>(\$5,449,242)</u>	<u>(\$5,010,391)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property tax	\$1,321,426	\$2,166,604	\$2,551,775	\$2,899,156	\$2,938,034
Sales tax	825,892	733,649	1,092,002	1,196,485	1,028,004
Franchise tax	439,085	459,640	533,628	621,824	659,421
Motor vehicle in-lieu	857,837	78,883	128,595	104,498	
Gas tax			277,814	307,501	329,735
Vehicle fines	28,730				
GAP loan receivable	280,219				
Transfer tax	129,685	140,604	126,823	120,339	110,431
Sale of property	186,884		2,753		
Interfund transfer	(2,683,764)	8,750	(480,952)	(23,530)	
Assessment					221,634
Developer Fees				250,000	3,500,000
Interest and use of property	77,141	155,017	124,348	189,670	257,116
Other	75,517	106,379	114,494	119,597	419,700
<b>Total Governmental activities</b>	<u>1,538,652</u>	<u>3,849,526</u>	<u>4,471,280</u>	<u>5,785,540</u>	<u>9,464,075</u>
Business-type activities:					
Interfund transfer	2,683,764	(8,750)	504,378	23,530	
<b>Total Business-type activities</b>	<u>2,683,764</u>	<u>(8,750)</u>	<u>504,378</u>	<u>23,530</u>	<u>0</u>
<b>Change in Net Position</b>					
Governmental activities	(3,540,809)	67,349	(146,601)	354,477	4,453,684
Business-type activities:	2,691,631	(65,314)	426,520	5,351	0
<b>Total Primary Government Change in Net Position</b>	<u>(\$849,178)</u>	<u>\$2,035</u>	<u>\$279,919</u>	<u>\$359,828</u>	<u>\$4,453,684</u>

(a) The Town implemented the provisions of GASB Statement 63 in 2013, which replaced the term "net assets" with the term "net position."

(b) Starting fiscal year 2012-13, gas tax and assessments are classified as program revenues.

(c) In fiscal year 2013, the Town restated its net pension asset, reducing general administration expenses by \$48,473 in net pension asset amortization expense.

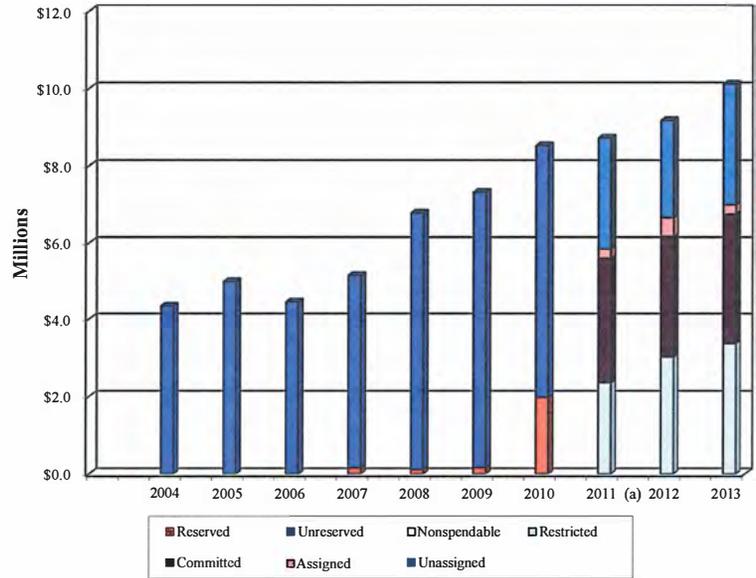
This restatement is applied to prior years back to 2009 when the amortization expense was initially applied.

Source: Town of Moraga: Basic Financial Statements

Fiscal Year Ended June 30				
2009	2010	2011	2012	2013 (a)
\$1,439,693	\$1,364,119	\$1,208,943	\$1,310,021	\$1,528,140 (e)
673,332	547,238	462,025	443,788	\$445,705
2,232,131	2,007,108	2,150,458	2,280,426	2,288,770
2,432,465	2,704,268	2,310,181	3,154,962	2,342,094
589,678	606,949	809,048	632,177	679,215
	3,453	63,176	58,394	56,669
<u>7,367,299</u>	<u>7,233,135</u>	<u>7,003,831</u>	<u>7,879,768</u>	<u>7,340,593</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$7,367,299	\$7,233,135	\$7,003,831	\$7,879,768	\$7,340,593
\$4,122	\$8,569	\$20	\$72,735	\$38,637
330,784	230,970	233,432	289,690	383,754
129,263	110,398	121,097	123,787	132,932
486,270	407,342	316,124	160,832	294,212
200,241	210,303	216,358	411,117	398,321
379,519	110,000	100,000	109,016	1,365,249 (b)
958,016	1,729,067	593,824	1,096,496	430,697
<u>2,488,215</u>	<u>2,806,649</u>	<u>1,580,855</u>	<u>2,263,673</u>	<u>3,043,802</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(\$4,879,084)	(\$4,426,486)	(\$5,422,976)	(\$5,616,095)	(\$4,296,791)
<u>(\$4,879,084)</u>	<u>(\$4,426,486)</u>	<u>(\$5,422,976)</u>	<u>(\$5,616,095)</u>	<u>(\$4,296,791)</u>
\$2,894,886	\$2,936,896	\$2,978,396	\$3,065,030	\$3,070,278
944,820	976,416	967,688	1,018,561	1,342,747
693,239	710,239	735,390	738,185	749,227
56,154	48,468	48,982	43,316	7,011
272,452	277,534	417,903	467,217	(b)
383,682	396,643	488,980	431,447	(b)
345,365	263,151	249,441	27,260	22,544
230,818	195,572	112,529		144,500
<u>5,821,416</u>	<u>5,804,919</u>	<u>5,999,309</u>	<u>5,791,016</u>	<u>5,336,307</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
942,332	1,378,433	576,333	174,921	1,039,516 (c)
0	0	0	0	0
<u>\$942,332</u>	<u>\$1,378,433</u>	<u>\$576,333</u>	<u>\$174,921</u>	<u>\$1,039,516</u>

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**TOWN OF MORAGA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011 (a)	2012	2013
General Fund										
Reserved				\$166,995	\$112,274	\$85,132				
Unreserved	\$1,375,804	\$1,562,876	\$1,331,829	1,709,244	3,976,595	4,626,093	\$5,100,186			
Nonspendable								\$767	\$421	\$629
Committed								2,390,737	2,140,737	2,165,737 (b)
Assigned								164,070	484,100	243,113
Unassigned								2,879,061	2,523,411	3,125,652
<b>Total General Fund</b>	<b>\$1,375,804</b>	<b>\$1,562,876</b>	<b>\$1,331,829</b>	<b>\$1,876,239</b>	<b>\$4,088,869</b>	<b>\$4,711,225</b>	<b>\$5,100,186</b>	<b>\$5,434,635</b>	<b>\$5,148,669</b>	<b>\$5,535,131</b>
All Other Governmental Funds										
Reserved						\$85,513	\$1,975,000			
Unreserved, reported in:										
Special revenue funds	\$1,929,414	\$2,292,455	\$2,037,708	\$2,064,948	\$534,963	659,352	1,068,931			
Capital project funds	1,040,504	1,108,142	1,075,639	1,190,962	2,144,583	1,857,112	376,266			
Restricted								\$2,360,273	\$3,007,049	\$3,356,540
Committed								839,669	1,013,330	1,217,930
Assigned								86,375		
<b>Total All Other Governmental Funds</b>	<b>\$2,969,918</b>	<b>\$3,400,597</b>	<b>\$3,113,347</b>	<b>\$3,255,910</b>	<b>\$2,679,546</b>	<b>\$2,601,977</b>	<b>\$3,420,197</b>	<b>\$3,286,317</b>	<b>\$4,020,379</b>	<b>\$4,574,470</b>

(a) GASB Statement No. 54, implemented in 2011, modified the fund balance classifications to reflect a hierarchy based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of resources. The classifications include nonspendable, committed, assigned, and unassigned balances.

(b) The General Fund balance includes monies derived from the Palos Colorados development. The Town Council has committed these funds for future projects.

**TOWN OF MORAGA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

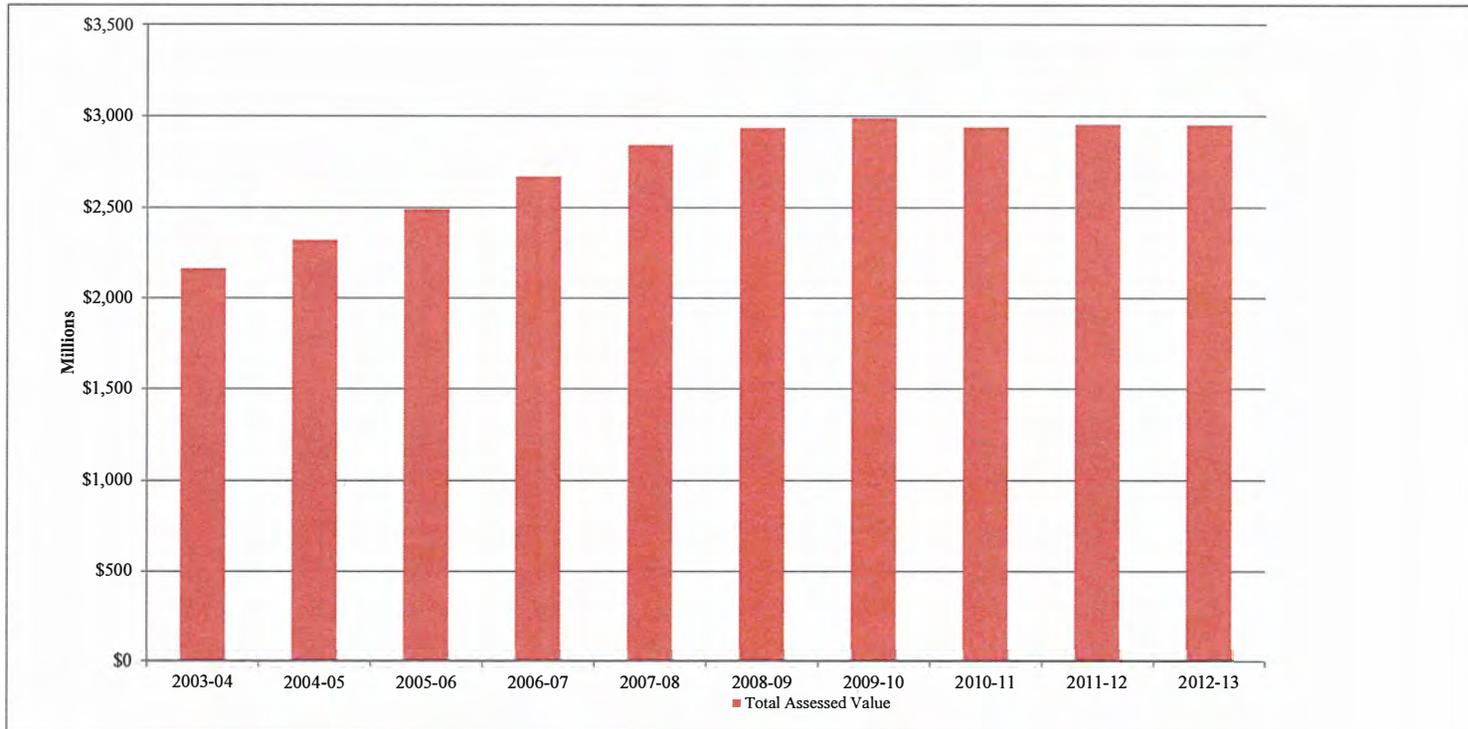
	<b>Fiscal Year Ended June 30</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Revenues</b>				
Property taxes and assessments	\$1,338,823	\$2,183,950	\$3,042,316	\$2,281,710
Property taxes - in lieu (motor vehicle)				1,136,007
Sales taxes	825,892	733,649	846,412	714,923
Sales & use tax - in lieu				216,998
Sales tax - 1% local add-on				
Franchise fees	439,085	459,640	337,722	418,616
Real property transfer fees	129,685	140,604	126,823	116,179
Motor vehicle license fees	857,837	359,102	115,421	104,498
Planning and permits	181,626	171,454	439,403	497,080
Parks and recreation	111,575	54,187	(125)	5,984
Police services	39,307	43,247	38,944	69,693
Public works services				
Intergovernmental	1,358,205	1,049,001	1,149,180	1,048,596
Fines, forfeitures and penalties	28,730	36,430	74,727	63,698
Interest	77,512	155,017	124,348	189,670
Property rentals	164,914	155,921	166,161	159,078
Other revenues	235,183	29,577	115,122	322,339
<b>Total Revenues</b>	<b>5,788,374</b>	<b>5,571,779</b>	<b>6,576,454</b>	<b>7,345,069</b>
<b>Expenditures</b>				
Current operations:				
General administration	688,552	759,414	853,348	941,443
Planning	369,977	346,032	403,978	447,552
Police	1,921,699	1,930,572	2,025,405	2,177,986
Public works	2,100,734	864,704	987,590	1,497,488
Parks and recreation	744,165	673,426	872,739	988,650
Other	593,763	388,630		
Debt service:				
Principal				
Interest				
Capital outlay			1,473,492	581,447
<b>Total Expenditures</b>	<b>6,418,890</b>	<b>4,962,778</b>	<b>6,616,552</b>	<b>6,634,566</b>
Revenues over (under) expenditures	(630,516)	609,001	(40,098)	710,503
<b>Other Financing Sources (Uses)</b>				
Transfers in	573,399	106,306	190,497	271,254
Transfers (out)	(3,257,163)	(97,556)	(671,449)	(294,784)
Proceeds from loan / debt issuance				
Fund balance transfer				
Gain on sale of property			2,753	
<b>Total Other Financing Sources (Uses)</b>	<b>(2,683,764)</b>	<b>8,750</b>	<b>(478,199)</b>	<b>(23,530)</b>
<b>Net Change in Fund Balance</b>	<b>(\$3,314,280)</b>	<b>\$617,751</b>	<b>(\$518,297)</b>	<b>\$686,973</b>
<b>Debt service as a percentage of noncapital expenditures</b>	0.0%	0.0%	0.0%	0.0%

Source: Town of Moraga: Basic Financial Statements

**Fiscal Year Ended June 30**

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$2,492,828	\$2,256,159	\$2,266,864	\$2,498,730	\$2,611,524	\$2,628,727
1,206,210	1,247,444	1,270,581	1,248,672	1,255,380	1,266,002
787,291	709,285	773,866	747,228	783,239	803,298
240,713	235,718	202,550	220,460	235,322	263,557
					333,008
449,789	693,055	710,240	735,390	738,185	749,227
110,431	47,504	73,628	83,629	96,790	116,309
73,242	56,154	48,468	48,982	43,316	7,011
346,414	360,099	232,319	234,144	289,690	383,754
352,573	245,653	245,910	271,557	283,341	398,320
74,905	95,737	62,880	78,428	70,290	80,287
396,021	295,805	185,757	145,808	135,533	115,651
1,615,220	1,397,503	2,032,453	998,079	1,162,785	763,735
100,296	93,850	79,027	59,540	51,271	49,895
162,231	125,426	37,185	38,288	27,256	22,542
94,885	219,939	225,966	211,153	165,333	29,403
3,710,147	230,300	54,388	40,002	150,217	224,883
<u>12,213,196</u>	<u>8,309,631</u>	<u>8,502,080</u>	<u>7,660,090</u>	<u>8,099,472</u>	<u>8,235,609</u>
2,784,797	1,345,160	1,253,101	1,090,454	1,202,641	1,379,011
815,723	662,845	530,386	444,159	430,203	434,138
2,311,571	2,195,268	1,977,944	2,020,235	2,235,142	2,247,128
1,784,512	1,748,668	1,907,504	1,721,121	1,645,765	1,549,792
511,247	523,141	563,889	565,521	554,465	582,074
78,770	82,690	86,800	30,000	505,000	60,000
		3,453	63,176	58,394	56,669
2,051,045	1,222,742	2,830,386	1,524,855	1,048,899	986,244
<u>10,337,665</u>	<u>7,780,514</u>	<u>9,153,463</u>	<u>7,459,521</u>	<u>7,680,509</u>	<u>7,295,056</u>
<u>1,875,531</u>	<u>529,117</u>	<u>(651,383)</u>	<u>200,569</u>	<u>418,963</u>	<u>940,553</u>
	1,135,706	434,286	1,489,178	1,839,348	1,973,365
	(1,135,706)	(434,286)	(1,489,178)	(1,839,348)	(1,973,365)
		2,004,562		29,133	
199,627					
<u>199,627</u>	<u>0</u>	<u>2,004,562</u>	<u>0</u>	<u>29,133</u>	<u>0</u>
<u>\$2,075,158</u>	<u>\$529,117</u>	<u>\$1,353,179</u>	<u>\$200,569</u>	<u>\$448,096</u>	<u>\$940,553</u>
1.0%	1.3%	1.4%	1.6%	9.3%	1.9%

**TOWN OF MORAGA**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**



<u>Fiscal Year</u>	<u>Local Secured Property</u>	<u>State Unitary Tax</u>	<u>Unsecured Property</u>	<u>Total Assessed Value</u>	<u>Percent Change</u>	<u>Total Direct Tax Rate</u>	<u>Est Actual Taxable Value</u>
2003-04	\$2,149,582,014	\$58,439	\$18,258,103	\$2,167,898,556	n/a	n/a	n/a
2004-05	2,307,028,854	58,439	17,997,314	\$2,325,084,607	7.3%	n/a	n/a
2005-06	2,475,482,356	56,175	17,895,236	\$2,493,433,767	7.2%	n/a	n/a
2006-07	2,653,660,916	56,814	19,605,474	\$2,673,323,204	7.2%	n/a	n/a
2007-08	2,817,219,178	56,814	21,084,705	\$2,838,360,697	6.2%	n/a	n/a
2008-09	2,914,504,408		20,896,105	\$2,935,400,513	3.4%	n/a	n/a
2009-10	2,966,295,435		23,530,177	\$2,989,825,612	1.9%	n/a	n/a
2010-11	2,913,959,285		24,304,709	\$2,938,263,994	-1.7%	n/a	n/a
2011-12	2,928,659,413	202,420	25,182,602	\$2,954,044,435	0.5%	n/a	n/a
2012-13	2,927,928,335	116,479	22,847,805	\$2,950,892,619	-0.1%	1.079% (a)	\$5,345,750,006 (b)

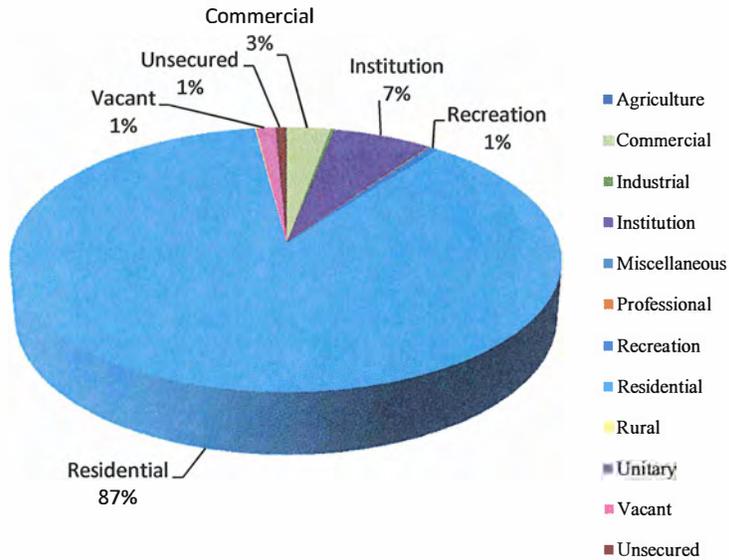
(a) Total tax rate is represented by TRA 15-002.

(b) Estimated actual taxable value is derived from a series of calculations comparing median assessed values from 1940 to current median sales prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

(c) Fiscal Year 2012-13 is the Town's first CAFR publication, some prior year data is unavailable.

Sources: *California Municipal Statistics (2003-04 through 2011-12)*  
*Contra Costa County Assessor data, MuniServices, LLC (2012-13)*

**TOWN OF MORAGA  
ASSESSED VALUE OF PROPERTY BY USE CODE**



Use Code	2012-13
Agriculture	\$752,745
Commercial	92,450,434
Industrial	8,111,278
Institution	209,453,195
Miscellaneous	450,467
Professional	3,282,241
Recreation	20,438,481
Residential	2,773,216,943
Rural	2,055,843
Unitary	116,479
Vacant	40,404,507
Net Secured Value	3,150,732,613
Unsecured	22,847,805
Exemptions	222,687,799
Net Assessed Value	\$2,950,892,619

Notes:

- (1) Use code categories are based on Contra Costa County Assessor's data.
- (2) FY 2012-13 is the Town's first CAFR publication, therefore prior year data is unavailable.

*Source: Contra Costa County Assessor data, MuniServices, LLC.*

**TOWN OF MORAGA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES**

	<b>2012-13</b>
<b>Basic City and County Levy (1%)</b>	
TOWN OF MORAGA	0.052732
COUNTY OF CONTRA COSTA	0.947268
Total 1% Basic Levy	1.000000
 <b>Override Assessments</b>	
BART	0.004300
EAST BAY REG PK BD	0.005100
ACALANES UNION	0.033300
MORAGA ELEM BON	0.027900
COMMUNITY COLLEGE	0.008700
Total Override Rate	0.079300
 <b>TOTAL TAX RATE</b>	<b>1.079300</b>

Notes:

- (1) Rates are not adjusted for ERAF.
- (2) TRA 15-002 is represented for this report.
- (3) FY 2012-13 is the Town's first CAFR publication, therefore prior year data is unavailable.

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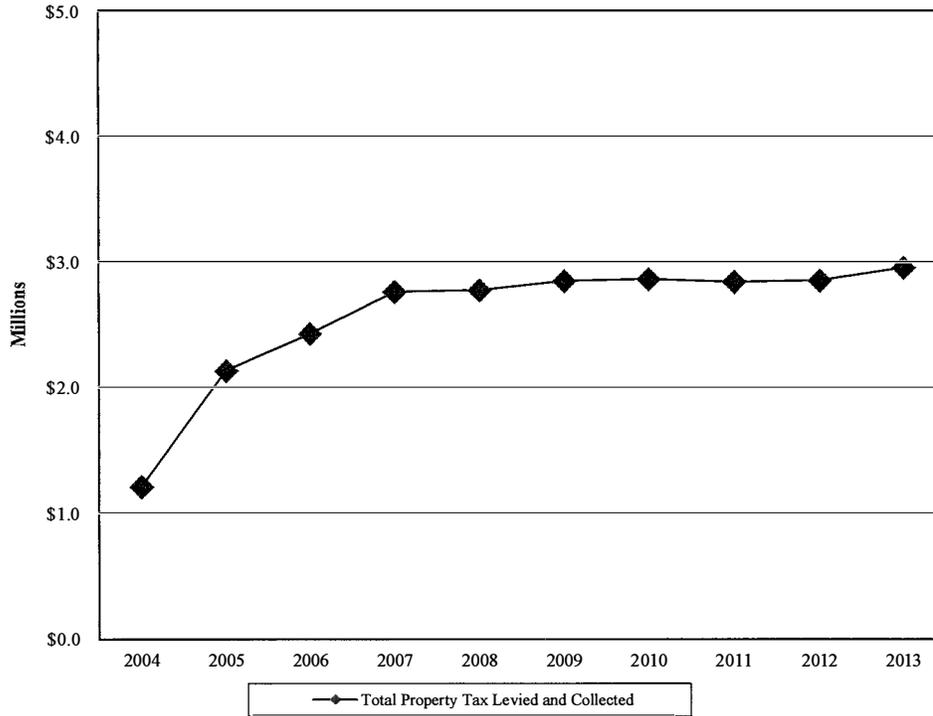
*Source: 2012-13 County Auditor/Controller data, MuniServices, LLC*

**TOWN OF MORAGA**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**Current Year and Nine Years Ago**

Taxpayer	2012-13		2003-04	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
PK IRheem Valley LP	\$33,679,942	1.14%		0.00%
Russell J Bruzzone Inc	21,834,619	0.74%	\$22,671,160	1.06%
Oakmont of Moraga LLC	10,578,503	0.36%	9,324,982	0.44%
Moraga Enterprises Inc	8,104,679	0.27%		0.00%
Bigbury Company N V	7,688,512	0.26%	5,624,014	0.26%
GKHB Royale Investments LP	7,466,067	0.25%	5,003,257	0.23%
Gage George Tre	7,350,000	0.25%		0.00%
Town of Moraga	7,008,206	0.24%	6,077,794	0.28%
Markets Angelos	5,783,000	0.20%		0.00%
Jaber Philip J Tre	5,168,161	0.18%		0.00%
KN Productions Inc	4,949,605	0.17%	4,292,496	0.20%
Moraga Builders Corp	4,890,504	0.17%		0.00%
Demello Debra Jean Tre	3,893,287	0.13%		0.00%
Vanguard Apartments LLC	3,701,602	0.13%		0.00%
Moraga CC Holdings LLC	3,673,424	0.12%		0.00%
Gage Deborah S Tre	3,495,732	0.12%		0.00%
CT Operating Partnership LP	3,453,161	0.12%		0.00%
AAAAA Rent-A-Space & Moraga LT	3,291,472	0.11%	2,836,226	0.13%
Vrionis Michael G	3,200,000	0.11%		0.00%
Puri Mahesh K & Minoo	3,050,000	0.10%		0.00%
Wang Judy	3,022,243	0.10%		0.00%
24 Hour Fitness USA Inc	2,720,357	0.09%		0.00%
Bonardi Michael P & Deborah J	2,643,000	0.09%		0.00%
Doyle Patrick K Tre	2,508,313	0.09%		0.00%
JPMorgan Chase Bank N A	2,460,586	0.08%		0.00%
Alexander Haagen Properties		0.00%	18,930,239	0.89%
JHC America Group		0.00%	4,509,511	0.21%
Mak Paul H Lily Tre		0.00%	3,846,188	0.18%
Isaksson Rolf T Barbara Tre		0.00%	3,244,250	0.15%
Gross Max Joyce Tre		0.00%	3,210,174	0.15%
Jaber George J Tre		0.00%	2,922,948	0.14%
Burnet Thomas P Ellen S		0.00%	2,743,000	0.13%
346 Rheem Blvd LTD		0.00%	2,568,687	0.12%
Moraga/Rheem LLC		0.00%	2,381,347	0.11%
Chiasson William B Carol Tre		0.00%	2,163,170	0.10%
Granlund James D Candace Tre		0.00%	2,115,416	0.10%
Ascot Moraga Associates		0.00%	2,109,265	0.10%
Inkindmoraga Associates LTD		0.00%	2,000,000	0.09%
Drapeau Louis C		0.00%	1,864,158	0.09%
Metcalf Brian W Heather D		0.00%	1,807,204	0.08%
Cheng John C Tre		0.00%	1,769,730	0.08%
C C Equity Company		0.00%	1,753,139	0.08%
Tam Eric Connie		0.00%	1,723,940	0.08%
<b>Total Top 25 Taxpayers</b>	<b>165,614,975</b>	<b>5.61%</b>	<b>117,492,295</b>	<b>5.50%</b>
<b>Total Taxable Value</b>	<b>\$2,950,892,619</b>	<b>100.00%</b>	<b>\$2,136,532,203</b>	<b>100.00%</b>

Source: 2012-13 County Assessor data, MuniServices, LLC

**TOWN OF MORAGA**  
**GENERAL FUND PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**



<u>Fiscal Year</u>		<u>Property Tax Levied and Collected</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
		(a)	(b)
2004	(c)	\$1,213,055	100%
2005	(d)	2,135,180	100%
2006	(d)	2,430,364	100%
2007		2,762,430	100%
2008		2,775,305	100%
2009		2,847,381	100%
2010		2,863,268	100%
2011		2,840,520	100%
2012		2,852,542	100%
2013		2,953,989	100%

- (a) Property tax levied and collected includes secured, unsecured and supplemental property tax revenue, as well as property tax in lieu, and homeowner's property tax relief revenue receipts.
- (b) The Town participates in the County's Teeter Plan and thus receives 100% of secured property taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes.
- (c) In 2004, the State implemented the Vehicle License Fee (VLF) backfill of property tax. In 2004, the Town accounted for the VLF motor vehicle in-lieu taxes so it is excluded from the property tax figure.
- (d) In 2005 and 2006, the State required that cities make contributions to the State general fund through a reduction in VLF backfill (or "property tax in lieu of VLF") funding.

*Source: Town of Moraga: Basic Financial Statements, General Fund Statement of Revenues, Expenditures and Changes in Fund Balance*

**TOWN OF MORAGA  
SALES TAX RATES  
Effective April 1, 2013**

	Rate
State General Fund	6.50%
Contra Costa County share	0.25%
Town of Moraga share	0.75% (b)
Contra Costa Transportation Authority	0.50%
Bay Area Rapid Transit	0.50%
Town of Moraga Local Transaction and Use Tax (a)	1.00%
<b>Total</b>	<b>9.50%</b>

- (a) November 2012 Measure K voter-approved local add-on sales tax.
- (b) Sales tax imposed within the Town are distributed by the State to various agencies, with the Town receiving 1.0% of the amount collected less 0.25% shifted to the State pursuant to a mechanism commonly known as “Triple Flip.” The 0.25% reduction in local sales tax is used to pay State economic recovery bonds, but cities and counties are then provided with ad valorem property tax revenues in lieu of these revenues.

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*Source: State of California Board of Equalization*

**TOWN OF MORAGA**  
**PRINCIPAL SALES TAX PRODUCERS**  
**Current Year and Nine Years Ago**

<u>2012-13</u>		<u>2003-04</u>	
<u>Taxpayer</u>	<u>Business Type</u>	<u>Taxpayer</u>	<u>Business Type</u>
7-Eleven Food Stores	Food Markets	7-Eleven Food Stores	Food Markets
Amorama Risorante	Restaurants	Americal Systems	Electronic Equipment
ARCO AM/PM Mini Marts	Service Stations	Barnes & Nobles Bookstores	Miscellaneous Retail
Asia Palace Restaurant	Restaurants	Blockbuster Entertainment	Miscellaneous Retail
Blue Cat	Health & Government	Blue Cat	Health & Government
Chevron Service Stations	Service Stations	Burger King Restaurants	Restaurants
CVS/Pharmacy	Drug Stores	CVS/Pharmacy	Drug Stores
Dollar Tree	Department Stores	Jack In The Box Restaurants	Restaurants
HomeGoods	Furniture/Appliance	Lamorinda Food Mart	Service Stations
Jack In The Box Restaurants	Restaurants	Mc Caulou Department Store	Department Stores
La Penne Pizza Pub & Pizza	Restaurants	Moraga Auto Care & Service	Auto Parts/Repair
Lamorinda Gasoline & Auto Repair	Service Stations	Moraga Beacon	Service Stations
Mc Caulou Department Store	Department Stores	Moraga Chevron Service Center	Service Stations
Moraga Auto Care & Service	Auto Parts/Repair	Moraga Country Club	Restaurants
Moraga Country Club	Restaurants	Moraga Hardware & Lumber	Bldg Matls-Retail
Moraga Hardware & Lumber	Bldg Matls-Retail	Moraga Wines & Spirits	Liquor Stores
Moraga Star Service Stations	Service Stations	Nations Giant Hamburgers	Restaurants
Moraga Wines & Spirits	Liquor Stores	Rheem Unocal	Service Stations
Nations Giant Hamburgers	Restaurants	Safeway Stores	Food Markets
Orchard Supply Hardware	Bldg Matls-Retail	Schoofs Incorporated	Chemical Products
Safeway Stores	Food Markets	Shell Service Stations	Service Stations
Saint Mary's College Bookstore	Miscellaneous Retail	Sodexo Marriott Management	Restaurants
Sodexo Marriott Management	Restaurants	Terzetto Cuisine	Restaurants
TJ Maxx	Apparel Stores	TJ Maxx	Apparel Stores
Tuesday Morning	Miscellaneous Retail	Tuesday Morning	Miscellaneous Retail

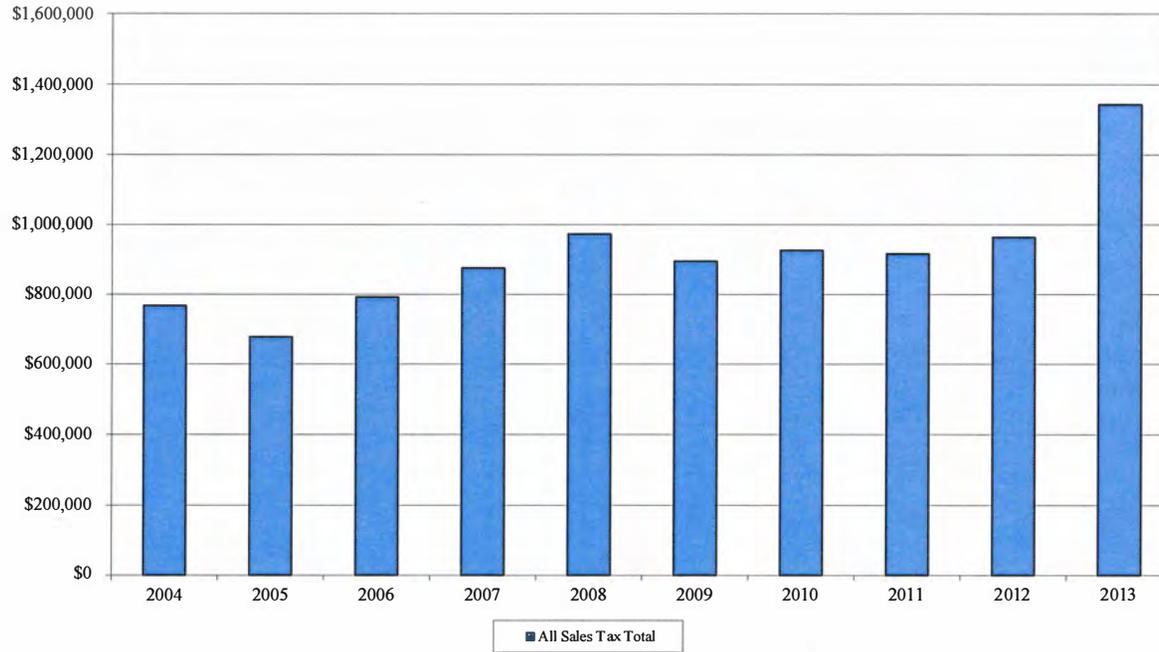
Note:

(1) Top Sales Tax Producers listed in alphabetical order.

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Source: 2012-13 State Board of Equalization data, MuniServices, LLC

**TOWN OF MORAGA  
SALES TAX REVENUES  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)**



<u>Fiscal Year</u>	<u>Sales &amp; Use Tax (a)</u>	<u>Sales Tax In-Lieu (a)</u>	<u>Transaction &amp; Use Tax (b)</u>	<u>All Sales Tax Total</u>	<u>Percent Change</u>
2004	\$767,880			\$767,880	
2005	501,999	\$175,915		677,914	-11.7%
2006	617,427	174,805		792,232	16.9%
2007	657,641	216,998		874,639	10.4%
2008	732,322	240,713		973,035	11.2%
2009	658,573	235,718		894,291	-8.1%
2010	723,246	202,550		925,796	3.5%
2011	695,885	220,460		916,345	-1.0%
2012	728,891	235,322		964,213	5.2%
2013	746,182	263,557	\$333,008	1,342,747	39.3%

(a) The Town of Moraga's Sales Tax is comprised of 0.75% of the Bradley Burns 1% base share from Contra Costa County and 0.25% in Sales Tax In Lieu (e.g., the State "Triple Flip"). Excludes State Sales Tax for Public Safety.

(b) In November 2012, the voters of Moraga approved the 1% Measure K Local Add-On Sales Tax, technically called the Transaction and Use Tax.

*Source: Town of Moraga: Basic Financial Statements*

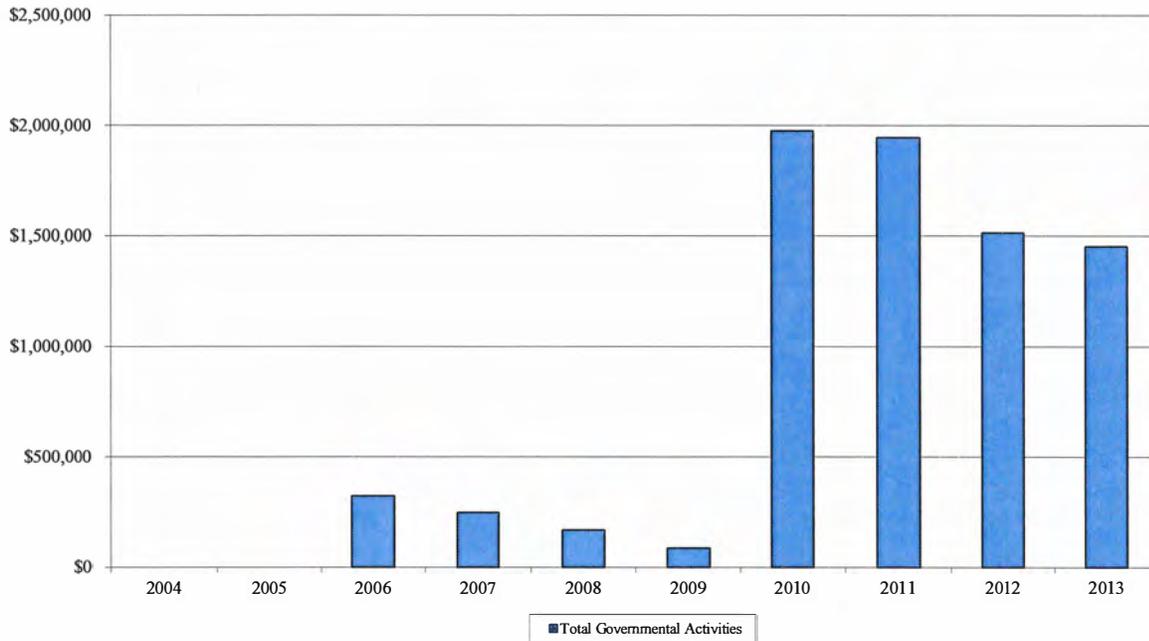
**TOWN OF MORAGA  
TAXABLE RETAIL SALES  
(Dollars in Thousands)**

<u>Year</u>	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2007	178	\$71,413	400	\$81,538
2008	175	71,029	381	78,865
2009	(a) 231	69,248	341	76,004
2010	(a) 246	72,537	346	78,752
2011	(a) 221	78,327	323	86,329

(a) Data not comparable to years prior to 2009. "Retail" category now includes "Food Services."

*Source: State of California Board of Equalization. Taxable Sales in California (Sales & Use Tax).*

**TOWN OF MORAGA  
RATIO OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years**



Fiscal Year	Governmental Activities			Percentage of Personal Income (a)	Per Capita (a)
	Certificates of Participation	Notes and Loans Payable	Total Governmental Activities		
2004					
2005					
2006		\$323,300	\$323,300		
2007		248,260	248,260		
2008		169,490	169,490		
2009		86,800	86,800		
2010	\$1,525,000	450,000	1,975,000		
2011	1,495,000	450,000	1,945,000		
2012	1,440,000	73,916	1,513,916		
2013	1,380,000	73,916	1,453,916	0.16%	\$89.93

(a) See Schedule "Demographic and Economic Statistics" for personal income and population data. 2013 is the Town of Moraga's first CAFR publication, certain prior year data is unavailable.

Source: *Town of Moraga: Basic Financial Statements*

**TOWN OF MORAGA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2013**

**2012-13 Assessed Valuation** \$2,950,892,619

<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>	Total Debt Outstanding	(a) Percent Applicable To Town of Moraga	Amount Applicable To Town of Moraga
<b>Overlapping Tax and Assessment Debt:</b>			
Bay Area Rapid Transit District	\$410,690,051	0.593%	\$2,435,392
Contra Costa Community College District	209,930,014	2.109%	4,427,424
Acalanes Union High School District	201,498,506	12.516%	25,219,553
Moraga School District	7,150,001	97.353%	6,960,740
Orinda Union School District	9,880,370	0.270%	26,677
East Bay Regional Park District	<u>135,564,956</u>	0.916%	<u>1,241,775</u>
Total Overlapping Tax and Assessment Debt	<u>\$974,713,898</u>		<u>\$40,311,561</u>
<b>Direct and Overlapping General Fund Debt:</b>			
Contra Costa General Fund Obligations	\$282,641,028	2.101%	\$5,938,288
Contra Costa Pension Obligations	310,109,995	2.101%	6,515,411
Contra Costa Community College District Certificates of Participation	779,991	2.109%	16,450
Town of Moraga 2010 Certificates of Participation	1,380,000	100.000%	1,380,000
Moraga-Orinda Fire District Pension Obligations	<u>23,475,000</u>	38.256%	<u>8,980,596</u>
Total Gross Direct and Overlapping General Fund Debt	<u>\$618,386,014</u>		<u>\$22,830,745</u>
Less: Contra Costa County Obligations supported by revenue bonds			<u>2,205,897</u>
Total Net Direct and Overlapping General Fund Debt			<u>\$20,624,848</u>
<b>Gross Combined Total Debt</b>			<b>\$63,142,306 (b)</b>
<b>Net Combined Total Debt</b>			<b>60,936,409</b>

(a) Total Debt Outstanding figures calculated from Percent Applicable and Amount Applicable to the Town of Moraga figures that are provided by California Municipal Statistics.

(b) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

**RATIOS TO ASSESSED VALUATION:**

Combined Direct Debt	0.05%
Total Overlapping Tax and Assessment Debt	1.37%
Gross Combined Total Debt	2.14%
Net Combined Total Debt	2.07%

*Sources: California Municipal Statistics and MuniServices LLC (for 2012-13 Assessed Valuation)*

**TOWN OF MORAGA  
COMPUTATION OF LEGAL BONDED DEBT MARGIN  
JUNE 30, 2013**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$2,950,892,619
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$110,658,473
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$0 (b)
Amount of debt subject to limit	0

LEGAL BONDED DEBT MARGIN	\$110,658,473
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(a) California Government Code, Section 43605 sets the debt limit at 15%. The section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

(b) The Town of Moraga's debt under the 2010 Certificates of Participation (COP) is not subject to the computation of bonded debt under the California Government Code, Section 43605.

**TOWN OF MORAGA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Fiscal Year**

<b>Fiscal Year</b>	<b>Population (a)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (b)</b>	<b>Median Age</b>	<b>Public School Enrollment (c)</b>	<b>County Unemployment Rate (%) (d)</b>	<b>City Unemployment Rate (%) (d)</b>	<b>County Population</b>
2012-13	16,168	\$921,721,512	\$57,009	42.6	\$1,856	9.0	5.3	1,074,702

Notes:

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

2012-13 is the Town's first CAFR publication, certain prior year data is unavailable.

(a) Population projections are provided by the California Department of Finance Projections.

(b) Income data is provided by the U.S. Census Bureau, 2010 American Community Survey.

(c) Student enrollment reflects the total number of students enrolled in the Moraga School District only. Any other school districts within the Town are not accounted for in this statistic.

(d) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

*Source: MuniServices, LLC*

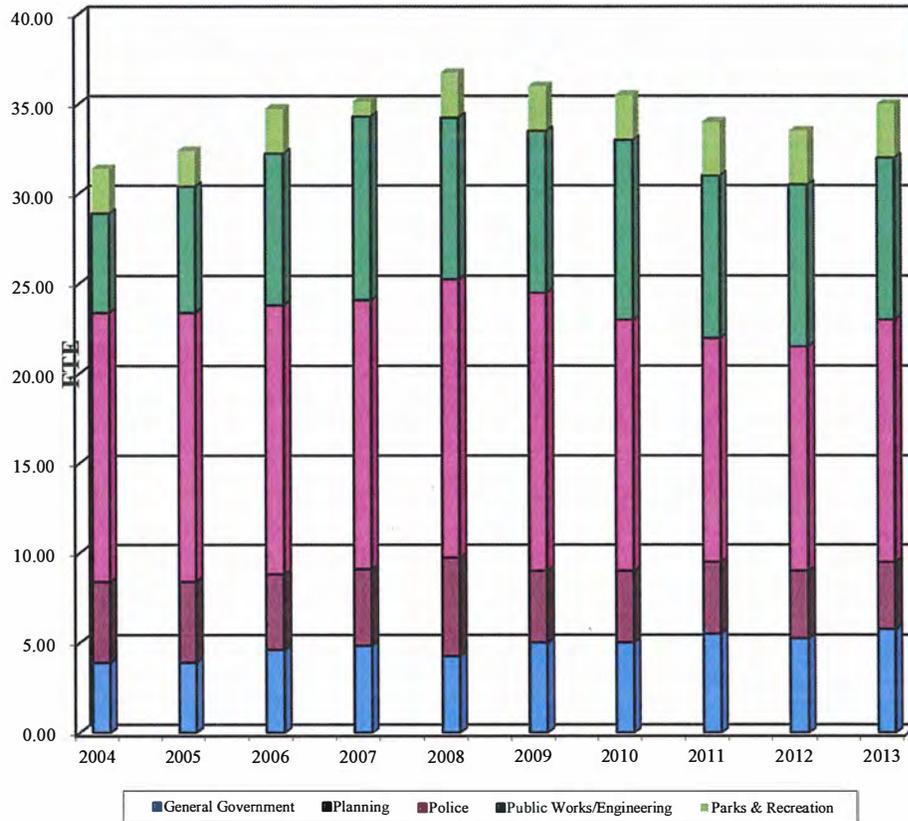
**TOWN OF MORAGA**  
**PRINCIPAL EMPLOYERS (CONTRA COSTA COUNTY)**  
**Current Year (a)**

<b>Employer Name</b>	<b>Location</b>	<b>Industry</b>	<b>Employer Size</b>
Aaa Northern California Nevada and Utah	Walnut Creek	Automobile Clubs	5,000-9,999
Bart	Richmond	Transit Lines	1,000-4,999
Bayer Health Care Phrmctcls	Richmond	Laboratories-Pharmaceutical (Mfrs)	500-999
Bio-Rad Laboratories Inc	Hercules	Biological Products (Mfrs)	500-999
Chevron Corp	San Ramon	Oil Refiners (Mfrs)	10,000+
Chevron Global Downstream LLC	San Ramon	Marketing Programs & Services	1,000-4,999
Concord Naval Weapons Station	Concord	Federal Government-National Security	500-999
Contra-Costa Regional Med Center	Martinez	Hospitals	1,000-4,999
Department of Veterans Affairs	Martinez	Clinics	500-999
Doctors Medical Ctr	San Pablo	Hospitals	1,000-4,999
John Muir Health Physical Rehabilitation	Concord	Physical Therapists	1,000-4,999
John Muir Medical Center-Walnut Creek	Walnut Creek	Hospitals	1,000-4,999
Kaiser	Martinez	Clinics	1,000-4,999
Kaiser Permanente	Walnut Creek	Hospitals	1,000-4,999
Kaiser Permanente	Antioch	Hospitals	1,000-4,999
Kaiser Permanente Martinez Medical	Concord	Hospitals	1,000-4,999
La Raza Market	Richmond	Grocers-Retail	1,000-4,999
Muirlab	Walnut Creek	Laboratories-Medical	500-999
Richmond City Offices	Richmond	Government Offices-City, Village & Twp	500-999
San Ramon Regional Medical Center	San Ramon	Hospitals	500-999
Shell Oil Products	Martinez	Oil & Gas Producers	500-999
St Mary's College of California	Moraga	Schools-Universities & Colleges Academic	1,000-4,999
Sutter Delta Medical Center	Antioch	Hospitals	500-999
Tesoro Golden Eagle Refinery	Pacheco	Oil Refiners (Mfrs)	500-999
VA Outpatient Clinic	Martinez	Surgical Centers	500-999

*Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2014 1st Edition.*

(a) 2012-2013 is the Town's first CAFR publication, certain prior year data is unavailable.

**TOWN OF MORAGA  
FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION  
Last Ten Fiscal Years**



*Source: Town of Moraga Adopted Budget Documents*

**TOWN OF MORAGA  
OPERATING INDICATORS BY FUNCTION**

FUNCTION	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police	(b)									
Crime by type:										
Homicide			4	2	4	2	4		5	1
Forcible Rape										
Robbery	2	3	2	4	1	1	2	3	1	
Assault	36	35	20	35	29	18	22	27	17	40
Burglary	51	34	32	43	43	47	34	39	34	29
Larceny	177	175	140	153	193	148	140	173	122	112
Auto Theft	11	25	20	19	18	11	5	10	17	11
Total crime by type	277	272	218	256	288	227	207	252	196	193
Various enforcement statistics:										
Traffic Citations								1,290	1,316	1,420
Speed								716	810	864
Stop Sign								45	60	56
Red Light								10	16	18
Cell Phones								97	125	71
Total Arrests								118	106	130
Adult DUI								43	27	66
Juvenile DUI								4	1	1
Non-Injury Collisions								67	45	61
Injury Collisions								18	16	11
Alcohol-Related Incidents								179	142	188
Drug-Related Incidents								67	43	41
Sr. Citizen-Related Incidents								97	98	101
Domestic Violence								5	7	19
SMC-Related Incidents								140	110	109
Auto Burglaries								33	19	15
False Alarm Responses								196	207	195
Public Works										
Potholes repaired (square miles)										9
Street Sweeping (miles)										104
Volume of material removed (cubic yards)										80
Storm Drains:										
Catch basins cleaned										20
Volume of material removed (cubic yards)										12
	Academic Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
FUNCTION										
Community Facilities										
Parks and recreation class offerings (c)										194
Parks and recreation class participants (c)										2,262

(a) FY 2012-13 is the Town's first CAFR publication, therefore not all prior year data is available.

(b) Crime statistics as reported to the Department of Justice.

(c) Parks and recreation data is based on an "academic year" of Fall through Summer.

Source: Town Departments

**TOWN OF MORAGA  
CAPITAL ASSET STATISTICS BY FUNCTION  
Last Ten Years**

FUNCTION	Fiscal Year									
	(a) 2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	(b) 2	2	2	2	2	2	2	2	2	2
Public Works										
Streets (miles of)										56
Street lights										974
Traffic signals	(c)									9.5
Storm drains pipes (miles of)										30
Storm drainage inlets										1,824
Community Facilities										
Parks	3	3	3	3	3	3	3	3	3	3
Park acreage	57	57	57	57	57	57	57	57	57	57
Open space acreage	250	250	250	250	250	250	250	250	250	250
Libraries	(d) 1	1	1	1	1	1	1	1	1	1

- (a) FY 2012-13 is the Town's first CAFR publication, therefore not all prior year data is available.
- (b) The Moraga-Orinda Fire District provides fire services.
- (c) Moraga shares responsibility of one traffic signal located at Moraga Way @ Ivy Drive with the City of Orinda.
- (d) Contra Costa County leases the Town's building and operates library services.

*Source: Various Town documents, including Adopted Budgets, General Plan, Parks & Recreation Master Plan, Lighting Assessment District Engineer's Report, GASB 34 Implementation Study*