



# TOWN OF MORAGA, CA

## Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2015



**Town of Moraga, California**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



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# Town of Moraga

December 9, 2015

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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. The overall goal of this report is to provide a full and transparent understanding of the Town's financial activities, and 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.

## **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. It was originally part of the Rancho Laguna de Los Palos Colorados, granted in 1835 by the Mexican government to cousins Joaquin Moraga and Juan Bernal for military services rendered. The Town 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 with over 4,100 undergraduate and graduate students. Granted a national ranking of 178 and a state ranking of 28, 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 2015 list of the nation's best public high schools. Residents also enjoy award winning schools at the lower levels and convenient access to diverse employment options throughout the San Francisco Bay Area.

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***Form of Government***

The Town of Moraga was incorporated as a general law city in the State of California on November 12, 1974. The election, held in November 1974, resulted in 59% of the 6,216 voters favoring incorporation. Thirteen candidates ran for seats on the first Town Council.

The Town operates under a Council-Manager form of government and is governed by a Town Council of five community members 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 to be filled alternating between two and three. The Mayor's position is filled by one of the members of the Council and is annually elected to that position by the Council.

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

**Financial Policies and Practices**

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***Minimal Government Philosophy***

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.”*

Through this approach, the Town Council ensures that high quality essential services are provided to Moraga's residents and businesses in a thoughtful and fiscally sound manner.

***Budgetary Policy and Control***

The Town's annual budget serves as the foundation for planning and controlling the Town's finances. The annual budget development process begins in January with the Town Council goal-setting meeting. Relative to the established Town Council goals, Town staff evaluates existing programs, services and

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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 budget proposal before submission to the Town Council. The Town Council deliberates on the proposed budget in May and adopts a balanced 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 administratively adjust the budget if changes do not result in a significant policy impact, or the adjustment does not affect budgeted year-end fund balances. Further, the Town Manager's contract signing authority is limited to \$15,000. All contracts over \$15,000 require Town Council authorization.

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, including unspent capital project budgets, are reported as assigned fund balances at year end.

***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 assurance that these objectives are consistently 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 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 "clean" report of the Town's financial statements for the year ended June 30, 2015.

***Fund Balance and Reserve Policy***

By resolution, the Town's policy is to achieve and maintain an unassigned fund balance in the General Fund of 50% of operating expenditures. For the year ended June 30, 2015 the General Fund unassigned fund balance is 45.5%, an increase from 43.4% in the prior year.

**Comprehensive Annual Financial Report Format - Changes for Fiscal Year 2014/2015**

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In conformance with community input, a desire to increase clarity and transparency, and reporting changes as mandated by GASB, the following format changes are included in this year's CAFR:

***Note to Financial Statements: Note 10 - Pavement Management Program (Fund 711)***

A new Note to Financial Statements related to the Pavement Management Program has been included in this year's CAFR. At the request of the Local Sales Tax Oversight Committee, this Note has been created to clearly show that all Measure K revenue is used directly in the Pavement Management Program in conformance with Town Council direction.

***Debt Service Fund***

A new fund category "Debt Service Fund" has been created for this year's CAFR. This Fund accounts for the proceeds from issuance of long-term debt, as well as annual debt service payments. Activity in the fund includes 2010 COP - 329/331 Rheem Renovations/Town Hall Improvements and 2013 COP Infrastructure Improvements; these activities were accounted for in the Capital Projects Fund in prior

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years. Creating a separate fund category enhances transparency about the Town's long-term debt obligations.

***GASB Statements 68 and 71 – Pension Reporting***

New and expanded GASB pension reporting requirements are incorporated into this year's CAFR. GASB 68, *Accounting and Financial Reporting for Pensions – an amendment to CASB Statement No. 27*, establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources and expense/expenditures. Implementation of this Standard changed the methods and assumptions used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service.

GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, addresses an issue regarding application of the transition provisions of GASB 68. This Standard adjusts the amounts associated with contributions made by the Town to a defined benefit pension plan after the measurement date of the Town's beginning net pension liability.

As required, new actuarial valuation reports were used to calculate the Town's net pension liabilities and implement the above Standards. As a result of these changes, the Town has reduced the FY 14/15 beginning balance of net position for governmental activities by \$4.4 million. Refer to Note 1.M. and Note 7 for detailed information about GASB 68 and 71 implementation.

**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 impacts from the recent economic recession. The Town's track record of fiscal prudence and discipline and relatively flat but stable property tax base, has enabled the Town to maintain a structurally balanced budget and healthy reserves without the common, drastic measures of reduced services, layoffs, furloughs, salary cuts and significant benefit reductions.

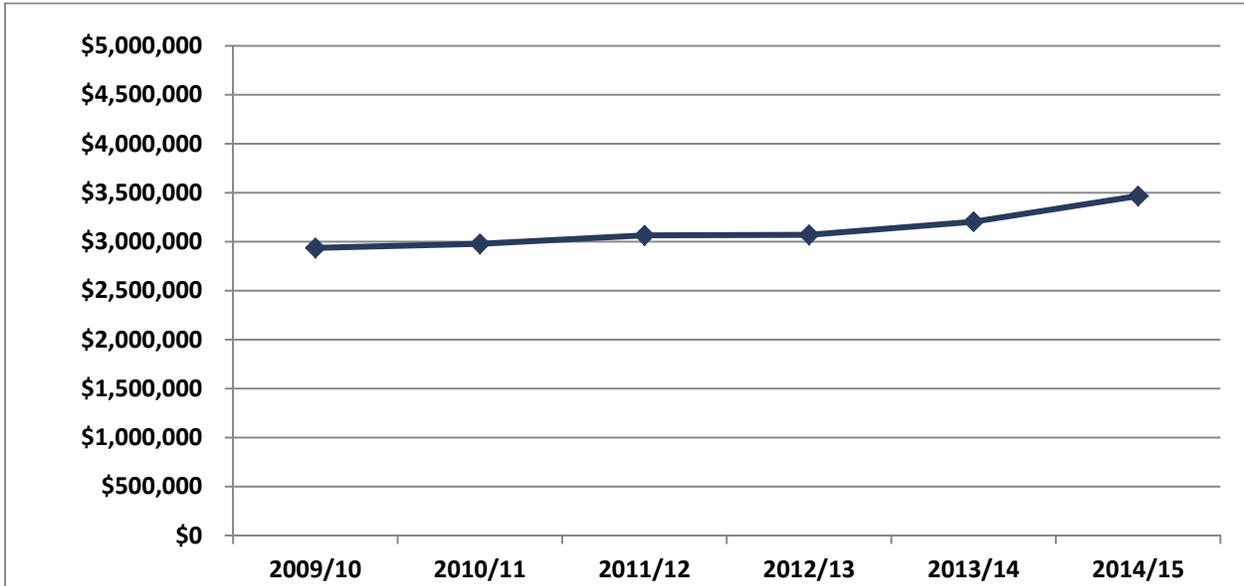
***Property Taxes***

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 downturns 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. The Town has not historically benefitted 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.

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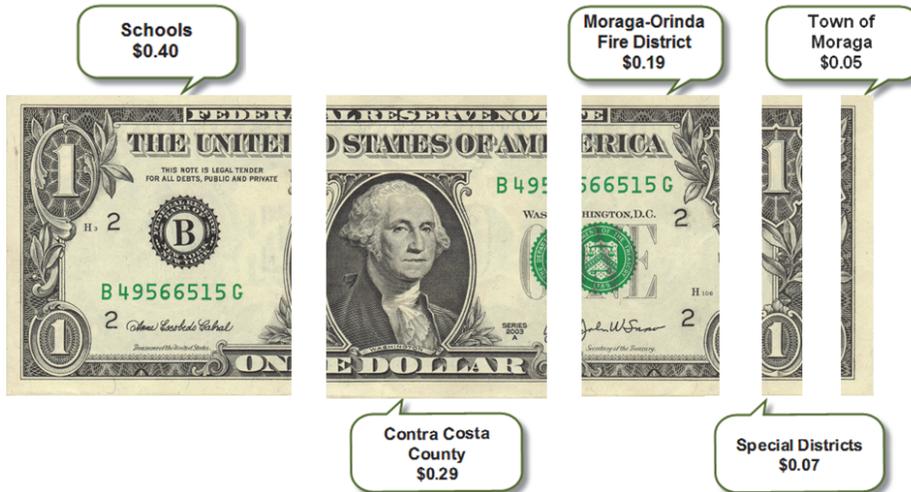
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**Chart 1. Historical Property Tax Revenues.**



The Town receives only 5.31% 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.**



<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 Contra Costa Association of Realtors (CCAR) has provided positive data about the Town’s residential property values. Recent data for the 2015 calendar year through September compared to the same period in 2014 indicates a 6.5% increase in single-family home values and a 4.1% increase in townhouse-condo home values based on average home sales prices. In addition, the inventory of homes for sale has decreased 48% (148 in 2014 to 77 in 2015) in single-family homes and 55% (80 in 2014 to 36 in 2015) in townhouse-condo homes for the calendar year through September compared to the same time period last year.

**Chart 3. Average Home Sales Prices as of September 2015**

Average Sales Price	Single-Family					Townhouse-Condo			
	This Month	YTD 2014	YTD 2015	+ / -		This Month	YTD 2014	YTD 2015	+ / -
Alamo	4800	\$1,522,237	\$1,583,712	\$1,684,641	6%	\$0	\$611,778	\$628,333	2.6%
Blackhawk	4600	\$1,964,856	\$1,561,666	\$1,622,076	3.7%	\$0	\$626,167	\$753,225	16.9%
Clayton	5900	\$789,917	\$692,630	\$763,658	9.3%	\$0	\$422,559	\$475,313	11.1%
Concord	5701	\$536,318	\$482,219	\$534,296	9.7%	\$247,151	\$229,562	\$251,087	8.6%
Clyde	5702	\$0	\$320,660	\$0	0	\$0	\$0	\$0	0
Danville	4500	\$1,256,019	\$1,183,108	\$1,248,064	5.2%	\$621,583	\$581,628	\$641,746	9.4%
Diablo	4700	\$0	\$2,336,823	\$2,402,235	2.7%	\$0	\$1,050,500	\$0	0
Lafayette	5100	\$1,460,426	\$1,346,275	\$1,549,900	13.1%	\$0	\$646,840	\$666,429	2.9%
Martinez	5601	\$590,499	\$510,238	\$579,037	11.9%	\$359,815	\$311,337	\$345,059	9.8%
Pacheco	5602	\$479,750	\$421,045	\$475,178	11.4%	\$285,000	\$252,744	\$273,857	7.7%
Moraga/Canyon	5200	\$1,336,400	\$1,205,577	\$1,288,924	6.5%	\$667,200	\$580,147	\$604,926	4.1%
Orinda	5300	\$1,370,843	\$1,376,189	\$1,519,864	9.5%	\$950,000	\$646,000	\$772,200	16.3%
Pleasant Hill	5400	\$671,317	\$654,592	\$669,251	2.2%	\$457,581	\$410,258	\$439,567	6.7%
Rossmoor	5000	\$0	\$1,491,000	\$1,359,667	-9.7%	\$485,653	\$411,589	\$444,091	7.3%
San Ramon	4400	\$1,064,181	\$959,081	\$1,045,558	8.3%	\$546,189	\$528,100	\$565,355	6.6%
Walnut Creek	4900	\$959,751	\$938,916	\$996,639	5.8%	\$495,928	\$445,701	\$504,490	11.7%

*Source: Contra Costa Association of Realtors*

In general, Moraga has a low inventory of homes listed for sale. This 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 highly regarded school district when their children were young. Even after their grown children moved away, many empty nesters decided to remain in Town. Some of these residents 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 at 1976 levels, but set post-Proposition 13 home sales at the initial purchase price. Most importantly, Proposition 13 limited the annual inflation and/or increase in home value to no more than 2% annually. As home sale prices have significantly increased with the market over the past 35 plus years, Proposition 13 kept the assessed values for homes that have *not* changed ownership at artificially low levels. Market rate home value is 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. This characteristic result in corresponding increases 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

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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 also limits Moraga from the advantages of a thriving economy.

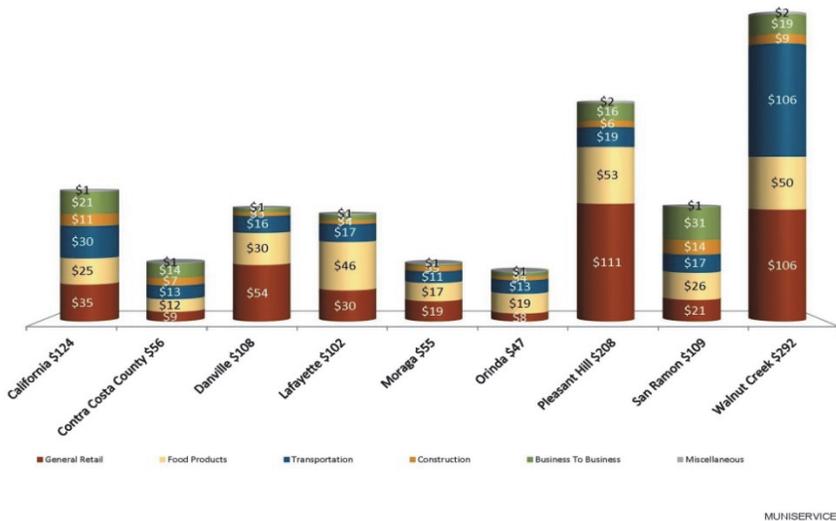
**Sales Taxes**

Sales tax revenue is the second largest revenue source for the Town. As a direct result of the November 2012 passage of a one-cent local add-on sales tax increase (i.e., Measure K), sales tax proceeds have increased significantly as a percentage of total revenue for the Town.

General sales tax revenue was adversely affected during the recent recession – while this revenue peaked in FY 2007/08, it dropped suddenly and significantly in FY 2008/09. Since FY 2008/09, sales tax has recovered and remained relatively stable but flat. 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 positive with projected annual increases of between 2% – 4%.

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 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 also limit future retail growth. Consequently, any improvement in the overall economy is likely to have only a slightly positive impact on projected revenue.

**Chart 4. Selected Jurisdictions Sales Tax Per Capita  
 July 2014 – June 2015 Sales Period**

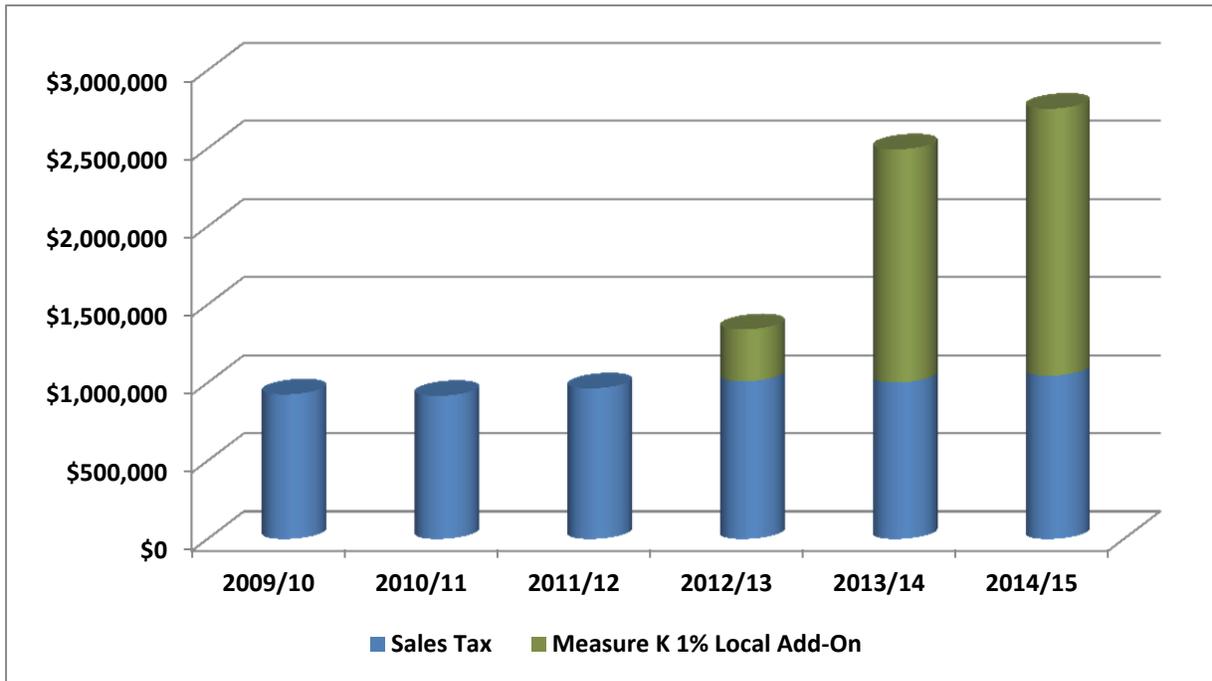


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The most significant change in the Town’s sales tax revenue is the passage of the Measure K 1% Local Add-On Sales Tax. As discussed in the MD&A, the Town’s voters approved Measure K – a one-cent local transaction and use (add-on sales) tax on November 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 was initially expected to increase sales tax revenues by at least one million dollars annually but revenue receipts have exceeded expectations; this year receipts totaled just over \$1.7 million.

**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 and associated infrastructure, as reflected in its annual goals since 2010 and unanimously supported by the entire Town Council. In accordance, the Town Council has issued 2013 Certificates of Participation – Infrastructure Improvements for \$7.2 million leveraging the additional sales tax revenue for a three-year intensive road rehabilitation program.

<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. The Town realized the first full year of Measure K revenue in FY 13/14 in the amount of \$1,492,885; FY 14/15 Measure K revenue was \$1,709,913.

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***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 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 the provision of 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 health 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. In November 2012, Moraga voters approved the Measure K Local Add-On Sales Tax and the Town Council has taken action to leverage a portion 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. The Town is currently completing the third year of the three-year intensive program. And while the remaining proceeds of the additional sales tax are intended to support an on-going annual street rehabilitation program, these proceeds are 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.

**Major Initiatives**

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The Town undertook a number of significant initiatives in FY 2014/15 that will have a beneficial effect on the fiscal health and quality of life for the Town's citizens.

***Economic Development***

With the previously mentioned economic recovery, several residential development projects have been submitted and are currently undergoing different stages of review and approval.

*Camino Ricardo* along the western boundary of the Moraga Center Specific Plan connecting Camino Ricardo with Moraga Road is an approved 26-lot subdivision by SummerHill Homes. In addition to the construction of high-end single family homes, the project includes a variety of benefits negotiated through the Town's first Development Agreement (DA) with substantial input from Council and Planning

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Commission members. The negotiated public benefits include the dedication and improvement of a 2.5 acre public open space park, new trail connections between Moraga Road and Camino Ricardo, design and construction of the park and trails, two pedestrian bridges over two creeks, construction of a new sidewalk along Camino Ricardo, a public “outlook point” within the subdivision, installation of a high-visibility crosswalk to the Skate park, and a financial contribution for pedestrian improvements along Moraga Road. The DA’s community benefit, together with required Development Impact Fees, has an estimated value to the Town of \$2.9 million. As of November 2015, SummerHill Homes has completed major grading and infrastructure work, with construction of the first homes starting in Spring of 2016.

Moraga Town Center Homes is proposed on Moraga Way between the Moraga-Orinda Fire District station and Laguna Creek. This townhome residential project by City Ventures would provide approximately 36 two- and three-story units on Moraga Way, walking distance to the restaurants and shops in the Moraga Center. The Town approved a Conceptual Development Plan and zoning amendment for the project in May 2015. The zoning amendment was subject to a citizen referendum effort that a court ultimately determined not to be valid for placement on the ballot, thereby upholding the project approval. The applicant is expected to move forward with applications for a Subdivision Map and General Development Plan in 2016.

Hetfield Estates was approved conceptually in 2012 and in March 2014 for a 7-lot single family home subdivision on a 58.2-acre property located at the southern end of Hetfield Place. The project was redesigned to reduce grading and avoid three landslides on the property. Council required dedication of an emergency vehicle access easement and construction of a hiking trail, and funding for a future unpaved fire trail within 10 years as determined by the Sanders Ranch Homeowners Association. The Council supported the reduction of on-street parking from eleven spaces to seven in order to reduce the street width, and eliminated street lighting. The Town has received an application for an extension of the Tentative Subdivision Map approval, and submittal of an application for a Final Map early in 2016.

Via Moraga is a proposed development by Signature Homes of 17 single-family homes on a 1.96 acre infill parcel on Moraga Road. The Vesting Tentative Map, and General and Precise Development Plans for the project were approved in Fiscal Year 2014/15, and the Final Map in September 2015. Construction on the project began in Fall of 2015, with construction of the homes expected in Spring/Summer 2016.

Rancho Laguna II

A Vesting Tentative Map and General Development Plan for the Rancho Laguna II project, now named the Bella Vista Subdivision, was approved in April 2014, and the Final Subdivision Map was approved in April 2015. The project includes the construction of 26 single family homes on an approximately 179 acre site located along Rheem Boulevard, with approximately 90 percent of the site remaining as open space. As part of the project, the developer is partnering with the Town for the repair and reconstruction of a portion of Rheem Boulevard currently affected by landslides. Grading on the project site began in mid-July, 2015 including mass grading for landslide repair, access roads and building pads. Grading work is expected to continue through Spring and Summer of 2016, with construction of the first homes beginning in Spring 2016.

***Five Year Financial Plan***

To address the long-term sustainability of the Town’s financial resources, in 2011 the Council identified a goal for developing a five-year financial plan. FY 2012/13 marked the first year of the plan, which

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**TRANSMITTAL LETTER**

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includes the annual budget and a rolling expectation of future revenue and expenditures over the next five years. Each year the five-year financial plan is updated as part of the budget process.

***General Fund Reserve***

For the fiscal year ended June 30, 2015, the Town had an operating surplus of approximately \$23,172. The surplus added to the Town's existing reserve achieved a General Fund reserve of 45.5% of operating expenditures, or just over \$3.0 million. When necessary, the Town has approved the use of reserves for one-time expenditures to improve existing assets such as the building of a community room/Council Chambers at the 335 Rheem Boulevard facility.

***Capital Projects***

*Local Sales Tax Continues to Make a Difference in Condition of Neighborhood Roads.* Backed with a very positive AA+ independent rating from Standard & Poor's Ratings Services, the Town was able to leverage \$600,000 of its annual Measure K revenue stream (\$1.7 million for the year ended June 30, 2015) to sell over \$7.72 million in Certificates of Participation. This funding has been used to expedite the Town's road repair program over a three year period. The first year 2013 Pavement Repair Project applied \$2.15 million for rubberized cape seals and micro seals on 105 street segments, or nearly half of all residential streets. This phase of construction was completed within eleven months after the sales tax was approved by voters and realized approximately \$100,000 in savings. Coupled with this project, the Council approved a moratorium on street cuts to protect these newly repaved streets. The moratorium restricted utilities from completing non-emergency work subsequent to the road repair projects. In the event of an unanticipated and critical repair by the utility, the patch after the work is complete will be at a much higher standard to avoid a patchwork effect and increased road deterioration. Although this requires increased communication and coordination of street repair programming with each of the utilities, it ultimately lengthens the life of the streets.

In its review of the receipts and expenditures of these funds for road repair, the Measure K Local Sales Tax Oversight Committee (LSTOC) completed its 2013-2014 annual independent report with the following conclusions:

- The revenue from Measure K is being appropriately and routinely tracked, reported and monitored.
- Based on a sampling of expensed invoices totaling \$2.4 million for the Fiscal Year of July 1, 2013 through June 30, 2014, expenditures are consistent with, and in support of, the stated objectives of Measure K.
- Staff costs incurred to directly oversee the Pavement Repair Program are eligible expenses under Measure K.
- FY 2013/2014 program phase goals and objectives have been accomplished on time and under budget and a Certificate of Completion for the pavement improvements completed by VSS International, Inc. was filed with the County on November 14, 2013.
- The Pavement Repair Program is proceeding in a manner consistent with the commitments made to the voters of Moraga.

To facilitate the LSTOC in its annual review of revenues and expenses used for the Town's Pavement Management Program, a new Note to Financial Statements, Note 10 – Pavement Management Program (Fund 711), has been added to this year's CAFR. This new note clearly shows that all Measure K revenue is used directly on road repair and maintenance in conformance with Town Council direction.

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The results of the Pavement Management Program effort have been appreciated locally, as well as at county, regional, State, and international levels. The Pavement Management Program Update completed by an independent consultant hired by the Metropolitan Transportation Commission (MTC) shows a dramatic increase in the Pavement Condition Index (PCI) in Moraga. Results of the three-year intensive program saw a rise from 49 (poor) to 58 (fair) in the first year; from 58 (fair) to 64 (fair) in the second year; and from 58 (fair) to 70 (good) in the third year (2015). MTC also selected the Town of Moraga for its 2013 Best All-Around Pavement Management Program Award recognizing the Town's accomplishments for having the best overall pavement management strategy.

Additionally, the League of California Cities and the California State Association of Counties/County Engineers Association of California selected the Town of Moraga's 2013 Pavement Repair Project as a top 20 finalist in the 2014 Outstanding Local Streets and Roads Project Awards Program. This award program was developed to recognize and raise awareness of exceptional achievements made by California cities and counties to preserve and protect the public's investment in local streets and road systems.

*Remodel of Town Council Chambers and Community Meeting Room.* Construction of the new Council Chambers and community meeting room at 335 Rheem Boulevard has been completed. The remodel of the Town Corporation Yard included construction of a new Americans with Disabilities Act (ADA) compliant restroom, a new building façade, Spanish-style roof, and Field Operations Center functionality in the event of disaster. The landscaping includes drought tolerant grasses, naturalized boulders, a plaza, trellises and seat walls and decorative pots.

The remodel also includes new assistive listening devices, high definition monitors, and automated camera and production capabilities to enable Council and other meetings at 335 Rheem Boulevard to be televised live on CCTV (Channel 26) and viewed live and archived on the Town's website. The new equipment enables improved data gathering and enhanced local communications in the event of a disaster.

*Electronic Community Information Sign.* In July 2015, the Town completed installation of an electronic community sign in order to keep residents informed about Town updates and events. The new technology allows Town staff to easily modify the electronic display off-site to meet Town needs and public expectations and to serve as another means to inform the public in the event of an emergency.

**Certificate of Achievement**

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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Moraga for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The Town first received a GFOA award for the 2012-2013 CAFR. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Town staff believes that the current Comprehensive Annual Financial Report (CAFR) continues to meet the Certificate of Achievement Program requirements and will again submit its CAFR to the GFOA to determine eligibility for another certificate.

**TOWN OF MORAGA**  
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**TRANSMITTAL LETTER**

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**Acknowledgements**

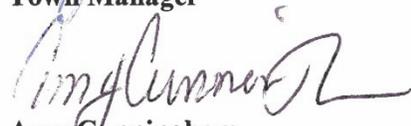
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The preparation of this Comprehensive Annual Financial Report was made possible by the year-round and dedicated efforts of the Administrative Services Department staff, working in conjunction with Maze & Associates, the Town's independent auditors. Special thanks are extended to the Town Treasurer and Audit and Finance Committee for their individual and group contributions to this 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**



**Amy Cunningham**  
**Administrative Services Director**

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

Elected Officials

Roger Wykle, Mayor  
Michael Metcalf, Vice Mayor  
Dave Trotter, Councilmember  
Phil Arth, Councilmember  
Teresa Onoda, Councilmember

Audit and Finance Committee

Bradley Ward, Town Treasurer  
Roger Wykle, Mayor  
Phil Arth, Councilmember  
Tim Freeman, Committee Member  
Robert Kennedy, Committee Member

Town Manager

Jill Keimach

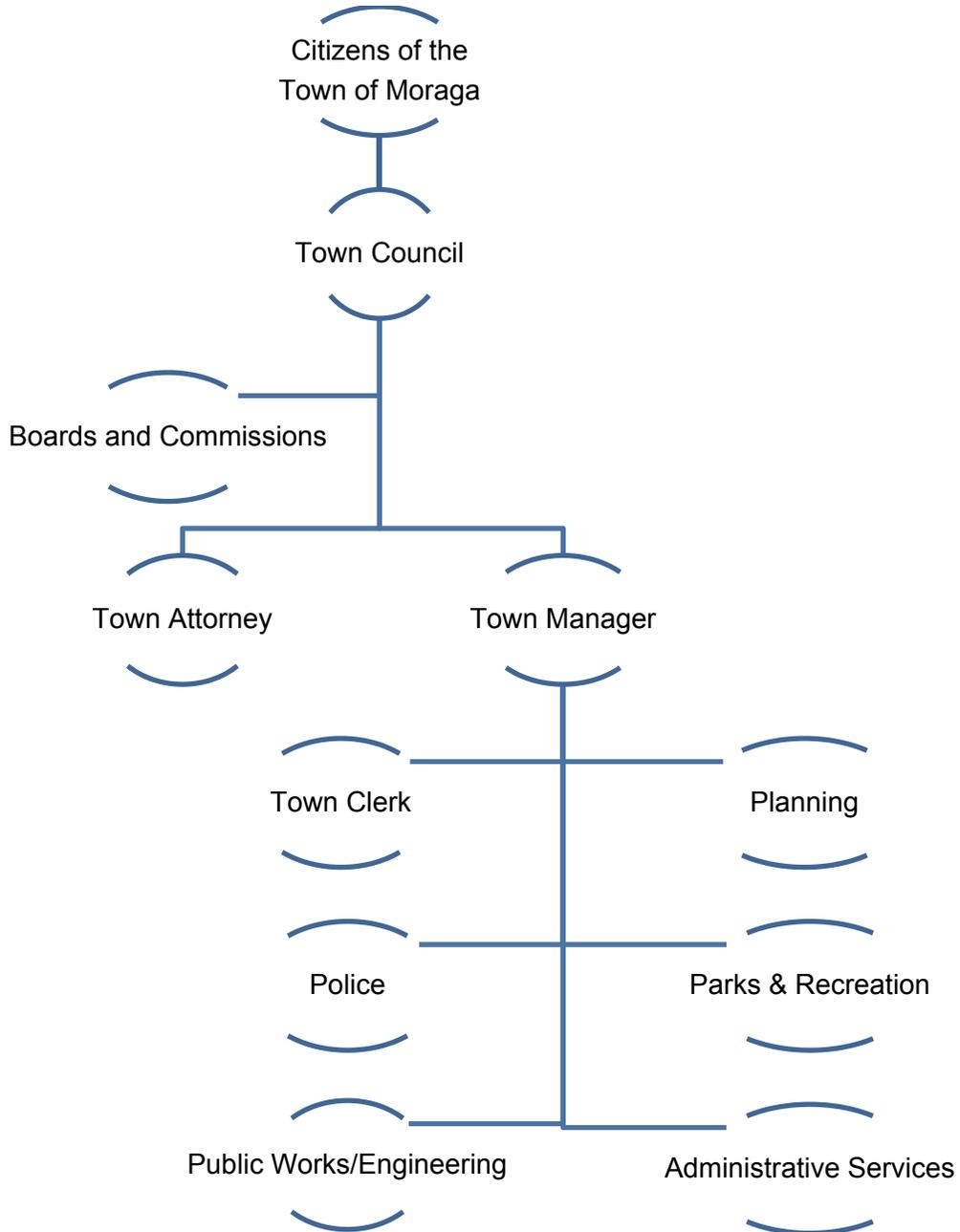
Department Directors

Ellen Clark, 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

Town of Moraga  
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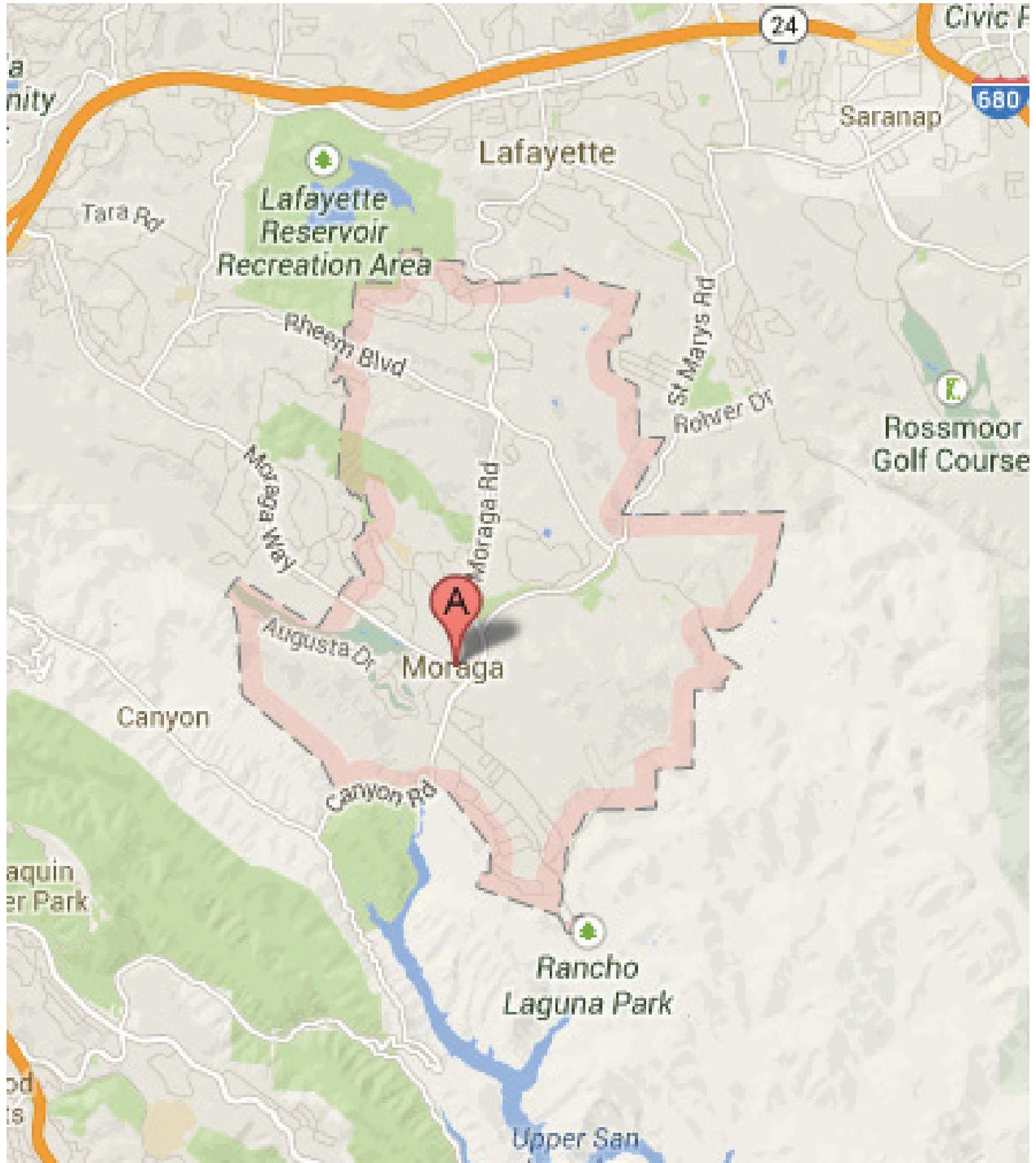
**ORGANIZATION CHART**



Town of Moraga  
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LOCATION MAP





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Moraga  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

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## 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 (Town) as of and for the year ended June 30, 2015, 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. 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, 2015, 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***

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 that required a prior period adjustment to the financial statements, as discussed in Note 1M to the financial statements:

- Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.*

Also as discussed in Note 1K, the Town recategorized certain governmental fund activities in to a new Debt Service Fund.

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 and Other Required Supplementary Information 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.

*Maze & Associates*

Pleasant Hill, California  
October 29, 2015

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

### **INTRODUCTION**

Town of Moraga ("Town") management offers readers this overview of the Town's financial performance for the fiscal year ended June 30, 2015. 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 may 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 and 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, 2015 are noted as follows:

1. The Town's assets exceeded its liabilities (total net position) by \$40,429,929 (Statement of Net Position, page 18). This compares to the net position of \$42,801,561 (amount prior to implementation of GASB Statements 68 and 71<sup>1</sup>) in the prior year ended June 30, 2014, a decrease of \$2,371,632, (-5.5%).
2. The Town's unassigned fund balance is \$3,071,555 (Balance Sheet, page 22), which represents 45.5% of the actual General Fund expenditures (\$6,752,870) (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 \$1,971,271 classified as *committed* fund balance based on and subject to Town Council action on its use (Balance Sheet, page 22).
3. The net change in fund balances for all funds (Total Governmental Funds) decreased by \$3,124,971 due to use of resources for the Pavement Management Program (\$2,744,750) and other capital projects.

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<sup>1</sup> As a result of implementation of GASB Statement 68 and 71 in FY 2014-2015, the Town has restated the beginning balance of the net position of government activities, reducing it by \$4,446,616. This amount arrives from Net Pension Liability as of 6/30/2013 per actuarial study (CalPERS) less actual contributions during FY 2013-2014. The restated Beginning net position in FY 2014-2015 is \$38,354,945. See Note 1.M. 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 \$6,752,870 (Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, page 24) increased by 1.7% from the prior year ended June 30, 2014, with expenditures of \$6,640,412.
5. From a budget perspective, the Town's operating costs for the year were fully covered with revenues received during the same year. The Town's General Fund actual revenue totaled \$8,624,276 and net inter-fund transfers totaled negative \$1,848,234, including \$1,709,913 transferred from the General Fund to the Pavement Management Program capital fund. Operating expenditures totaled \$6,752,870. Revenues came in over budget by \$318,073 (3.8%). Expenditures came in under budget with a savings of \$486,643 (6.7%), due to salary savings from staff vacancies during the year, reduced professional fees, and continued conscientiousness amongst Town staff to keep expenditures to a minimum. (Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, page 24).

#### **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements are comprised of three components: (1) Government-wide 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 taxes, 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 liabilities 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 liabilities – 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 physical assets, including roads, facilities 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) 2014/15. The following table provides a summary of the Town's net position at June 30, 2015 compared to the prior years.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 1. Summary of Net Position for FY 2012/13, 2013/14 and 2014/15**

	FY 2012/13	FY 2013/14	% Change 12/13 to 13/14	FY 2014/15	% Change 13/14 to 14/15
<b>Assets</b>					
Current Assets	\$10,516,429	\$16,945,784	61.1%	\$14,103,167	-16.8%
Capital Assets	32,420,039	35,722,105	10.2%	40,407,181	13.1%
<b>Total Assets</b>	<b>42,936,468</b>	<b>52,667,889</b>	<b>22.7%</b>	<b>54,510,348</b>	<b>3.5%</b>
<b>Deferred Outflow of Resources</b>					
Related to pensions				520,023	
<b>Total Deferred Outflow</b>				<b>520,023</b>	
<b>Liabilities</b>					
Current liabilities	772,999	1,156,840	49.7%	1,239,288	7.1%
Noncurrent liabilities	1,382,464	8,709,488	530.0%	11,955,621	37.3%
<b>Total Liabilities</b>	<b>2,155,463</b>	<b>9,866,328</b>	<b>357.7%</b>	<b>13,194,909</b>	<b>33.7%</b>
<b>Deferred Inflow of Resources</b>					
Related to pensions				1,181,749	
Other				223,784	
<b>Total Deferred Inflow</b>				<b>1,405,533</b>	
<b>Net Position</b>					
Invested in capital	31,262,841	32,510,879	4.0%	34,803,223	7.1%
Restricted	4,574,470	5,231,652	14.4%	4,834,164	-7.6%
Unrestricted	4,834,853	5,059,030	4.6%	792,542	-84.3%
<b>Total Net Position<sup>2</sup></b>	<b>40,672,164</b>	<b>42,801,561</b>	<b>5.2%</b>	<b>40,429,929</b>	<b>-5.5%</b>

Comparative data related to deferred outflows, deferred inflows and net pension liability is not available for FY 2013 and 2014 due to pension accounting changes required by GASB No. 68 & 71.

For the year ended June 30, 2015, total assets exceeded liabilities by \$40,429,929. This compares to a net position of \$42,801,561 in the prior year ended June 30, 2014<sup>2</sup>, a decrease of \$2,371,632 (-5.5%).

The decrease in current assets for the year ended June 30, 2015 compared to the prior year is primarily attributed to the use of cash proceeds from the 2013 Certificate of Participation for street rehabilitation. Capital assets increased as over \$4 million of street construction in progress was completed and transferred to fixed assets.

<sup>2</sup> As a result of implementation of GASB Statement 68 and 71 in FY 2014-2015, the Town has restated the beginning balance of the net position of government activities, reducing it by \$4,446,616. See Note 1.M. Notes to Financial Statements, for more information.

Town of Moraga  
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**Fiscal Year Ended June 30, 2015**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

During FY 2014-15, the Town implemented GASBs No. 68 & 71 which required the recording of net pension liability and pension related deferred inflows and outflows. See Note 7.B. for details of this restatement.

Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. Due to GA.SB 68 & 71 and the recording of a net pension liability, the unrestricted net position was \$792,542.

Of the Town's net position, 86.1% is invested in capital assets (\$34,803,223) (e.g., land, buildings, machinery and equipment) and is reported net of related debt. Since these capital assets are used to provide services to the community, they may not be readily used to liquidate liabilities. An additional 12.0% of the net position 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, 2015. 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 special revenues and assessments, fees and grants, and illustrates the relative expense supported by the Town's general discretionary revenues (i.e., property taxes, sales tax, and franchise fees). The following table is information from the *Statement of Activities* presented in an alternative format and comparing the Town's activities at the end of FY 2014/15 with that of prior years.

**Table 2. Statement of Activities for FY 2012/13, 2013/14 and 2014/15**

	FY 2012/13	FY 2013/14	% Change 12/13 to 13/14	FY 2014/15	% Change 13/14 to 14/15
<b>Program Revenues:</b>					
Charges for Services	\$1,247,856	\$1,289,225	3.3%	\$1,630,424	26.5%
Operating Grants and Contributions	1,365,249	1,586,631	16.2%	1,386,015	-12.6%
Capital Grants and Contributions	430,697	1,306,480	203.3%	422,684	-67.6%
<i>Total Program Revenues</i>	3,043,802	4,182,336	37.4%	3,439,123	-17.8%
<b>General Revenues:</b>					
Property Taxes	3,070,278	3,204,386	4.4%	3,467,233	8.2%
Sales Taxes	1,342,747	2,494,796	85.8%	2,755,146	10.4%
Franchise Fees	749,227	823,301	9.9%	955,183	16.0%
Motor Vehicle License Fees	7,011				
Interest	22,544	25,954	15.1%	36,101	39.1%
Other	144,500				
<i>Total General Revenues</i>	5,336,307	6,548,437	22.7%	7,213,663	10.2%
<b>Total Revenues</b>	<b>8,380,109</b>	<b>10,730,773</b>	<b>28.1%</b>	<b>10,652,786</b>	<b>27.1%</b>

Town of Moraga  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2015**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

<b>Program Expenses:</b>					
General Administration	1,528,140	1,601,401	4.8%	1,546,125	-3.5%
Planning	445,705	666,363	49.5%	720,899	8.2%
Public Safety	2,288,770	2,551,912	11.5%	2,546,827	-0.2%
Public Works	2,342,094	1,962,949	-16.2%	2,056,010	4.8%
Parks and Recreation	679,215	1,568,294	130.9%	1,339,255	-14.7%
Interest on Long Term Debt	56,669	250,457	342.0%	368,686	47.2%
<b>Total Expenses</b>	<b>7,340,593</b>	<b>8,601,376</b>	<b>17.2%</b>	<b>8,577,802</b>	<b>-0.3%</b>
<b>Change in Net Position</b>	<b>1,039,516</b>	<b>2,129,397</b>	<b>104.8%</b>	<b>2,074,984</b>	<b>-2.6%</b>
<b>Net Position, Beginning of the Year<sup>3</sup></b>	<b>39,741,490</b>	<b>40,672,164</b>	<b>0.4%</b>	<b>38,354,945</b>	<b>-5.7%</b>
<b>Net Position, End of the Year</b>	<b>\$40,781,006</b>	<b>\$42,801,561</b>	<b>2.6%</b>	<b>\$40,429,929</b>	<b>-5.5%</b>

For the year ended June 30, 2015, the Town received \$7,213,663 in general revenues and incurred expenses against these revenues of \$5,138,679 (the sum of Total Expenses less Program Revenues). The change in net position was \$2,074,984, a decrease of -2.6% from the prior year.

The increase in general revenues from the prior year is attributed to an increase in property taxes both from increased property assessed valuations and one-time real estate transfer taxes, in addition to increased sales tax revenues associated with the Measure K voter-approved 1% Local Add-On Transactions and Use Tax. The Measure K sales tax was collected effective April 1, 2013 and FY 2013/14 was the first full year of sales tax receipts.

**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 four major fund groups – General Fund, Capital Projects Fund, Debt Service 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 group is made up of the Town's discretionary resources (e.g., property taxes; sales and use taxes; franchise fees) and functions as the general operating fund. The General Fund group includes the General Purpose Fund and One-Time Developer Fee Fund (i.e., Palos Colorados settlement funds).

<sup>3</sup> In FY 2013/14, a prior period adjustment was applied decreasing the General Fund beginning fund balance and net position by \$108,842. Monies were recorded in the Agency Fund to more appropriately account for revenues and related activities in the Agency Fund. Refer to Note 1.M. Notes to Financial Statements, for more information.

Town of Moraga  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2015**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The Capital Projects Fund group includes the Street Pavement Management Fund, Community Facilities/Open Space Fund, Asset Replacement Fund, various grant funds and development impact fee funds.

The Debt Service Funds includes the 2010 Certificates of Participation (Town Hall Improvements) Fund, 2013 Certificates of Participation (Infrastructure Improvements) Fund.

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

**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 restrictions for 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, 2015, the Town's governmental fund types included combined ending fund balances of \$13,289,657. However, of that total, \$646 is classified as *nonspendable* (i.e., petty cash, prepaid expenditures, notes receivable, advances to other funds, or loan receivable); 47% (\$6,277,032) is classified as *restricted* (i.e., Certificates of Participation, debt service, grants, or restricted by legislative action at the local, state or federal level); 27% (\$3,620,936) is *committed* (i.e., constrained by formal action of the Town Council); and 2% (\$319,488) is *assigned* (i.e., encumbrances).

The Town's unassigned (General Fund) fund balance is 23% (\$3,071,555) of the total combined fund balance. This amount also represents 45.5 % of the actual General Fund expenditures (\$6,752,870) for the year ended June 30, 2015.

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 2014/15 actual revenue and expenditure activity. A summary of net changes by fund group is shown in the table below.

Town of Moraga  
**Comprehensive Annual Financial Report**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**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>Debt Service</b>	<b>Other Gov't Funds</b>	<b>Total Gov't Funds</b>
Beginning Fund Balance	\$5,339,788	\$3,177,389	\$5,843,268	\$2,054,183	\$16,414,628
Ending Fund Balance	5,362,960	2,628,316	3,092,547	2,205,834	13,289,657
<b>Net Change</b>	<b>\$23,172</b>	<b>(\$549,073)</b>	<b>(\$2,750,721)</b>	<b>\$151,651</b>	<b>(\$3,124,971)</b>

In FY2014-15 a new fund, the Debt Service Fund, was created, by transferring 2010 COP and 2013 COP from the Capital Project Fund to this new fund. This decreased the beginning fund balance in the Capital Projects Fund by \$5,843,268, shifting that balance to the new Debt Service Fund. The decrease shown in the Capital Projects fund balance is attributed to the use of fund balance accumulated in prior years, but used in FY 2014-15. Revenue in the Capital Projects fund is committed to capital projects (such as the street rehabilitation projects) over multiple years. The decrease in Debt Service Fund balance is due to the transfer of Bond Proceeds to the Pavement Management Project where the funds were used for street rehabilitation.

**STRENGTHS AND RISKS**

**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 achieve and maintain a General Fund balance equal to 50% of the General Fund operating expenditures. At the year ended June 30, 2015, the unassigned fund balance was \$3,071,555, which represents 45.5% of the actual General Fund expenditures (\$6,752,870) for the year ended June 30, 2015 (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 Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual*. Property tax revenues include ad valorem, homeowner's property tax relief, and real property transfer taxes. For FY 2014/15, the 8.2% increase is attributed to an increase in property assessed valuations and Real Estate Transfer Taxes that are dependent upon real estate sales activity.

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

	<b>FY 2012/13</b>	<b>FY 2013/14</b>	<b>% Change 12/13 to 13/14</b>	<b>FY 2014/15</b>	<b>% Change 13/14 to 14/15</b>
Property Tax	\$3,070,278	\$3,204,387	4.4%	3,467,233	8.2%

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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

*Sales Taxes*

Sales taxes are the second largest revenue source for the Town. The Town receives two types of sales tax: Bradley-Burns Uniform Local Sales and Use Tax, and a Local Transactions and Use Tax (add-on). The Bradley-Burns Uniform Local Sales and Use Tax is generated from the sales transactions located within the Town, and also includes a portion of sales from the County pool, and sales tax in-lieu. The Town’s sales and use tax revenues have experienced modest changes during economic downturns and overall have remained relatively flat.

The Town’s additional one-cent local transactions and use (add-on sales) tax, Measure K, was approved by voters 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, permitting the Town to use the revenue for a variety of purposes. These uses include but are not limited to addressing the Town’s most financially critical of repairing failing streets and storm drains. The Town Council has consistently stated its intention to spend the proceeds from Measure K for road repair. This intention is reflected in the Town Council’s annual goals since 2010 and has been unanimously supported by the entire Town Council. In accordance, the Town Council has issued 2013 Certificates of Participation for Infrastructure Improvements leveraging a portion of the additional sales tax revenue for a 3-year intensive road rehabilitation program. FY 2014/15 experienced the second year of Measure K sales tax revenue with receipts reaching \$1,709,913.

**Table 5. History of Sales Tax Revenues**

	<b>FY 2012/13</b>	<b>FY 2013/14</b>	<b>% Change 12/13 to 13/14</b>	<b>FY 2014/15</b>	<b>% Change 13/14 to 14/15</b>
Sales and use tax	\$746,182	\$746,643	0.1%	\$791,900	6.1%
Sales and use tax in lieu	263,557	255,268	-3.1%	253,333	-0.8%
1% Local Add-on (“Measure K”)	333,008	1,492,885	348.3%	1,709,913	14.5%
<b>Total Sales Tax Revenue</b>	<b>\$1,342,747</b>	<b>\$2,494,796</b>	<b>85.8%</b>	<b>\$2,755,146</b>	<b>10.4%</b>

*Franchise Fees*

Franchise fees are the Town’s third largest revenue source. Franchise fees include those from Central Contra Costa Solid Waste Authority (CCCSWA), Pacific Gas & Electric (PG&E) and Comcast Cable. In addition, starting on March 1, 2014, a Garbage Vehicle Impact Fee is collected from users and remitted to the Town. The Town transfers these revenues to the Capital Projects fund for street rehabilitation.

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

	<b>FY 2012/13</b>	<b>FY 2013/14</b>	<b>% Change 12/13 to 12/14</b>	<b>FY 2014/15</b>	<b>% Change 13/14 to 14/15</b>
CCCSWA	\$285,979	\$283,698	-0.8%	\$298,105	5.1%
CCCSWA – Garbage Vehicle Impact Fee		\$55,667		\$169,333	204.2%
PG&E	174,014	178,900	2.8%	173,975	-2.8%
Comcast	289,234	305,036	5.5%	313,770	2.9%
<b>Total Franchise Fee Revenue</b>	<b>\$749,227</b>	<b>\$823,301</b>	<b>9.9%</b>	<b>\$955,183</b>	<b>16.0%</b>

Town of Moraga  
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**Fiscal Year Ended June 30, 2015**

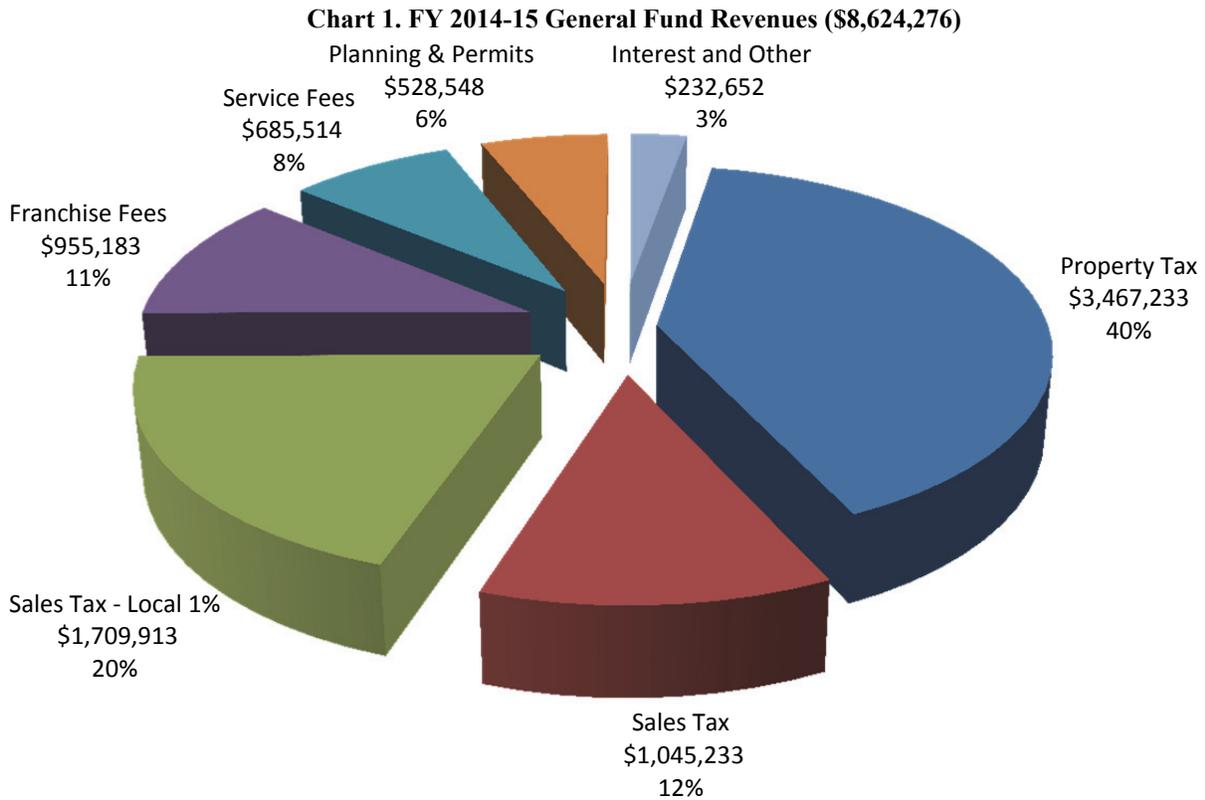
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Other revenues used to support general operations based upon their respective restrictions include gas tax, NPDES (Clean Water Act - National Pollutant Discharge Elimination System) revenues, and Lighting Assessment District.

*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).



While the Town proactively addresses issues that it has some measure of control over, external factors exist 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 as 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. Proposition 13 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 set under Prop. 13 was 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. Based on these conditions the Town's proportion of the property tax was set at 5.3%<sup>4</sup> and has held constant to this day.

<sup>4</sup> The Town of Moraga is comprised of nine (9) Tax Rate Areas (TRAs) and the actual rate varies slightly from one TRA to another. The 5.3% represents the rate in TRA 15-002.

Town of Moraga  
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**Fiscal Year Ended June 30, 2015**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

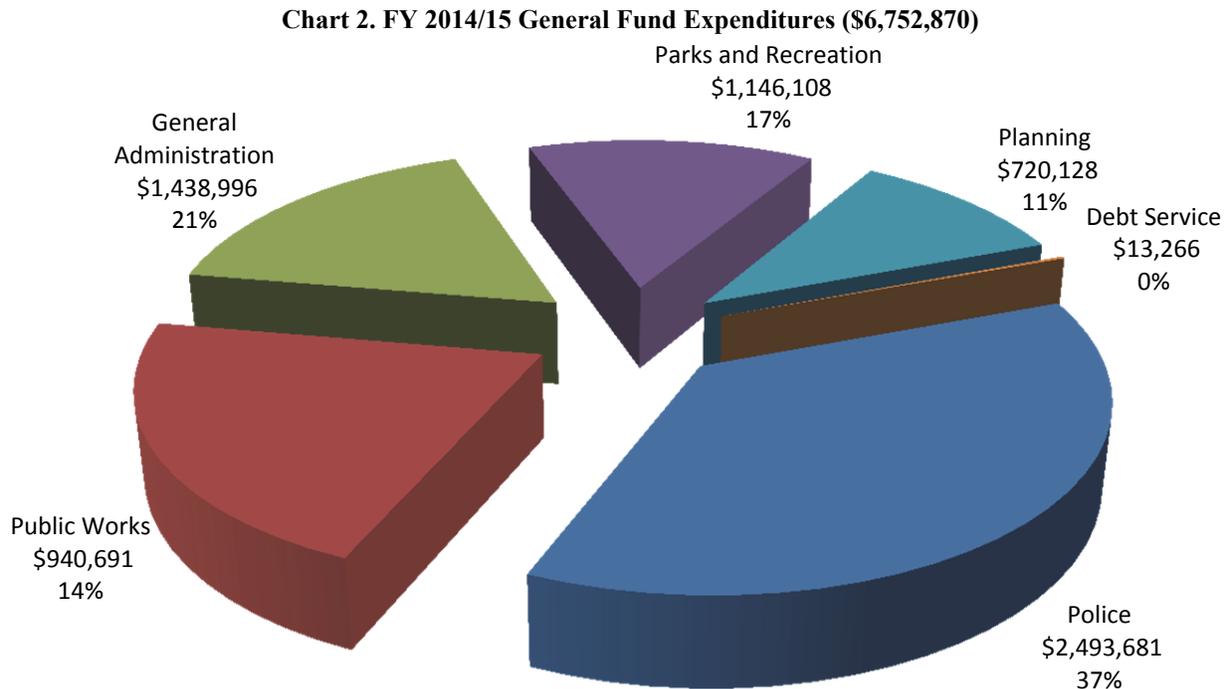
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Other government entities also have an influence on the financial health of the Town. In recent years, voters have repeatedly passed propositions to prevent the State legislature from continuing to raid local revenues. Consequently, the State is limited in how much revenue it can take back from local government. However, the State has faced its own set of fiscal challenges and program reductions have pushed down service responsibilities from the State level to the county and municipal levels.

**Expenditures**

The Town government was founded on a “minimal government” model. In this tradition, the Town strives 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).



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

Town of Moraga  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Additionally, the Town contracts with Contra Costa County for a variety of services including animal services, police dispatch, forensics, jail and booking services, Cal-ID, and ARIES maintenance. These contracted services are part of the Police Department 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.

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

<b>Service Type</b>	<b>FY 2012/13</b>	<b>FY 2013/14</b>	<b>% Change 12/13 to 13/14</b>	<b>FY 2014/15</b>	<b>% Change 13/14 to 14/15</b>
Animal Services	\$85,045	\$85,767	0.8%	\$86,224	0.5%
Police Dispatch <sup>5</sup>	70,450	92,858	31.8%	160,906	73.3%
Cal-ID	16,589	17,418	5.0%	18,289	5.0%
ARIES Maintenance (computer system)	8,350	8,350	0.0%	8,350	0.0%
Forensic Services	11,378	13,252	16.5%	8,057	-39.2%
Jail Services / Booking Fees	340	0	-100.0%	0	
Signal/Street Light Maintenance	46,155	48,258	4.6%	28,043	-41.9%
<b>Total Expenditures</b>	<b>\$238,307</b>	<b>\$265,903</b>	<b>11.6%</b>	<b>\$309,869</b>	<b>16.5%</b>

The Town spent \$6,170,890 in all governmental funds on capital improvement projects (Basic Financial Statements, page 24). Projects undertaken during the year include the following:

- Hacienda de las Flores Conceptual Plan
- Moraga Library Restroom Improvements
- Electronic Community Information Sign
- Commons Park ADA Pathway

**Capital Assets**

The Town's investment in capital assets as of June 30, 2015 totaled \$40,407,181, compared to \$35,722,105 in FY 2014/15 (Basic Financial Statements, Note 5, page 41). 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 Pavement Management Program 2014 (\$4,175,600); Minor Capital Improvements, Annual (\$23,337); Minor Corrugated Pipe Repair, Annual (\$14,693); Hacienda Improvements, Annual (\$20,303); Commons Park Improvements, Annual (\$43,210); IT Infrastructure (\$20,512); 329 Rheem HVAC (\$44,680); Vehicles and Operating Equipment Program, Annual (\$72,346); Turf Improvement Project, Pavilion (\$66,317); ADA Improvements (\$42,892). These project costs, previously not depreciated, are now categorized as depreciable assets.

<sup>5</sup> In Fiscal Years 2012-2013 and 2013-2014 the Town applied a total credit of \$139,300.59 (\$69,650.30 each year) to contract Police Dispatch costs. The Fiscal Year 2014-2015 expense of \$160,906 reflects the full cost of services for the year.

Town of Moraga  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2015**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Retirements of \$104,751 include the elimination of vehicles and equipment sold and/or removed from the Town's inventory.

**Debt**

The Town's debt totals \$8,696,491 as of June 30, 2015, compared to \$9,054,414 in the prior year (Basic Financial Statements, Note 6, page 42). The remaining debt is attributed to the \$1,525,000 Certificates of Participation issued in 2010 for the Town Hall Improvement Project, an Energy Efficiency Loan taken to complete energy efficiency improvements at various Town facilities, and the \$7,720,000 Certificates of Participation issued in 2013 for Infrastructure Improvements, including streets and storm drains.

**Table 8. Long Term Liabilities**

<b>Governmental Activities</b>	<b>Original Issue Amount</b>	<b>Balance 30-Jun-14</b>	<b>Retirements</b>	<b>Balance June 30, 2015</b>	<b>Current Portion Payable in FY 2015-16</b>
2010 Certificates of Participation	\$1,525,000	\$1,320,000	(\$60,000)	\$1,260,000	\$65,000
Energy Efficiency Loan	198,935	62,464	(14,926)	\$47,538	15,375
2013 Certificate of Participation	7,720,000	7,425,000	(270,000)	\$7,155,000	275,000
Add: Unamortized Bond Premium	259,947	246,950	(12,997)	\$233,953	12,997
<b>Total Debt</b>	<b>\$9,703,882</b>	<b>\$9,054,414</b>	<b>(\$357,923)</b>	<b>\$8,696,491</b>	<b>\$368,372</b>

**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, 2015. Readers are encouraged to examine the Basic Financial Statements, Notes and Supplemental Information contained in this report for additional detail.

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, 2015**

**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, 2015

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and investments (Note 3)	\$9,904,178
Restricted cash and investments (Note 3)	3,092,532
Accounts receivable	1,105,811
Prepays	646
Total current assets	14,103,167
Noncurrent assets:	
Capital assets (Note 5)	
Capital assets, not being depreciated	14,140,572
Capital assets, being depreciated, net of accumulated depreciation	26,266,609
Total capital assets, net	40,407,181
Total non current assets	40,407,181
Total Assets	54,510,348
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions (Note 7)	520,023
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	436,924
Accrued payroll	151,952
Unearned revenue	850
Loan payable - due within one year (Note 6)	15,375
Certificates of participation - due within one year (Note 6)	340,000
Accrued compensated absences - due within one year (Note 1G)	294,187
Total current liabilities	1,239,288
Noncurrent liabilities:	
Loan payable - due in more than one year (Note 6)	32,163
Certificates of participation - due in more than one year (Note 6)	8,308,953
Net pension liability (Note 7)	3,614,505
Total noncurrent liabilities	11,955,621
Total Liabilities	13,194,909
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions (Note 7)	1,181,749
Other	223,784
Total Deferred Inflows of Resources	1,405,533
<b>NET POSITION (Note 8)</b>	
Net investment in capital assets	34,803,223
Restricted for:	
Capital projects	2,628,330
Special revenue projects:	
Streets and roads	1,978,556
Public safety	148,893
Other projects	78,385
Unrestricted	792,542
Total Net Position	\$40,429,929

See accompanying notes to financial statements

TOWN OF MORAGA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

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
Primary Government					
Governmental activities:					
General administration	\$1,546,125	\$199,703		\$9,910	(\$1,336,512)
Planning	720,899	528,548	\$365,921	136,621	310,191
Public safety	2,546,827	92,100	213,015	828	(2,240,884)
Public works	2,056,010	452,795	796,879	273,325	(533,011)
Parks and recreation	1,339,255	357,278	10,200	2,000	(969,777)
Interest on long-term debt	368,686				(368,686)
Total	<u>8,577,802</u>	<u>1,630,424</u>	<u>1,386,015</u>	<u>422,684</u>	<u>(5,138,679)</u>
Total primary government	<u>\$8,577,802</u>	<u>\$1,630,424</u>	<u>\$1,386,015</u>	<u>\$422,684</u>	<u>(5,138,679)</u>
General revenues:					
Taxes:					
Property tax					3,467,233
Sales tax					2,755,146
Franchise tax					955,183
Interest					<u>36,101</u>
Total general revenues					<u>7,213,663</u>
Change in Net Position					2,074,984
Net Position - Beginning, as adjusted (Note 1M)					<u>38,354,945</u>
Net Position - Ending					<u>\$40,429,929</u>

See accompanying notes to financial statements

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**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**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 2015. 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.

**DEBT SERVICE FUND**

The Debt Service Fund was established to account for the proceeds from the issuance of long-term debt, as well as annual debt service payments.

TOWN OF MORAGA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2015

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments (Note 3)	\$5,059,179	\$2,654,894		\$2,190,105	\$9,904,178
Restricted cash and investments (Note 3)			\$3,092,532		3,092,532
Accounts receivable	643,086	414,630	15	48,080	1,105,811
Prepays	646				646
Due from other funds	5,503				5,503
<b>Total Assets</b>	<b><u>\$5,708,414</u></b>	<b><u>\$3,069,524</u></b>	<b><u>\$3,092,547</u></b>	<b><u>\$2,238,185</u></b>	<b><u>\$14,108,670</u></b>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$193,502	\$226,408		\$17,014	\$436,924
Accrued payroll	151,952				151,952
Unearned revenue		850			850
Due to other funds				5,503	5,503
<b>Total Liabilities</b>	<b><u>345,454</u></b>	<b><u>227,258</u></b>		<b><u>22,517</u></b>	<b><u>595,229</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue		213,950		9,834	223,784
<b>FUND BALANCES (Note 8)</b>					
Nonspendable	646				646
Restricted		978,651	\$3,092,547	2,205,834	6,277,032
Committed	1,971,271	1,649,665			3,620,936
Assigned	319,488				319,488
Unassigned	3,071,555				3,071,555
<b>Total Fund Balances</b>	<b><u>5,362,960</u></b>	<b><u>2,628,316</u></b>	<b><u>3,092,547</u></b>	<b><u>2,205,834</u></b>	<b><u>13,289,657</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$5,708,414</u></b>	<b><u>\$3,069,524</u></b>	<b><u>\$3,092,547</u></b>	<b><u>\$2,238,185</u></b>	<b><u>\$14,108,670</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, 2015

**Total fund balances - governmental funds** \$13,289,657

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. 40,407,181

**LONG-TERM ASSETS, LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

The assets, deferred outflows of resources, liabilities and deferred inflows of resources below are not due and payable in the current period and therefore are not reported in the Funds:

Deferred outflows of resources related to pensions	520,023
Compensated absences	(294,187)
Net pension liability	(3,614,505)
Loan payable	(47,538)
Certificates of participation	(8,648,953)
Deferred inflows of resources related to pensions	(1,181,749)
	(1,181,749)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$40,429,929

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, 2015

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes and assessments	\$1,853,970			\$992,817	\$2,846,787
Property tax - in lieu	1,448,086				1,448,086
Sales and use tax	791,900				791,900
Sales tax - public safety				63,542	63,542
Sales and use tax - in lieu	253,333				253,333
Sales tax - 1% local add-on (Measure K)	1,709,913				1,709,913
Franchise fees	955,183				955,183
Real property transfer fees	149,620				149,620
Motor vehicle license fees	6,772				6,772
Homeowner's property tax relief	15,557				15,557
Planning and permits	528,548				528,548
Interest	12,228	\$2,722	\$15,891	5,259	36,100
Property rentals	41,285				41,285
Parks and recreation	357,278			10,200	367,478
Police services	72,379				72,379
Public works services	255,857				255,857
Intergovernmental		368,314		479,894	848,208
Fines, forfeitures and penalties				35,500	35,500
Other revenues	172,367	54,371			226,738
<b>Total Revenues</b>	<b>8,624,276</b>	<b>425,407</b>	<b>15,891</b>	<b>1,587,212</b>	<b>10,652,786</b>
<b>EXPENDITURES</b>					
Current operations:					
General administration	1,438,996		2,000		1,440,996
Planning	720,128				720,128
Public safety	2,493,681				2,493,681
Public works	940,691			138,654	1,079,345
Parks and recreation	1,146,108				1,146,108
Debt service:					
Principal	11,864		330,000	3,062	344,926
Interest	1,402		379,919	362	381,683
Capital outlay		6,170,890			6,170,890
<b>Total Expenditures</b>	<b>6,752,870</b>	<b>6,170,890</b>	<b>711,919</b>	<b>142,078</b>	<b>13,777,757</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,871,406</b>	<b>(5,745,483)</b>	<b>(696,028)</b>	<b>1,445,134</b>	<b>(3,124,971)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (Note 4)	861,361	5,814,707	708,972	24,984	7,410,024
Transfers out (Note 4)	(2,709,595)	(618,297)	(2,763,665)	(1,318,467)	(7,410,024)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,848,234)</b>	<b>5,196,410</b>	<b>(2,054,693)</b>	<b>(1,293,483)</b>	
<b>NET CHANGE IN FUND BALANCES</b>	<b>23,172</b>	<b>(549,073)</b>	<b>(2,750,721)</b>	<b>151,651</b>	<b>(3,124,971)</b>
<b>BEGINNING FUND BALANCES AS ADJUSTED (NOTE 1K)</b>	<b>5,339,788</b>	<b>3,177,389</b>	<b>5,843,268</b>	<b>2,054,183</b>	<b>16,414,628</b>
<b>ENDING FUND BALANCES</b>	<b>\$5,362,960</b>	<b>\$2,628,316</b>	<b>\$3,092,547</b>	<b>\$2,205,834</b>	<b>\$13,289,657</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, 2015

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	(\$3,124,971)
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	5,976,534
Depreciation expense is deducted from fund balance	(1,291,458)
Long-Term Debt Proceeds and Payments:	
Amortization of bond premium is an expenditure in the governmental funds, but the amortization reduces long-term liabilities in the Statement of Net Position.	12,997
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	344,926
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	(13,429)
Net pension liability and deferred outflows/inflows of resources related to pensions	170,385
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$2,074,984

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Adjusted</u>		
<b>REVENUES</b>				
Property taxes and assessments	\$1,732,823	\$1,805,916	\$1,853,970	\$48,054
Property tax - in lieu	1,389,163	1,436,508	1,448,086	11,578
Sales and use tax	771,742	771,742	791,900	20,158
Sales and use tax - in lieu	261,735	261,735	253,333	(8,402)
Sales tax - 1% local add-on (Measure K)	1,428,000	1,580,000	1,709,913	129,913
Franchise fees	993,094	993,094	955,183	(37,911)
Real property transfer fees	124,423	124,423	149,620	25,197
Motor vehicle license fees			6,772	6,772
Homeowner's property tax relief	16,320	16,320	15,557	(763)
Planning and permits	384,835	384,835	528,548	143,713
Interest	16,160	11,000	12,228	1,228
Property rentals	58,953	41,016	41,285	269
Parks and recreation	393,684	393,684	357,278	(36,406)
Police services	65,085	65,085	72,379	7,294
Public works services	269,200	269,200	255,857	(13,343)
Other revenues	91,645	151,645	172,367	20,722
<b>Total Revenues</b>	<u>7,996,862</u>	<u>8,306,203</u>	<u>8,624,276</u>	<u>318,073</u>
<b>EXPENDITURES:</b>				
Current operations:				
General government	1,566,377	1,571,896	1,438,996	132,900
Planning	652,004	697,004	720,128	(23,124)
Public safety	2,686,352	2,686,352	2,493,681	192,671
Public works	1,096,945	1,096,945	940,691	156,254
Parks and recreation	1,187,316	1,187,316	1,146,108	41,208
Debt service:				
Principal			11,864	(11,864)
Interest			1,402	(1,402)
<b>Total Expenditures</b>	<u>7,188,994</u>	<u>7,239,513</u>	<u>6,752,870</u>	<u>486,643</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>807,868</u>	<u>1,066,690</u>	<u>1,871,406</u>	<u>804,716</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	984,722	984,722	861,361	(123,361)
Transfers out	(1,765,636)	(2,672,829)	(2,709,595)	(36,766)
<b>Total Other Financing Sources (Uses)</b>	<u>(780,914)</u>	<u>(1,688,107)</u>	<u>(1,848,234)</u>	<u>(160,127)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$26,954</u>	<u>(\$621,417)</u>	23,172	<u>\$644,589</u>
<b>BEGINNING FUND BALANCE</b>			<u>5,339,788</u>	
<b>ENDING FUND BALANCE</b>			<u>\$5,362,960</u>	

See accompanying notes to financial statements

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**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, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and investments (Note 3)	\$656,590
Accounts receivables	<u>62</u>
Total Assets	<u><u>\$656,652</u></u>
LIABILITIES	
Accounts payable	\$59,177
Deposits payable	530,438
Due to others	<u>67,037</u>
Total Liabilities	<u><u>\$656,652</u></u>

See accompanying notes to financial statements

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**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, 2015**

**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 **Debt Service Fund** was established to account for the proceeds from the issuance of long-term debt, as well as annual debt service payments.

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 involve measurement of results of operations.

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

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**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, 2015**

**NOTES TO FINANCIAL STATEMENTS**

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

**E. Capital Assets**

Infrastructure, improvements and equipment purchased or acquired with an original cost of \$100,000, \$50,000, and \$5,000 or more, respectively, are capitalized and 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 - 25 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.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTES TO FINANCIAL STATEMENTS**

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

The activities of the compensated absences for the year ended June 30, 2015 were as follows:

Beginning balance	\$280,758
Additions	284,592
Payments	<u>(271,163)</u>
Ending Balance	<u><u>\$294,187</u></u>
Current Portion	<u><u>\$294,187</u></u>

**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 2015**

The Town closed the Infrastructure Preservation and Improvement Fund, a subfund of the Capital Projects Fund, in fiscal year 2015. The 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 fiscal year 2015, the Town management determined that it is more appropriate to account for the revenues and activities related to the 2010 COPs and 2013 COPs in a separate fund instead of being part of the Capital Projects Fund. As a result, beginning fund balance of the Capital Projects Fund was reduced by \$5,843,268. The new Debt Service Fund was created to account for the activities of the 2010 COPs and 2013 COPs, by recording a like amount in beginning fund balance.

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

In addition to assets, the statement of financial position or balance sheet reports 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, 2015**

**NOTES TO FINANCIAL STATEMENTS**

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

In addition to liabilities, the statement of financial position or balance sheet reports 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.

**M. *Implementation of Governmental Accounting Standards Board (GASB) Pronouncements***

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended June 30, 2015.

**GASB Statement No. 68** – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This Statement had a material impact on the Town’s financial statements.

**GASB Statement No. 69** – In 2014, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operation*. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. This Statement did not have a material impact on the financial statements for the fiscal year 2015.

**GASB Statement No. 71** – In 2014, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. This Statement had a material impact on the Town’s financial statements.

As a result of the implementation of GASB Statements 68 and 71, the Town reduced the beginning balance of the net position of governmental activities by \$4,446,616.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTES TO FINANCIAL STATEMENTS**

**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. General Fund and Special Revenue Funds are budgeted on an annual basis. Capital Projects Funds and Debt Service Funds are budgeted on project basis.
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 Other Governmental Funds and the Capital Projects Fund 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.

**NOTE 3 – CASH AND INVESTMENTS**

The Town pools cash from all sources and all funds except cash held with fiscal agents so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTES TO FINANCIAL STATEMENTS**

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

**A. Policies**

The Town and its fiscal agents invest only in those instruments authorized by the California Government Code.

The Town and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Town’s cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the Town’s name and places the Town ahead of general creditors of the institution.

The Town’s investments are carried at fair value, as required by generally accepted accounting principles. The Town adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

**B. Classification**

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$9,904,178
Restricted cash and investments	3,092,532
Fiduciary Funds:	
Cash and investments	656,590
Total cash and investments	\$13,653,300

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$500
Deposits with financial institutions	1,820,219
Investments with fiscal agents	3,084,676
Investments	8,747,905
Total cash and investments	\$13,653,300

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTES TO FINANCIAL STATEMENTS**

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

**C. 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.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment Issuer
Bank Savings Accounts and Demand Deposits (collateralized or insured)	N/A	N/A	25%	10%
Certificate of Deposit (collateralized or insured)	2 years	N/A	25%	10%
U.S. Treasury Securities	5 years	N/A	None	None
Federal Agency Obligations	5 years	N/A	50%	20%
Local Agency Investment Fund (LAIF)	N/A	N/A	None	None
Banker’s Acceptances	180 days	N/A	20%	10%
Commercial Paper (rated P1)	270 days	P-1, A-1	20%	10%
Negotiable Certificates of Deposit	2 years	N/A	25%	10%
Medium Term Corporate Notes	5 years	Aa, AA	25%	10%

**D. 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.

**E. Interest Rate Risk**

Interest rate risk is the risk that changes in economic markets will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town 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, 2015**

**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 with fiscal agents) to market interest rate fluctuations is provided by the following table that shows the distribution of the Town’s investments by maturity:

Investment Type	12 months or less	Total
<i>Cash and Investments in City Treasury:</i>		
Local Agency Investment Fund	\$8,747,905	\$8,747,905
<i>Held by Fiscal Agents:</i>		
U.S. Treasury Securities	996,406	996,406
Federal Agency Obligations	1,405,341	1,405,341
Wilmington U.S. Govt. Money Mark Fund	383,941	383,941
Commercial Paper	298,988	298,988
Total Investments	<u>\$11,832,581</u>	11,832,581
<i>Cash deposits in banks and petty cash</i>		<u>1,820,719</u>
Total Cash and Investments		<u>\$13,653,300</u>

**F. 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 Town of Moraga’s actual Moody’s rating as of June 30, 2015 for each investment type:

Investment Type	Aaa	Aaa-mf	P-1	Not rated	Total
<i>Rated:</i>					
U.S. Treasury Securities	\$996,406				\$996,406
Federal Agency Obligations	1,405,341				1,405,341
Wilmington U.S. Govt. Money Mark Fund		\$383,941			383,941
Commercial Paper			\$298,988		298,988
<i>Not rated:</i>					
California Local Agency Investment Fund				\$8,747,905	8,747,905
Total Investments	<u>\$2,401,747</u>	<u>\$383,941</u>	<u>\$298,988</u>	<u>\$8,747,905</u>	11,832,581
<i>Cash deposits in banks and petty cash</i>					<u>1,820,719</u>
Total Cash and Investments					<u>\$13,653,300</u>

**G. Concentration of Credit Risk**

The Town’s investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. However, the Town is required to disclose investments that represent a concentration of five percent or more of investments in any one issuer other than U.S. Treasury Securities, mutual funds and external investment pools.

**TOWN OF MORAGA**  
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**NOTES TO FINANCIAL STATEMENTS**

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

At June 30, 2015, those investments consisted of:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
<i>Entity-wide</i>		
Federal Farm Credit Bank	Federal Agency Obligations	\$998,175
<i>Debt Service Fund</i>		
Federal Farm Credit Bank	Federal Agency Obligations	998,175
Federal National Mortgage Association	Federal Agency Obligations	407,166

**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, 2015, these investments matured in an average of 239 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.

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**NOTES TO FINANCIAL STATEMENTS**

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

Transfers between Town funds during fiscal year 2014-15 were as follows:

Transfer From	Transfer To	Description	Amount Transferred
<b>Major Governmental Funds</b>			
<b>General Fund</b>			
Fund 100 - Developer Fees	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	\$215,934
Fund 101 - General Purpose	Fund 100 - Developer Fees	Property Tax In Excess of Budget	179,305
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	503,292
	Fund 701 - 2010 COP/Town Hall Improvements	2010 COP Payment - Principal and Interest	110,122
	Fund 701 - 2010 COP/Town Hall Improvements	2010 COP Administration Fee	1,000
	Fund 711 - Street Pavement Program	Pass Thru - Sales Tax Local Add-On	1,709,914
	Fund 711 - Street Pavement Program	Pass Thru - Garbage Vehicle Impact Fee	169,333
<b>Capital Projects Fund</b>			
Fund 705 - Infrastructure Preserve and Improvements	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	216,209
	Fund 750 - Asset Replacement	To close Fund 705	77,859
Fund 711 - Street Pavement Program	Fund 702 - 2013 COP/Infrastructure Improvements	2013 COP Payment - Principal and Interest	596,850
	Fund 702 - 2013 COP/Infrastructure Improvements	20103 COP Administration Fee	1,000
Fund 715 - Comcast Grant Unrestricted	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	36,508
Fund 716 - Comcast PEG Restricted	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	79,176
Fund 750 - Asset Replacement	Fund 101 - General Purpose	Non-Capitalized Asset Replacement	20,447
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	258,175
Fund 770 - Storm Drain Impact Fees	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	25,000
<b>Debt Service Fund</b>			
Fund 701 - 2010 COP/Town Hall Improvements	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	18,915
Fund 702 - 2013 COP/Infrastructure Improvements	Fund 711 - Street Pavement Program	Capital Projects - Labor and Materials	2,744,750
<b>Non-Major Governmental Funds</b>			
Fund 103 - COPS/AVA	Fund 101 - General Purpose	Police Services	108,107
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	44,346
Fund 140 - Street Lighting	Fund 500 - Lighting Assessment District	General Benefits and In Lieu	24,984
Fund 109 - Public Safety Sales Tax	Fund 101 - General Purpose	Police Services	67,977
Fund 205 - Gasoline Tax	Fund 101 - General Purpose	Streets Maintenance	303,252
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	32,892
	Fund 711 - Street Pavement Program	Capital Projects - Labor and Materials	206,847
Fund 210 - Transportation Measure J	Fund 101 - General Purpose	Transportation & Street-Related Programs	92,355
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	129,654
Fund 230 - Traffic Safety	Fund 101 - General Purpose	Police Services	36,000
	Fund 101 - General Purpose	Crossing Guard Services	14,717
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	10,000
Fund 500 - Lighting Assessment District	Fund 101 - General Purpose	Lighting Assessment District Administration	5,583
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	14,137
Fund 510 - National Pollution Discharge Elimination System (NPDES)	Fund 101 - General Purpose	Storm Drain Maintenance	212,923
	Fund 700 - Federal Grant/Reimbursement	Capital Projects - Labor and Materials	14,693
		Total Interfund Transfers	\$8,282,256
		Less: Intra-Fund Transfers	(872,232)
		Net Transfers	<u>\$7,410,024</u>

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**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, 2015:

	Balance June 30, 2014	Additions	Retirements	Transfers	Balance June 30, 2015
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land and easements	\$10,680,212				\$10,680,212
Construction in progress	2,036,699	\$5,947,549		(\$4,523,888)	3,460,360
<b>Total capital assets, not being depreciated</b>	<b>12,716,911</b>	<b>5,947,549</b>		<b>(4,523,888)</b>	<b>14,140,572</b>
Depreciable capital assets:					
Building and improvements	4,979,494			43,640	5,023,134
Roadway and related	32,271,749			4,218,492	36,490,241
Storm drains	4,259,996			14,692	4,274,688
Parks and recreation	2,751,689	28,985		109,527	2,890,201
Equipment and furniture	1,443,871		(\$104,751)	137,537	1,476,657
<b>Total capital assets, being depreciated</b>	<b>45,706,799</b>	<b>28,985</b>	<b>(104,751)</b>	<b>4,523,888</b>	<b>50,154,921</b>
Accumulated depreciation:					
Building and improvements	(1,382,365)	(99,617)			(1,481,982)
Roadway and related	(16,736,710)	(894,833)			(17,631,543)
Storm drains	(2,242,376)	(65,563)			(2,307,939)
Parks and recreation	(1,113,806)	(94,279)			(1,208,085)
Equipment and furniture	(1,226,348)	(137,166)	104,751		(1,258,763)
<b>Total accumulated depreciation</b>	<b>(22,701,605)</b>	<b>(1,291,458)</b>	<b>104,751</b>		<b>(23,888,312)</b>
<b>Depreciable capital assets, net</b>	<b>23,005,194</b>	<b>(1,262,473)</b>		<b>4,523,888</b>	<b>26,266,609</b>
<b>Governmental capital assets, net</b>	<b>\$35,722,105</b>	<b>\$4,685,076</b>			<b>\$40,407,181</b>

**TOWN OF MORAGA**  
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**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	\$120,286
Planning	18,790
Public Safety:	
Police	52,612
Public Works	982,943
Parks and Recreation	116,827
Total Governmental Activities	\$1,291,458

**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, 2014	Retirements	Balance June 30, 2015	Current Portion
2010 Certificates of Participation	\$1,525,000	\$1,320,000	(\$60,000)	\$1,260,000	\$65,000
Energy Efficiency Loan	198,935	62,464	(14,926)	47,538	15,375
2013 Certificates of Participation	7,720,000	7,425,000	(270,000)	7,155,000	275,000
Add: Unamortized Bond Premium	259,947	246,950	(12,997)	233,953	
<b>Total Governmental Activity</b>		\$9,054,414	(\$357,923)	\$8,696,491	\$355,375

**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 Wilmington Trust (the Trustee, formerly U.S. Bank, National Association) 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 offices located at 329 Rheem Boulevard and 331 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.

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**NOTES TO FINANCIAL STATEMENTS**

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

**C. 2013 Certificates of Participation –Infrastructure Improvements**

Certificates of Participation were issued and delivered pursuant to a trust agreement dated August 6, 2013 by and among the Town, the Association of Bay Area Governments Finance Authority for Nonprofit Corporations (ABAG) and Wilmington Trust, North America (the Trustee) for the purposes of financing improvements to the Town’s infrastructure including streets and storm drains. Principal is payable annually on April 1. Interest is payable semiannually on April 1 and October 1. Interest on the Certificates of Participation ranges from 2.0 and 5.0 percent with a final maturity in 2033.

**D. 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. Principal and interest payments are payable semiannually with the first loan repayment due December 22, 2013 and last payment due June 2018.

**E. Debt Service Requirements**

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

Year ending June 30	Principal	Interest
2016	\$355,375	\$373,958
2017	365,842	362,966
2018	381,321	351,236
2019	375,000	336,268
2020	390,000	321,168
2021-2025	2,210,000	1,347,234
2026-2030	2,760,000	793,946
2031-2033	1,625,000	165,250
Total	8,462,538	\$4,052,026
Premium, net of amortization	233,953	
	\$8,696,491	

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLANS**

**A. General Information about the Pension Plans**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the Town’s separate Safety and Miscellaneous (all other), cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Town resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Classic Plan	PEPRA Plan
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ Age 55	2% @ Age 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2%	2%
Required employee contribution rates	7.00%	6.25%
Required employer contribution rates	11.03%	6.25%

	Safety	
	Classic Plan	PEPRA Plan
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ Age 50	2.7% @ Age 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	57
Monthly benefits, as a % of eligible compensation	2%	2.7%
Required employee contribution rates	9%	11.5%
Required employer contribution rates	20.08%	11.5%

**TOWN OF MORAGA**  
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**For the Year Ended June 30, 2015**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLANS (Continued)**

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows. No contribution was recognized for the Safety-PEPRA Plan.

	Miscellaneous		Safety
	Classic Plan	PEPRA Plan	Classic
Contributions - employer	\$203,392	\$5,305	\$214,889

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2015, the Town reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous:	
Classic Plan	\$2,003,132
PEPRA Plan	\$432
Safety-Classic Plan	1,610,941
Total Net Pension Liability	\$3,614,505

The Town’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. Since the Safety-PEPRA Plan did not have any member as of June 30, 2013, no net pension liability under this plan was reported under the Town’s financial statements as of June 30, 2015. The Town’s proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	Miscellaneous		Safety-Classic Plan
	Classic Plan	PEPRA Plan	
Proportion - June 30, 2013	0.08353%	0.000018006%	0.04459%
Proportion - June 30, 2014	0.08105%	0.000017479%	0.04295%
Change - Increase (Decrease)	(0.00248%)	(0.000000527%)	(0.00164%)

**TOWN OF MORAGA**  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLANS (Continued)**

For the year ended June 30, 2015, the Town recognized pension expense for the Miscellaneous Classic, Miscellaneous PEPRA and Safety Classic plans of \$114,551, \$1,756 and \$184,375 respectively. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Miscellaneous Classic Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$202,690	
Differences between actual and expected experience		
Changes in assumptions		
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	89,735	
Net differences between projected and actual earnings on plan investments		\$673,146
Total	<u>\$292,425</u>	<u>\$673,146</u>

<u>Miscellaneous PEPRA Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$10,161	
Differences between actual and expected experience		
Changes in assumptions		
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		\$1,711
Net differences between projected and actual earnings on plan investments		146
Total	<u>\$10,161</u>	<u>\$1,857</u>

**TOWN OF MORAGA**  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLANS (Continued)**

<u>Safety Classic Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$200,675	
Differences between actual and expected experience		
Changes in assumptions		
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		\$20,349
Net differences between projected and actual earnings on plan investments		486,397
Total	<u>\$200,675</u>	<u>\$506,746</u>
<u>Safety PEPRA Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$16,762	
Differences between actual and expected experience		
Changes in assumptions		
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		
Net differences between projected and actual earnings on plan investments		
Total	<u>\$16,762</u>	<u>\$0</u>

\$430,288 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Miscellaneous - Classic</u>		<u>Miscellaneous - PEPRA</u>		<u>Safety - Classic</u>	
Year Ended	Increase (Decrease) in	Year Ended	Increase (Decrease) in	Year Ended	Increase (Decrease) in
June 30	Payroll Expense	June 30	Payroll Expense	June 30	Payroll Expense
2016	(\$136,238)	2016	(\$647)	2016	(\$128,866)
2017	(136,238)	2017	(647)	2017	(128,866)
2018	(142,647)	2018	(525)	2018	(127,414)
2019	(168,288)	2019	(38)	2019	(121,600)

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLANS (Continued)**

*Actuarial Assumptions* – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.5%	7.5%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	33.5-36.1 (3)	33.5-36.1 (3)

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) 2014 CalPERS Experience Study, Healthy Recipients @ 50

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

*Discount Rate* – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

**TOWN OF MORAGA**  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLANS (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

**TOWN OF MORAGA**  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLANS (Continued)**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the Town’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous		Safety
	Classic	PEPRA	Classic
1% Decrease	6.50%	6.50%	6.50%
Net Pension Liability	\$3,568,962	\$770	\$2,772,221
Current Discount Rate	7.50%	7.50%	7.50%
Net Pension Liability	\$2,003,132	\$432	\$1,610,941
1% Increase	8.50%	8.50%	8.50%
Net Pension Liability	\$703,642	\$152	\$654,097

***Pension Plan Fiduciary Net Position*** – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**C. *Deferred Compensation Plan***

Town employees may defer a portion of their compensation under a Town sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination of employment, retirement, death or in an emergency as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. The funds have been placed in a trust administered by ICMA-RC (International City/County Management Association Retirement Corporation) and are not available to the Town's general creditors. Accordingly, the Town does not report the assets in the financial statements.

**D. *Defined Contribution Plan***

The Town sponsors a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). Under this plan, the Town may make discretionary contributions to the plan each year on behalf of designated employees up to the maximum allowed by law. Town employees are fully vested in amounts contributed to the plan. Town employees may also contribute to the plan on an after-tax basis as long as the combined employer and employee contributions do not exceed the maximum allowed by law. During fiscal year 2015, the Town and its employees contributed \$27,852 to the plan.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLANS (Continued)**

Contributions to the plan are held by a Trust, administered by ICMA-RC, for the exclusive benefit of plan participants and their beneficiaries. The assets are not available to the Town’s general creditors and thus, the Town does not report the assets in the financial statements.

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

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis.

**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, 2015 the breakout of this calculation is reflected as follows:

Total Capital Assets at June 30, 2015:	\$40,407,181
Related Debts at June 30, 2015:	
Loan Payable	\$47,538
Certificates of Participation (COP)	8,648,953
Less: Portion of the Debt Attributable to the Unspent Proceeds	<u>(3,092,533)</u>
Net Related Debt	<u>5,603,958</u>
Net Investment in Capital Assets	<u><u>\$34,803,223</u></u>

*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.

**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:

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTES TO FINANCIAL STATEMENTS**

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

*Nonspendables* represents balances set aside to indicate items that are not 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. Nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances are established, modified and rescinded by resolution of the Town Council. 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 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.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTES TO FINANCIAL STATEMENTS**

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

Detailed classifications of the Town’s Fund Balances, as of June 30, 2015, are below:

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
Nonspendable:					
Prepays	\$646				\$646
Total Nonspendable	646				646
Restricted for:					
Streets and roads				\$1,978,556	1,978,556
Public safety				148,893	148,893
Traffic safety				3,997	3,997
Future projects				27,547	27,547
Clean water and storm drain				46,841	46,841
Capital projects		\$978,651	\$2,666,062		3,644,713
Debt service			426,485		426,485
Total Restricted		978,651	3,092,547	2,205,834	6,277,032
Committed to:					
Future projects (Palos Developer Fees)	1,971,271				1,971,271
Capital projects		1,415,555			1,415,555
Asset replacements		234,110			234,110
Total Committed	1,971,271	1,649,665			3,620,936
Assigned for:					
On-going capital projects and maintenance	319,488				319,488
Total Assigned	319,488				319,488
Unassigned	3,071,555				3,071,555
Total fund balances	\$5,362,960	\$2,628,316	\$3,092,547	\$2,205,834	\$13,289,657

**C. General Purpose Fund Reserve Policy**

In fiscal year 2015, the Town adopted resolution 5-2015 which establishes a Town Council policy of achieving and maintaining a fifty percent (50%) General Purpose Fund Reserve relative to General Purpose Fund operating expenditures of the most recent fiscal year end. The resolution merges the existing Infrastructure Preservation and Improvement (IPI) (Fund 705) and Asset Replacement (Fund 750) funds into one fund, called the Asset Replacement Fund (Fund 750). The resolution also commits any net surplus or revenues above the amount needed to satisfy the General Purpose Fund Reserve policy of 50% to the newly merged Asset Replacement Fund (Fund 750).

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**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	2,500,000	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.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 – PAVEMENT MANAGEMENT PROGRAM (FUND 711)**

At the general election of November 6, 2012 the voters of the Town of Moraga approved Measure K, a one-cent general purpose sales tax measure. In 2013, Certificates of Participation (2013 COPs) were issued for the purposes of financing improvements to the Town’s infrastructure including streets and storm drains, as discussed in Note 6. It is the Town’s intention to fund the debt service of the 2013 COPs with revenues generated by Measure K.

The combination of the 2013 COPs financing, Measure K sales tax that exceeded debt service of 2013 COPs, and other available funds or grants, has enabled the Town to expedite its road repair program, Pavement Management Program. As of June 30, 2015, the second year of the three-year Program had been completed. Under the Program, the Town focused on preventative maintenance during the first year and overlays during the second year. During the third year of the Program, the Town will focus on the reconstruction treatments.

The following is the sources and uses of the Program during fiscal year 2015:

SOURCES	
Sales Tax from Measure K	\$1,709,913
Gas Tax	206,847
Garbage Vehicle Impact Fee	169,333
Utility Reimbursement	56,647
Interest Income	2,194
Bond Proceeds, 2013 COPS	<u>2,744,750</u>
Total Sources	<u>4,889,684</u>
USES	
Construction	3,586,099
Construction Management	309,689
Project Management	82,213
Design Services	334,328
Legal	1,309
Miscellaneous Expenses	7,041
Principal payment on the bonds	270,000
Interest payment on the bonds	<u>326,850</u>
Total Uses	<u>4,917,529</u>
NET CHANGE IN PROGRAM BALANCE	(27,845)
BEGINNING PROGRAM BALANCE	<u>1,384,125</u>
ENDING PROGRAM BALANCE	<u><u>\$1,356,280</u></u>

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 – 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 City of Lafayette, 3675 Mt. Diablo Blvd., #210 Lafayette, CA 94549.

**NOTE 12 – 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

## REQUIRED SUPPLEMENTARY INFORMATION

Town of Moraga Miscellaneous-Classic Plan, a Cost-Sharing Multiple-Employer Defined Pension Plan  
As of fiscal year ending June 30, 2015  
Last 10 Years\*

### SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	<u>6/30/2014 (A)</u>
Plan's Proportion of the Net Pension Liability (Asset)	0.03219%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$2,003,132
Plan's Covered-Employee Payroll (B)	\$1,982,402
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	101.05%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.03%

**Notes to Schedule:**

- (A) Historical information is required only for measurement periods for which GASB 68 is applicable.
- (B) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan.

## REQUIRED SUPPLEMENTARY INFORMATION

Town of Moraga Miscellaneous-Classic Plan, a Cost-Sharing Multiple-Employer Defined Pension Plan  
As of fiscal year ending June 30, 2015  
Last 10 Years\*

### SCHEDULE OF CONTRIBUTIONS

	2015
Actuarially determined contribution	\$ 202,690
Contributions in relation to the actuarially determined contributions	202,690
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 1,982,402
Contributions as a percentage of covered-employee payroll	10.22%

#### Notes to Schedule

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	3.50%
Salary increases	4.5%, average, including inflation of 3.0%
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Retirement age	67 yrs. Misc., 57 yrs. Safety
Mortality	RP-2000 Healthy Annuitant Mortality Table

\* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**REQUIRED SUPPLEMENTARY INFORMATION**

Town of Moraga Miscellaneous-PEPRA Plan, a Cost-Sharing Multiple-Employer Defined Pension Plan  
As of fiscal year ending June 30, 2015  
Last 10 Years\*

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

	<u>6/30/2014 (A)</u>
Plan's Proportion of the Net Pension Liability (Asset)	0.00001%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$432
Plan's Covered-Employee Payroll (B)	\$57,666
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	0.75%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.03%

**Notes to Schedule:**

- (A) Historical information is required only for measurement periods for which GASB 68 is applicable.
- (B) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan.

## REQUIRED SUPPLEMENTARY INFORMATION

Town of Moraga Miscellaneous-PEPRA Plan, a Cost-Sharing Multiple-Employer Defined Pension Plan  
As of fiscal year ending June 30, 2015  
Last 10 Years\*

### SCHEDULE OF CONTRIBUTIONS

	2015
Actuarially determined contribution	\$ 10,161
Contributions in relation to the actuarially determined contributions	10,161
Contribution deficiency (excess)	\$ -
 Covered-employee payroll	\$ 57,666
 Contributions as a percentage of covered-employee payroll	17.62%

#### Notes to Schedule

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	3.50%
Salary increases	4.5%, average, including inflation of 3.0%
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Retirement age	67 yrs. Misc., 57 yrs. Safety
Mortality	RP-2000 Healthy Annuitant Mortality Table

\* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

## REQUIRED SUPPLEMENTARY INFORMATION

Town of Moraga Safety-Classic Plan, a Cost-Sharing Multiple-Employer Defined Pension Plan  
As of fiscal year ending June 30, 2015  
Last 10 Years\*

### SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	<u>6/30/2014 (A)</u>
Plan's Proportion of the Net Pension Liability (Asset)	0.02589%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$1,610,941
Plan's Covered-Employee Payroll (B)	\$1,143,273
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	140.91%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.42%

#### Notes to Schedule:

- (A) Historical information is required only for measurement periods for which GASB 68 is applicable.
- (B) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan.

**REQUIRED SUPPLEMENTARY INFORMATION**

Town of Moraga Safety-Classic Plan, a Cost-Sharing Multiple-Employer Defined Pension Plan  
 As of fiscal year ending June 30, 2015  
 Last 10 Years\*

**SCHEDULE OF CONTRIBUTIONS**

	<b>2015</b>
Actuarially determined contribution	\$ 200,675
Contributions in relation to the actuarially determined contributions	200,675
Contribution deficiency (excess)	-
 Covered-employee payroll	 \$ 1,143,273
 Contributions as a percentage of covered- employee payroll	 17.55%

**Notes to Schedule**

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	3.50%
Salary increases	4.5%, average, including inflation of 3.0%
	7.75%, net of pension plan investment expense, including inflation
Investment rate of return	
Retirement age	67 yrs. Misc., 57 yrs. Safety
Mortality	RP-2000 Healthy Annuitant Mortality Table

\* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

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**SUPPLEMENTAL INFORMATION**

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**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2015**

**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, and various capital improvement projects.

TOWN OF MORAGA  
GENERAL FUND  
COMBINING BALANCE SHEETS  
JUNE 30, 2015

	<u>General Purpose</u>	<u>Developer Fees</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$3,087,908	\$1,971,271	\$5,059,179
Accounts receivable	643,086		643,086
Prepays	646		646
Due from other funds	5,503		5,503
	<u>5,503</u>	<u></u>	<u>5,503</u>
Total Assets	<u>\$3,737,143</u>	<u>\$1,971,271</u>	<u>\$5,708,414</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$193,502		\$193,502
Accrued payroll	151,952		151,952
	<u>151,952</u>	<u></u>	<u>151,952</u>
Total Liabilities	<u>345,454</u>	<u></u>	<u>345,454</u>
<b>FUND BALANCES</b>			
Nonspendable	646		646
Committed		\$1,971,271	1,971,271
Assigned	319,488		319,488
Unassigned	3,071,555		3,071,555
	<u>3,071,555</u>	<u></u>	<u>3,071,555</u>
Total Fund Balances	<u>3,391,689</u>	<u>1,971,271</u>	<u>5,362,960</u>
Total Liabilities and Fund Balances	<u>\$3,737,143</u>	<u>\$1,971,271</u>	<u>\$5,708,414</u>

TOWN OF MORAGA  
GENERAL FUND  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Purpose</u>	<u>Developer Fees</u>	<u>Intra-Fund Transactions Elimination</u>	<u>Total</u>
<b>REVENUES</b>				
Property taxes and assessments	\$1,853,970			\$1,853,970
Property tax - in lieu	1,448,086			1,448,086
Sales and use tax	791,900			791,900
Sales and use tax - in lieu	253,333			253,333
Sales tax - 1% local add-on (Measure K)	1,709,913			1,709,913
Franchise fees	955,183			955,183
Real property transfer fees	149,620			149,620
Motor vehicle license fees	6,772			6,772
Homeowner's property tax relief	15,557			15,557
Planning and permits	528,548			528,548
Interest	12,228			12,228
Property rentals	41,285			41,285
Parks and recreation	357,278			357,278
Police services	72,379			72,379
Public works services	255,857			255,857
Other revenues	172,367			172,367
Total Revenues	<u>8,624,276</u>			<u>8,624,276</u>
<b>EXPENDITURES</b>				
Current operations:				
General administration	1,438,996			1,438,996
Planning	720,128			720,128
Public safety	2,493,681			2,493,681
Public works	940,691			940,691
Parks and recreation	1,146,108			1,146,108
Debt service:				
Principal	11,864			11,864
Interest	1,402			1,402
Total Expenditures	<u>6,752,870</u>			<u>6,752,870</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>1,871,406</u>			<u>1,871,406</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	861,361	\$179,305	(\$179,305)	861,361
Transfers out	(2,672,966)	(215,934)	179,305	(2,709,595)
Total Other Financing Sources (Uses)	<u>(1,811,605)</u>	<u>(36,629)</u>		<u>(1,848,234)</u>
<b>NET CHANGE IN FUND BALANCES</b>	59,801	(36,629)		23,172
<b>BEGINNING FUND BALANCES AS ADJUSTED</b>				
	<u>3,331,888</u>	<u>2,007,900</u>		<u>5,339,788</u>
<b>ENDING FUND BALANCES</b>	<u><u>\$3,391,689</u></u>	<u><u>\$1,971,271</u></u>		<u><u>\$5,362,960</u></u>

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**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2015**

**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 used for the purchase of replacement vehicles, technology, and building and park improvements such as new roofs and replacement play structures.

The **Construction In Progress** fund is a fund used to capture all capital project expenditures and corresponding revenues, except for those accounted for in the Street Pavement Program fund.

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

The Town has two Comcast funds – the **Comcast Grant Unrestricted** 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 funds are to be used for capital costs associated with Public, Educational and Governmental channel access.

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. This fund was closed in fiscal year 2014-15.

**Development Impact Fee Funds:**

**Public Safety Impact Fees, Local Transportation Impact Fees, Storm Drain Impact Fees, and General Government Facilities Impact Fees, and Park 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, 2015

	Community Facilities/ Open Space	Asset Replacement	Construction In Progress	Pavement Management Program	Comcast Grant Unrestricted	Comcast PEG Restricted
<b>ASSETS</b>						
Cash and investments	\$9,550	\$234,110	\$394,237	\$1,408,100	\$49,725	\$342,919
Accounts receivable			191,484	214,405		8,602
Total Assets	<u>\$9,550</u>	<u>\$234,110</u>	<u>\$585,721</u>	<u>\$1,622,505</u>	<u>\$49,725</u>	<u>\$351,521</u>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses			\$174,133	\$52,275		
Unearned revenue			850			
Total Liabilities			<u>174,983</u>	<u>52,275</u>		
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to revenue				213,950		
<b>FUND BALANCE</b>						
Restricted			410,738			\$351,521
Committed	\$9,550	\$234,110		1,356,280	\$49,725	
Total Fund Balances	<u>9,550</u>	<u>234,110</u>	<u>410,738</u>	<u>1,356,280</u>	<u>49,725</u>	<u>351,521</u>
Total Liabilities and Fund Balances	<u>\$9,550</u>	<u>\$234,110</u>	<u>\$585,721</u>	<u>\$1,622,505</u>	<u>\$49,725</u>	<u>\$351,521</u>

<u>Infrastructure Preservation 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>LFFA</u>	<u>Total Capital Projects Fund</u>
	\$2,876	\$10,356	\$74,483	\$24,247	\$7,409	\$96,882	\$2,654,894
	2	6	57	14	4	56	414,630
	<u>\$2,878</u>	<u>\$10,362</u>	<u>\$74,540</u>	<u>\$24,261</u>	<u>\$7,413</u>	<u>\$96,938</u>	<u>\$3,069,524</u>
							\$226,408
							850
							227,258
							213,950
	\$2,878	\$10,362	\$74,540	\$24,261	\$7,413	\$96,938	978,651
							1,649,665
	2,878	10,362	74,540	24,261	7,413	96,938	2,628,316
	<u>\$2,878</u>	<u>\$10,362</u>	<u>\$74,540</u>	<u>\$24,261</u>	<u>\$7,413</u>	<u>\$96,938</u>	<u>\$3,069,524</u>

TOWN OF MORAGA  
 CAPITAL PROJECTS FUND  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2015

	Community Facilities/ Open Space	Asset Replacement	Construction In Progress	Pavement Management Program	Comcast Grant Unrestricted	Comcast PEG Restricted
<b>REVENUES</b>						
Intergovernmental			\$310,335	\$56,647		
Interest				2,194		
Other revenue						\$35,553
<b>Total Revenues</b>			<b>310,335</b>	<b>58,841</b>		<b>35,553</b>
<b>EXPENDITURES</b>						
Debt service:						
Principal						
Interest						
Capital outlay:						
General administration			20,512			
Planning			87,360			
Public safety			72,346			
Public works			1,670,992	4,319,680		
<b>Total Expenditures</b>			<b>1,851,210</b>	<b>4,319,680</b>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			<b>(1,540,875)</b>	<b>(4,260,839)</b>		<b>35,553</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in		\$77,859	1,598,931	4,830,844		
Transfers (out)		(278,622)		(597,850)	(\$36,508)	(79,176)
<b>Total Other Financing Sources (Uses)</b>		<b>(200,763)</b>	<b>1,598,931</b>	<b>4,232,994</b>	<b>(36,508)</b>	<b>(79,176)</b>
<b>NET CHANGE IN FUND BALANCES</b>		<b>(200,763)</b>	<b>58,056</b>	<b>(27,845)</b>	<b>(36,508)</b>	<b>(43,623)</b>
<b>BEGINNING FUND BALANCES</b>	<b>\$9,550</b>	<b>434,873</b>	<b>352,682</b>	<b>1,384,125</b>	<b>86,233</b>	<b>395,144</b>
<b>ENDING FUND BALANCES</b>	<b>\$9,550</b>	<b>\$234,110</b>	<b>\$410,738</b>	<b>\$1,356,280</b>	<b>\$49,725</b>	<b>\$351,521</b>

Infrastructure Preservation and Improvement	Public Safety Impact Fees	Local Transportation Impact Fees	Storm Drain Impact Fees	General Government Facilities Impact Fees	Park Development Impact Fees	LFFA	Intra-Fund Transactions Elimination	Total Capital Projects Funds
						\$1,332		\$368,314
	\$7	\$22	\$218	\$52	\$16	213		2,722
	828	578	8,834	4,914	3,664			54,371
	835	600	9,052	4,966	3,680	1,545		425,407
								20,512
								87,360
								72,346
								5,990,672
								6,170,890
	835	600	9,052	4,966	3,680	1,545		(5,745,483)
(\$294,068)			(25,000)				(\$692,927)	5,814,707
(294,068)			(25,000)				692,927	(618,297)
(294,068)	835	600	(15,948)	4,966	3,680	1,545		(549,073)
294,068	2,043	9,762	90,488	19,295	3,733	95,393		3,177,389
	\$2,878	\$10,362	\$74,540	\$24,261	\$7,413	\$96,938		\$2,628,316

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**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2015**

**DEBT SERVICE FUND**

The Debt Service Fund was established to account for the proceeds from the issuance of long-term debt, as well as annual debt service payments.

TOWN OF MORAGA  
DEBT SERVICE FUND  
COMBINING BALANCE SHEETS  
JUNE 30, 2015

	<u>COP 329 Rheem Renovations</u>	<u>2013 COP Infrastructure Improvement</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$125,859	\$2,966,673	\$3,092,532
Accounts receivable	15		15
Prepays			
Due from other funds			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$125,874</u>	<u>\$2,966,673</u>	<u>\$3,092,547</u>
<b>FUND BALANCES</b>			
Nonspendable	<u>\$125,874</u>	<u>\$2,966,673</u>	<u>\$3,092,547</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>125,874</u>	<u>2,966,673</u>	<u>3,092,547</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balances	<u>\$125,874</u>	<u>\$2,966,673</u>	<u>\$3,092,547</u>

TOWN OF MORAGA  
DEBT SERVICE FUND  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015

	COP 329 Rheem Renovations	2013 COP Infrastructure Improvement	Total
<b>REVENUES</b>			
Interest	\$2,380	\$13,511	\$15,891
Total Revenues	<u>2,380</u>	<u>13,511</u>	<u>15,891</u>
<b>EXPENDITURES</b>			
Current operations:			
General administration	1,000	1,000	2,000
Debt service:			
Principal	60,000	270,000	330,000
Interest	53,069	326,850	379,919
Total Expenditures	<u>114,069</u>	<u>597,850</u>	<u>711,919</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(111,689)</u>	<u>(584,339)</u>	<u>(696,028)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	111,122	597,850	708,972
Transfers out	(18,915)	(2,744,750)	(2,763,665)
Total Other Financing Sources (Uses)	<u>92,207</u>	<u>(2,146,900)</u>	<u>(2,054,693)</u>
NET CHANGE IN FUND BALANCES	(19,482)	(2,731,239)	(2,750,721)
BEGINNING FUND BALANCES AS ADJUSTED	<u>145,356</u>	<u>5,697,912</u>	<u>5,843,268</u>
ENDING FUND BALANCES	<u>\$125,874</u>	<u>\$2,966,673</u>	<u>\$3,092,547</u>

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**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2015**

**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.

**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.

**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.

TOWN OF MORAGA  
OTHER GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2015

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District	COPS/AVA
<b>ASSETS</b>					
Cash and investments	\$230,145	\$900,669	\$27,531	\$497,782	\$117,424
Restricted cash and investments					
Accounts receivable	290	10,438	16	288	11,126
<b>Total Assets</b>	<b>\$230,435</b>	<b>\$911,107</b>	<b>\$27,547</b>	<b>\$498,070</b>	<b>\$128,550</b>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses				\$17,014	
Due to other fund					
<b>Total Liabilities</b>				<b>17,014</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to revenue		\$9,834			
<b>FUND BALANCE</b>					
Restricted	\$230,435	901,273	\$27,547	481,056	\$128,550
<b>Total Fund Balances</b>	<b>230,435</b>	<b>901,273</b>	<b>27,547</b>	<b>481,056</b>	<b>128,550</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$230,435</b>	<b>\$911,107</b>	<b>\$27,547</b>	<b>\$498,070</b>	<b>\$128,550</b>

<u>Traffic Safety</u>	<u>NPDES</u>	<u>Asset Forfeiture</u>	<u>Public Safety Sales Tax</u>	<u>Street Lighting</u>	<u>Total Nonmajor Governmental Funds</u>
\$72	\$40,854	\$10,057		\$365,571	\$2,190,105
<u>3,925</u>	<u>5,987</u>	<u>6</u>	<u>\$15,783</u>	<u>221</u>	<u>48,080</u>
<u>\$3,997</u>	<u>\$46,841</u>	<u>\$10,063</u>	<u>\$15,783</u>	<u>\$365,792</u>	<u>\$2,238,185</u>
					\$17,014
			<u>\$5,503</u>		<u>5,503</u>
			<u>5,503</u>		<u>22,517</u>
					<u>9,834</u>
<u>\$3,997</u>	<u>\$46,841</u>	<u>\$10,063</u>	<u>10,280</u>	<u>\$365,792</u>	<u>2,205,834</u>
<u>3,997</u>	<u>46,841</u>	<u>10,063</u>	<u>10,280</u>	<u>365,792</u>	<u>2,205,834</u>
<u>\$3,997</u>	<u>\$46,841</u>	<u>\$10,063</u>	<u>\$15,783</u>	<u>\$365,792</u>	<u>\$2,238,185</u>

TOWN OF MORAGA  
OTHER GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District	COPS/AVA
<b>REVENUES</b>					
Taxes and assessment	\$422,909			\$195,938	
Sales tax - public safety					
Intergovernmental		\$365,921			\$113,973
Interest	979	2,006	\$58	995	365
Fines, forfeitures and penalties					
Parks and recreation			10,200		
<b>Total Revenues</b>	<b>423,888</b>	<b>367,927</b>	<b>10,258</b>	<b>196,933</b>	<b>114,338</b>
<b>EXPENDITURES</b>					
Current operations:					
General administration					
Public works				138,654	
Debt service:					
Principal				3,062	
Interest				362	
<b>Total Expenditures</b>				<b>142,078</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>423,888</b>	<b>367,927</b>	<b>10,258</b>	<b>54,855</b>	<b>114,338</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in				24,984	
Transfers (out)	(542,991)	(222,009)		(19,720)	(152,453)
<b>Total Other Financing Sources (Uses)</b>	<b>(542,991)</b>	<b>(222,009)</b>		<b>5,264</b>	<b>(152,453)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(119,103)</b>	<b>145,918</b>	<b>10,258</b>	<b>60,119</b>	<b>(38,115)</b>
<b>BEGINNING FUND BALANCES</b>	<b>349,538</b>	<b>755,355</b>	<b>17,289</b>	<b>420,937</b>	<b>166,665</b>
<b>ENDING FUND BALANCES</b>	<b>\$230,435</b>	<b>\$901,273</b>	<b>\$27,547</b>	<b>\$481,056</b>	<b>\$128,550</b>

<u>Traffic Safety</u>	<u>NPDES</u>	<u>Asset Forfeiture</u>	<u>Public Safety Sales Tax</u>	<u>Street Lighting</u>	<u>Total Other Governmental Funds</u>
	\$234,437		\$63,542	\$139,533	\$992,817
					63,542
					479,894
\$50	68	\$22	26	690	5,259
35,500					35,500
					10,200
<u>35,550</u>	<u>234,505</u>	<u>22</u>	<u>63,568</u>	<u>140,223</u>	<u>1,587,212</u>
					138,654
					3,062
					362
					142,078
<u>35,550</u>	<u>234,505</u>	<u>22</u>	<u>63,568</u>	<u>140,223</u>	<u>1,445,134</u>
					24,984
<u>(60,717)</u>	<u>(227,616)</u>		<u>(67,977)</u>	<u>(24,984)</u>	<u>(1,318,467)</u>
<u>(60,717)</u>	<u>(227,616)</u>		<u>(67,977)</u>	<u>(24,984)</u>	<u>(1,293,483)</u>
(25,167)	6,889	22	(4,409)	115,239	151,651
29,164	39,952	10,041	14,689	250,553	2,054,183
<u>\$3,997</u>	<u>\$46,841</u>	<u>\$10,063</u>	<u>\$10,280</u>	<u>\$365,792</u>	<u>\$2,205,834</u>

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, 2015

	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	\$442,687	\$422,909	(\$19,778)			
Sales tax - public safety						
Intergovernmental				\$395,565	\$365,921	(\$29,644)
Interest		979	979	1,075	2,006	931
Fines, forfeitures and penalties						
Parks and recreation						
Total Revenues	442,687	423,888	(18,799)	396,640	367,927	(28,713)
EXPENDITURES						
Current operations:						
General government						
Public works						
Debt Service:						
Principal						
Interest						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	442,687	423,888	(18,799)	396,640	367,927	(28,713)
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(554,377)	(542,991)	11,386	(647,076)	(222,009)	425,067
Total Other Financing Sources (Uses)	(554,377)	(542,991)	11,386	(647,076)	(222,009)	425,067
NET CHANGE IN FUND BALANCES	(\$111,690)	(119,103)	(\$7,413)	(\$250,436)	145,918	\$396,354
BEGINNING FUND BALANCES		349,538			755,355	
ENDING FUND BALANCES		\$230,435			\$901,273	

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)
			\$196,590	\$195,938	(\$652)			
	\$58	\$58	800	995	195	\$100,000 380	\$113,973 365	\$13,973 (15)
	10,200	10,200						
	10,258	10,258	197,390	196,933	(457)	100,380	114,338	13,958
			178,400	138,654	39,746			
				3,062 362	(3,062) (362)			
			178,400	142,078	36,322			
	10,258	10,258	18,990	54,855	35,865	100,380	114,338	13,958
			24,984 (54,271)	24,984 (19,720)	34,551	(148,608)	(152,453)	(3,845)
			(29,287)	5,264	34,551	(148,608)	(152,453)	(3,845)
	10,258	\$10,258	(\$10,297)	60,119	\$70,416	(\$48,228)	(38,115)	\$10,113
	17,289			420,937			166,665	
	\$27,547			\$481,056			\$128,550	

(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, 2015

	Traffic Safety			NPDES		
	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	\$234,437	(\$3,463)
Sales tax - public safety						
Intergovernmental						
Interest	\$85	\$50	(\$35)	293	68	(225)
Fines, forfeitures and penalties	50,700	35,500	(15,200)			
Parks and recreation						
Total Revenues	50,785	35,550	(15,235)	238,193	234,505	(3,688)
EXPENDITURES						
Current operations:						
General government						
Public works						
Debt Service:						
Principal						
Interest						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	50,785	35,550	(15,235)	238,193	234,505	(3,688)
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(60,700)	(60,717)	(17)	(238,193)	(227,616)	10,577
Total Other Financing Sources (Uses)	(60,700)	(60,717)	(17)	(238,193)	(227,616)	10,577
NET CHANGE IN FUND BALANCES	(\$9,915)	(25,167)	(\$15,252)		6,889	\$6,889
BEGINNING FUND BALANCES		29,164			39,952	
ENDING FUND BALANCES		\$3,997			\$46,841	

Asset Forfeiture			Public Safety Sales Tax			Street Lighting		
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)
			\$57,202	\$63,542	\$6,340	\$114,053	\$139,533	\$25,480
\$38	\$22	(\$16)		26	26		690	690
<u>38</u>	<u>22</u>	<u>(16)</u>	<u>57,202</u>	<u>63,568</u>	<u>6,366</u>	<u>114,053</u>	<u>140,223</u>	<u>26,170</u>
<u>38</u>	<u>22</u>	<u>(16)</u>	<u>57,202</u>	<u>63,568</u>	<u>6,366</u>	<u>114,053</u>	<u>140,223</u>	<u>26,170</u>
			(66,949)	(67,977)	(1,028)	(24,984)	(24,984)	
			(66,949)	(67,977)	(1,028)	(24,984)	(24,984)	
<u>\$38</u>	<u>22</u>	<u>(\$16)</u>	<u>(\$9,747)</u>	<u>(4,409)</u>	<u>\$5,338</u>	<u>\$89,069</u>	<u>115,239</u>	<u>\$26,170</u>
	<u>10,041</u>			<u>14,689</u>			<u>250,553</u>	
	<u>\$10,063</u>			<u>\$10,280</u>			<u>\$365,792</u>	

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**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2015**

**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  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
ASSETS				
Cash and investments	\$462,502	\$656,590	\$462,502	\$656,590
Accounts receivable	60	62	60	62
Total Assets	<u>\$462,562</u>	<u>\$656,652</u>	<u>\$462,562</u>	<u>\$656,652</u>
LIABILITIES				
Accounts payable	\$114,820	\$59,177	\$114,820	\$59,177
Deposits	280,638	530,438	280,638	530,438
Due to others	67,104	67,037	67,104	67,037
Total Liabilities	<u>\$462,562</u>	<u>\$656,652</u>	<u>\$462,562</u>	<u>\$656,652</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 of Governmental Funds - 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. General Fund 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. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin

***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

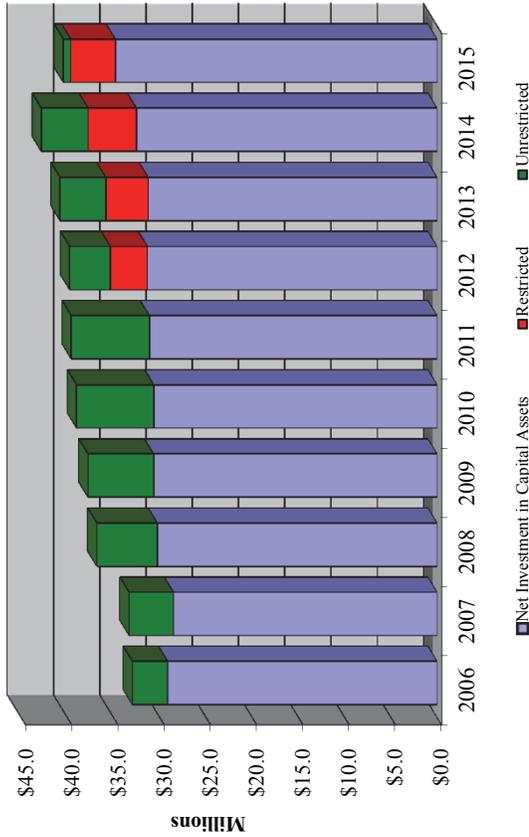
***Operating Information***

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. Full-Time Equivalent Town 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)



Fiscal Year Ended June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
Net investment in capital assets	\$29,153,081	\$28,517,706	\$30,258,389	\$30,658,278	\$30,636,715	\$31,117,713	\$31,326,914	\$31,262,841	\$32,510,879	\$34,803,223
Restricted		4,793,445	6,541,410	7,099,523	8,353,521	8,448,856	4,020,379	4,574,470	5,231,652	4,834,164
Unrestricted	3,798,245	4,793,445	6,541,410	7,099,523	8,353,521	8,448,856	4,394,197	4,943,695	5,059,030	792,542
Total governmental activities net position	<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>	<u>\$42,801,561</u>	<u>\$40,429,929</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.

(d) In fiscal year 2015, the Town reduced the beginning balance of net position by \$4,446,616 as a result of the implementation of GASB Statements 68 and 71. Financial data shown for preceding years were not adjusted for the presentation.

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

	<b>Fiscal Year Ended June 30,</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Expenses</b>				
Governmental activities:				
General administration	\$1,078,312	\$1,004,281	\$1,509,936	\$1,439,693
Planning	400,498	561,547	880,282	673,332
Public safety	1,974,900	2,528,217	2,522,333	2,232,131
Public works	1,654,466	1,809,005	2,143,704	2,432,465
Parks and recreation	1,136,680	1,064,012	703,257	589,678
Interest and long-term debt				
<b>Total Governmental activities expenses</b>	<u>6,244,856</u>	<u>6,967,062</u>	<u>7,759,512</u>	<u>7,367,299</u>
Business-type activities:				
Rental property	186,100	167,427		
<b>Total Business-type activities expenses</b>	<u>186,100</u>	<u>167,427</u>	<u>0</u>	<u>0</u>
<b>Total Primary Government Expenses</b>	\$6,430,956	\$7,134,489	\$7,759,512	\$7,367,299
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General administration	\$0	\$0	\$183,562	\$4,122
Planning	381,002	377,596	297,407	330,784
Public safety	116,496	137,973	142,806	129,263
Public works	0	0	201,199	486,270
Parks and recreation	225,887	236,398	308,927	200,241
Operating Grants and Contributions	532,344	436,072	599,347	379,519
Capital Grants and Contributions	371,246	347,960	1,015,873	958,016
<b>Total Governmental activities program revenues</b>	<u>1,626,975</u>	<u>1,535,999</u>	<u>2,749,121</u>	<u>2,488,215</u>
Business-type activities:				
Charges for services:				
Rental property	108,242	149,248		
<b>Total Business-type program revenues</b>	<u>108,242</u>	<u>149,248</u>	<u>0</u>	<u>0</u>
<b>Net Revenues / (Expenses)</b>				
Governmental activities	(\$4,617,881)	(\$5,431,063)	(\$5,010,391)	(\$4,879,084)
Business-type activities	(77,858)	(18,179)		
<b>Total Primary Government Net Expense</b>	<u>(\$4,695,739)</u>	<u>(\$5,449,242)</u>	<u>(\$5,010,391)</u>	<u>(\$4,879,084)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property tax	\$2,551,775	\$2,899,156	\$2,938,034	\$2,894,886
Sales tax	1,092,002	1,196,485	1,028,004	944,820
Franchise tax	533,628	621,824	659,421	693,239
Motor vehicle in-lieu	128,595	104,498		56,154
Gas tax	277,814	307,501	329,735	272,452
Transfer tax	126,823	120,339	110,431	
Sale of property	2,753			
Interfund transfer	(480,952)	(23,530)		
Assessment			221,634	383,682
Developer Fees		250,000	3,500,000	
Interest and use of property	124,348	189,670	257,116	345,365
Other	114,494	119,597	419,700	230,818
<b>Total Governmental activities</b>	<u>4,471,280</u>	<u>5,785,540</u>	<u>9,464,075</u>	<u>5,821,416</u>
Business-type activities:				
Interfund transfer	504,378	23,530		
<b>Total Business-type activities</b>	<u>504,378</u>	<u>23,530</u>	<u>0</u>	<u>0</u>
<b>Change in Net Position</b>				
Governmental activities	(146,601)	354,477	4,453,684	942,332
Business-type activities:	426,520	5,351	0	0
<b>Total Primary Government Change in Net Position</b>	<u>\$279,919</u>	<u>\$359,828</u>	<u>\$4,453,684</u>	<u>\$942,332</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.

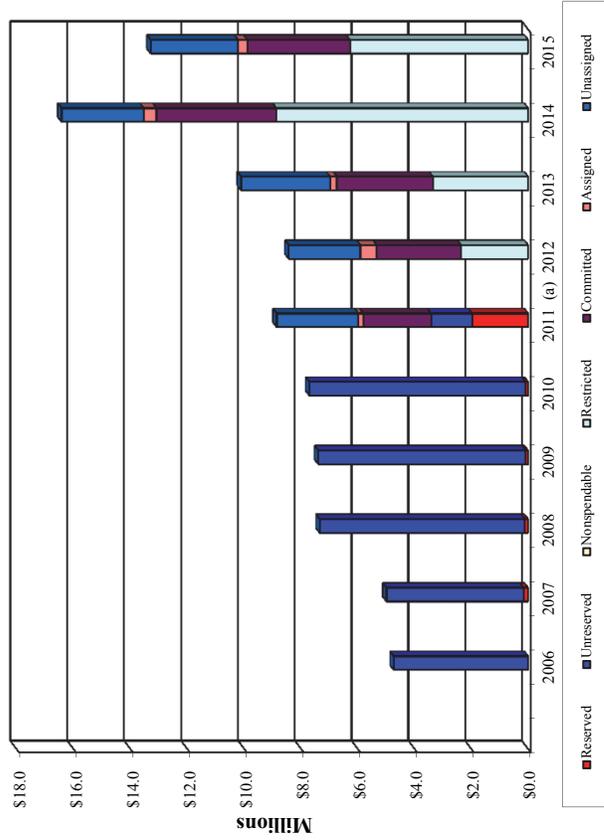
Source: Town of Moraga: Basic Financial Statements

**Fiscal Year Ended June 30**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b> (a)	<b>2014</b>	<b>2015</b>
\$1,364,119	\$1,208,943	\$1,310,021	\$1,528,140 (c)	\$1,601,401	\$1,546,125
547,238	462,025	443,788	\$445,705	666,363	720,899
2,007,108	2,150,458	2,280,426	2,288,770	2,551,912	2,546,827
2,704,268	2,310,181	3,154,962	2,342,094	1,962,949	2,056,010
606,949	809,048	632,177	679,215	1,568,294	1,339,255
3,453	63,176	58,394	56,669	250,457	368,686
<u>7,233,135</u>	<u>7,003,831</u>	<u>7,879,768</u>	<u>7,340,593</u>	<u>8,601,376</u>	<u>8,577,802</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$7,233,135	\$7,003,831	\$7,879,768	\$7,340,593	\$8,601,376	\$8,577,802
\$8,569	\$20	\$72,735	\$38,637	\$103,967	\$199,703
230,970	233,432	289,690	383,754	477,559	528,548
110,398	121,097	123,787	132,932	113,396	92,100
407,342	316,124	160,832	294,212	228,063	452,795
210,303	216,358	411,117	398,321	366,240	357,278
110,000	100,000	109,016	1,365,249 (b)	1,586,631	1,386,015
1,729,067	593,824	1,096,496	430,697	1,306,480	422,684
<u>2,806,649</u>	<u>1,580,855</u>	<u>2,263,673</u>	<u>3,043,802</u>	<u>4,182,336</u>	<u>3,439,123</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(\$4,426,486)	(\$5,422,976)	(\$5,616,095)	(\$4,296,791)	(\$4,419,040)	(\$5,138,679)
<u>(\$4,426,486)</u>	<u>(\$5,422,976)</u>	<u>(\$5,616,095)</u>	<u>(\$4,296,791)</u>	<u>(\$4,419,040)</u>	<u>(\$5,138,679)</u>
\$2,936,896	\$2,978,396	\$3,065,030	\$3,070,278	\$3,204,386	\$3,467,233
976,416	967,688	1,018,561	1,342,747	2,494,796	2,755,146
710,239	735,390	738,185	749,227	823,301	955,183
48,468	48,982	43,316	7,011		
277,534	417,903	467,217			
			(b)		
396,643	488,980	431,447			
			(b)		
263,151	249,441	27,260	22,544	25,954	36,101
195,572	112,529		144,500		
<u>5,804,919</u>	<u>5,999,309</u>	<u>5,791,016</u>	<u>5,336,307</u>	<u>6,548,437</u>	<u>7,213,663</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,378,433	576,333	174,921	1,039,516 (c)	2,129,397	2,074,984
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,378,433</u>	<u>\$576,333</u>	<u>\$174,921</u>	<u>\$1,039,516</u>	<u>\$2,129,397</u>	<u>\$2,074,984</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,**

	2006	2007	2008	2009	2010	2010 (a)	2011	2012	2013	2014	2015
<b>General Fund</b>											
Reserved	\$166,995	\$166,995	\$112,274	\$85,132	\$5,100,186	\$5,100,186	\$767	\$421	\$629	\$672	\$646
Unreserved	1,709,244	1,709,244	3,976,595	4,626,093			2,390,737	2,140,737	2,165,737 (b)	2,007,900	1,971,271
Nonspendable							164,070	484,100	243,113	451,311	319,488
Committed							2,879,061	2,523,411	3,125,652	2,879,905	3,071,555
Assigned							\$5,434,635	\$5,148,669	\$5,535,131	\$5,339,788	\$5,362,960
Unassigned											
<b>Total General Fund</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>\$5,100,186</b>	<b>\$5,434,635</b>	<b>\$5,148,669</b>	<b>\$5,535,131</b>	<b>\$5,339,788</b>	<b>\$5,362,960</b>
<b>All Other Governmental Funds</b>											
Reserved							\$85,513	\$1,975,000			
Unreserved, reported in:											
Special revenue funds	\$2,292,455	\$2,037,708	\$2,064,948	\$534,963	659,352	1,068,931					
Capital project funds	1,108,142	1,075,639	1,190,962	2,144,583	1,857,112	376,266					
Restricted								\$2,360,273	\$3,356,540	\$8,865,991	\$6,277,032
Committed								839,669	1,217,930	2,208,849	1,649,665
Assigned								86,375			
<b>Total All Other Governmental Funds</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>\$3,286,317</b>	<b>\$4,574,470</b>	<b>\$11,074,840</b>	<b>\$7,926,697</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 Colorado's development. The Town Council has committed these funds for future projects.

Source: Town of Moraga: Basic Financial Statements

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

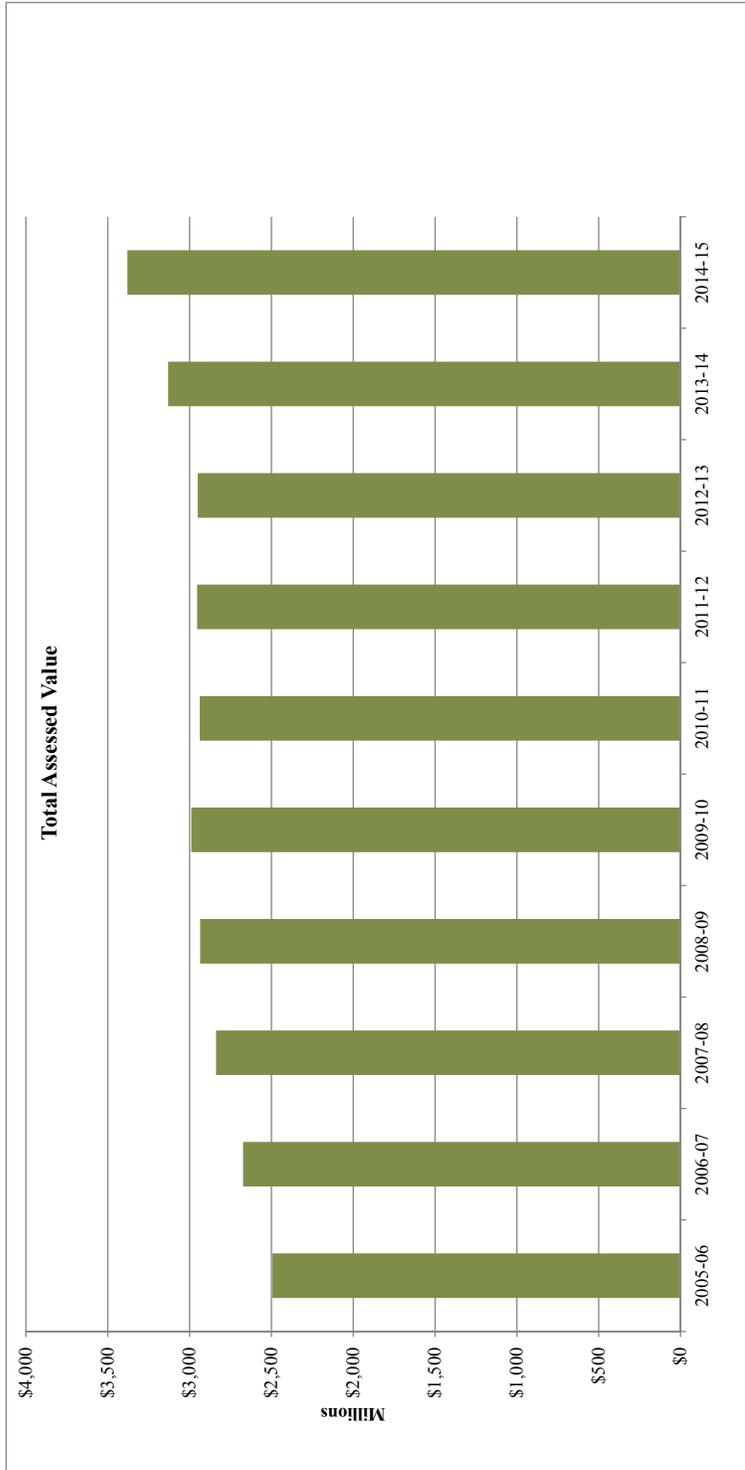
	<b>Fiscal Year Ended June 30</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Revenues</b>				
Property taxes and assessments	\$3,042,316	\$2,281,710	\$2,492,828	\$2,256,159
Property taxes - in lieu (motor vehicle)		1,136,007	1,206,210	1,247,444
Sales taxes	846,412	714,923	787,291	709,285
Sales & use tax - in lieu		216,998	240,713	235,718
Sales tax - 1% local add-on				
Franchise fees	337,722	418,616	449,789	693,055
Real property transfer fees	126,823	116,179	110,431	47,504
Motor vehicle license fees	115,421	104,498	73,242	56,154
Planning and permits	439,403	497,080	346,414	360,099
Parks and recreation	(125)	5,984	352,573	245,653
Police services	38,944	69,693	74,905	95,737
Public works services			396,021	295,805
Intergovernmental	1,149,180	1,048,596	1,615,220	1,397,503
Fines, forfeitures and penalties	74,727	63,698	100,296	93,850
Interest	124,348	189,670	162,231	125,426
Property rentals	166,161	159,078	94,885	219,939
Other revenues	115,122	322,339	3,710,147	230,300
<b>Total Revenues</b>	<b>6,576,454</b>	<b>7,345,069</b>	<b>12,213,196</b>	<b>8,309,631</b>
<b>Expenditures</b>				
Current operations:				
General administration	853,348	941,443	2,784,797	1,345,160
Planning	403,978	447,552	815,723	662,845
Police	2,025,405	2,177,986	2,311,571	2,195,268
Public works	987,590	1,497,488	1,784,512	1,748,668
Parks and recreation	872,739	988,650	511,247	523,141
Debt service:				
Principal			78,770	82,690
Interest				
Capital outlay	1,473,492	581,447	2,051,045	1,222,742
<b>Total Expenditures</b>	<b>6,616,552</b>	<b>6,634,566</b>	<b>10,337,665</b>	<b>7,780,514</b>
Revenues over (under) expenditures	(40,098)	710,503	1,875,531	529,117
<b>Other Financing Sources (Uses)</b>				
Transfers in	190,497	271,254		1,135,706
Transfers (out)	(671,449)	(294,784)		(1,135,706)
Proceeds from loan / debt issuance				
Fund balance transfer			199,627	
Gain on sale of property	2,753			
<b>Total Other Financing Sources (Uses)</b>	<b>(478,199)</b>	<b>(23,530)</b>	<b>199,627</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(\$518,297)</b>	<b>\$686,973</b>	<b>\$2,075,158</b>	<b>\$529,117</b>
<b>Debt service as a percentage of noncapital expenditures</b>	0.0%	0.0%	1.0%	1.3%

Source: Town of Moraga: Basic Financial Statements

**Fiscal Year Ended June 30**

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$2,266,864	\$2,498,730	\$2,611,524	\$2,628,727	\$2,805,223	\$2,862,344
1,270,581	1,248,672	1,255,380	1,266,002	1,342,531	1,448,086
773,866	747,228	783,239	803,298	807,904	855,442
202,550	220,460	235,322	263,557	255,268	253,333
			333,008	1,492,885	1,709,913
710,240	735,390	738,185	749,227	823,301	955,183
73,628	83,629	96,790	116,309	137,329	149,620
48,468	48,982	43,316	7,011	0	6,772
232,319	234,144	289,690	383,754	477,559	528,548
245,910	271,557	283,341	398,320	362,751	367,478
62,880	78,428	70,290	80,287	81,506	72,379
185,757	145,808	135,533	115,651	219,098	255,857
2,032,453	998,079	1,162,785	763,735	1,715,536	848,208
79,027	59,540	51,271	49,895	31,102	35,500
37,185	38,288	27,256	22,542	25,959	36,100
225,966	211,153	165,333	29,403	29,060	41,285
54,388	40,002	150,217	224,883	123,761	226,738
<u>8,502,080</u>	<u>7,660,090</u>	<u>8,099,472</u>	<u>8,235,609</u>	<u>10,730,773</u>	<u>10,652,786</u>
1,253,101	1,090,454	1,202,641	1,379,011	1,475,191	1,440,996
530,386	444,159	430,203	434,138	628,706	720,128
1,977,944	2,020,235	2,235,142	2,247,128	2,450,233	2,493,681
1,907,504	1,721,121	1,645,765	1,549,792	1,085,423	1,079,345
563,889	565,521	554,465	582,074	1,125,559	1,146,108
86,800	30,000	505,000	60,000	366,452	344,926
3,453	63,176	58,394	56,669	263,454	381,683
<u>2,830,386</u>	<u>1,524,855</u>	<u>1,048,899</u>	<u>986,244</u>	<u>4,901,833</u>	<u>6,170,890</u>
<u>9,153,463</u>	<u>7,459,521</u>	<u>7,680,509</u>	<u>7,295,056</u>	<u>12,296,851</u>	<u>13,777,757</u>
<u>(651,383)</u>	<u>200,569</u>	<u>418,963</u>	<u>940,553</u>	<u>(1,566,078)</u>	<u>(3,124,971)</u>
434,286	1,489,178	1,839,348	1,973,365	6,515,328	7,410,024
(434,286)	(1,489,178)	(1,839,348)	(1,973,365)	(6,515,328)	(7,410,024)
2,004,562		29,133		7,979,947	
<u>2,004,562</u>	<u>0</u>	<u>29,133</u>	<u>0</u>	<u>7,979,947</u>	<u>0</u>
<u>\$1,353,179</u>	<u>\$200,569</u>	<u>\$448,096</u>	<u>\$940,553</u>	<u>\$6,413,869</u>	<u>(\$3,124,971)</u>
1.4%	1.6%	9.3%	1.9%	8.0%	9.3%

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

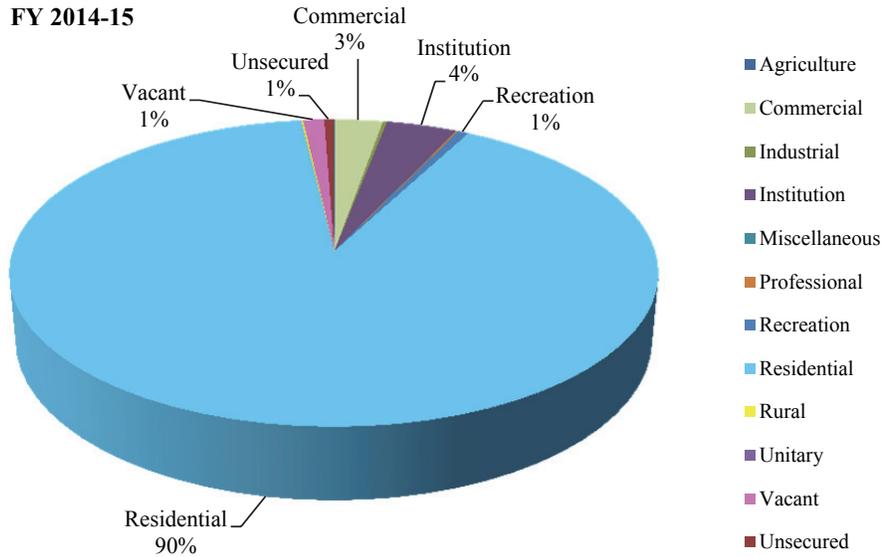


Fiscal Year	Local Secured Property	State Unitary Tax	Unsecured Property	Total Assessed Value	Percent Change	Total Direct Tax Rate	Est. Actual Taxable Value (b)
2005-06	\$2,475,482,356	\$56,175	\$17,895,236	\$2,493,433,767	7.2%	n/a	n/a
2006-07	2,653,660,916	56,814	19,605,474	2,673,323,204	7.2%	n/a	n/a
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%	\$5,345,750,006
2013-14	3,109,299,576	116,479	21,586,880	3,131,002,935	6.0%	1.091%	6,552,318,608
2014-15	3,359,937,900	123,791	20,244,706	3,380,306,397	14.6%	1.091%	6,552,318,608

(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 was the Town's first CAFR publication, some prior year data is unavailable.

Sources: *California Municipal Statistics (2004-05 through 2011-12)*  
*Contra Costa County Assessor data, MiniServices, LLC (2012-13 through 2014-15)*

**TOWN OF MORAGA**  
**ASSESSED VALUE OF PROPERTY BY USE CODE**  
**Last Two Fiscal Years**



<b>Use Code</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Agriculture	\$752,745	\$770,981	\$775,085
Commercial	92,450,434	95,650,441	97,325,035
Industrial	8,111,278	8,265,752	8,300,379
Institution	209,453,195	214,305,204	143,503,641
Miscellaneous	450,467	450,476	768,870
Professional	3,282,241	3,325,726	3,313,765
Recreation	20,438,481	21,677,212	21,768,661
Residential	2,773,216,943	2,940,360,209	3,189,436,494
Rural	2,055,843	2,096,956	3,284,442
Unitary	116,479	116,479	123,791
Vacant	40,404,507	41,360,919	42,401,862
Net Secured Value	3,150,732,613	3,328,380,355	3,511,002,025
Unsecured	22,847,805	21,586,880	20,244,706
Exemptions	222,687,799	218,964,300	150,816,543
Net Assessed Value	<u>\$2,950,892,619</u>	<u>\$3,131,002,935</u>	<u>\$3,380,430,188</u>

Notes:

- (1) Use code categories are based on Contra Costa County Assessor's data.
- (2) FY 2012-13 was 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>2013-14</b>	<b>2014-15</b>
<b>Basic City and County Levy (1%)</b>			
TOWN OF MORAGA	0.052732	0.052732	0.052732
COUNTY OF CONTRA COSTA	0.947268	0.947268	0.947268
Total 1% Basic Levy	1.000000	1.000000	1.000000
<b>Override Assessments</b>			
BART	0.004300	0.007500	0.004500
EAST BAY REG PK BD	0.005100	0.007800	0.008500
ACALANES UNION	0.033300	0.036100	0.035000
MORAGA ELEM BOND	0.027900	0.026400	0.024300
COMMUNITY COLLEGE	0.008700	0.013300	0.025200
Total Override Rate	0.079300	0.091100	0.097500
<b>TOTAL TAX RATE</b>	<b>1.091100</b>	<b>1.091100</b>	<b>1.097500</b>

Notes:

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

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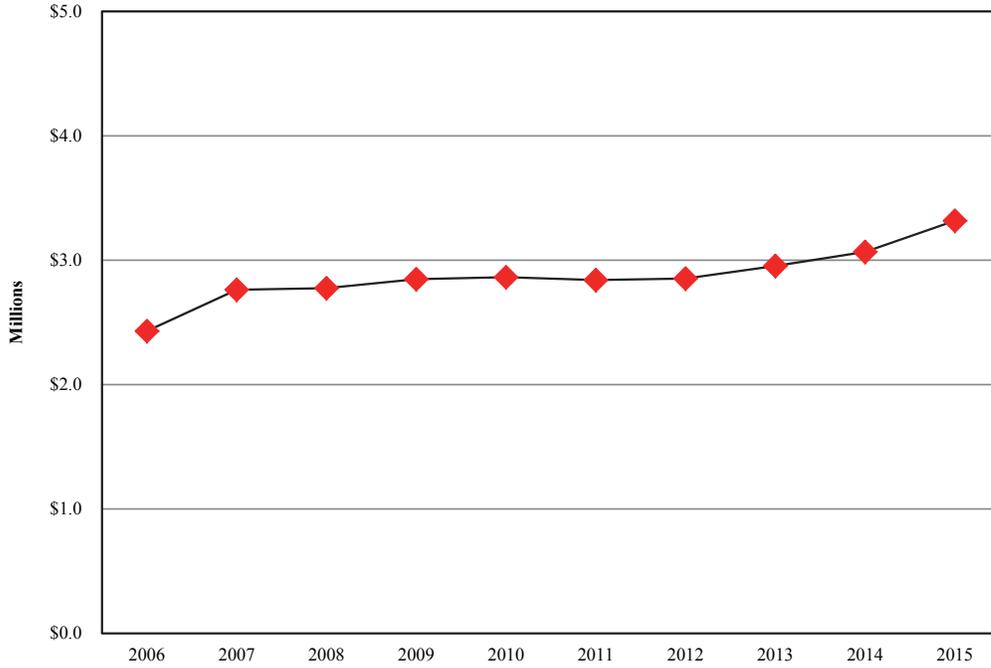
*Source: Contra Costa County Auditor-Controller data, MuniServices, LLC*

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

<b>Taxpayer</b>	<b>2014-15</b>		<b>2005-06</b>	
	<b>Taxable Value (\$)</b>	<b>Percent of Total City Taxable Value (%)</b>	<b>Taxable Value (\$)</b>	<b>Percent of Total City Taxable Value (%)</b>
Pk I Rheem Valley Lp	\$34,509,478	1.02%		
Russell J Bruzzone Inc.	21,416,562	0.63%	\$17,736,629	0.72%
Asc Moraga Llc	12,054,480	0.36%		
Moraga Enterprise Inc.	9,198,721	0.27%		
Gage George Tre	8,572,050	0.25%		
Bigbury Company N V	7,877,878	0.23%	6,928,125	0.28%
Gkhh Royale Investments Lp	7,556,570	0.22%	6,494,811	0.26%
Moraga Town Of	7,180,820	0.21%	6,315,088	0.26%
Markets Angelos	6,570,000	0.19%		
Jaber Philip J Tre	5,159,662	0.15%		
Kn Productions Inc.	5,071,516	0.15%	4,460,086	0.18%
Moraga Builders Corp	5,010,954	0.15%		
Vrionis Michael G Maria S	3,885,437	0.11%	3,417,000	0.14%
Vanguard Apts Llc	3,792,773	0.11%	3,335,509	0.14%
Moraga Cc Holdings Llc	3,763,796	0.11%		
Moraga Creekside Llc	3,701,510	0.11%		
Gage Deborah S Tre	3,581,833	0.11%	3,150,000	0.13%
Ct Operating Partnership Lp	3,538,212	0.10%	24,749,889	1.01%
Puri Mahesh K Minoo	3,363,394	0.10%	4,239,404	0.17%
Aaaaa Rent A Space Moraga Ltd.	3,354,969	0.10%	2,893,318	0.12%
Beeri Giora	3,214,926	0.10%		
Wang Judy	3,146,887	0.09%		
Ansari Mohammadali Tre	3,053,000	0.09%		
Doyle Patrick K Tre	3,033,311	0.09%	2,825,000	0.11%
Albert Bruce R Tre	2,940,481	0.09%		
Oakmont Of Moraga Llc			9,607,707	0.39%
Bruzzone Russell J & Joan E			5,814,014	0.24%
JHC America Group			4,685,573	0.19%
Mak Paul H Lily Tre			3,996,354	0.16%
Isaksson Rolf T Barbara Tre			3,371,188	0.14%
Jaber George J Tre			3,037,067	0.12%
346 Rheem Blvd LTD			2,668,976	0.11%
Yan Qingwei R & Sui Mei Tre			2,441,000	0.10%
Comcast Corporation			2,322,911	0.09%
Chiasson William B Carol Tre			2,247,899	0.09%
Granlund James D Candace Tre			2,198,280	0.09%
Tawiah Kofi A			2,187,937	0.09%
Lynda & Jules Properties			2,127,669	0.09%
Ascot Moraga Associates				
Burnet Thomas P Ellen S				
Gross Max Joyce Tre				
Laird Development Llc				
Moraga/Rheem LLC				
Quan Jerry Y Cathleen K Tre				
Torres Edwin John				
Vrionis Michael G Maria S				
<b>Total Top 25 Taxpayers</b>	<b>\$174,549,220</b>	<b>5.16%</b>	<b>\$133,251,434</b>	<b>5.41%</b>
<b>Total Taxable Value</b>	<b>\$3,380,306,397</b>	<b>100.00%</b>	<b>\$2,461,589,840</b>	<b>100.00%</b>

Source: 2014-15 Contra Costa 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>	(a)	<u>Percent of Total Tax Collections to Tax Levy</u>	(b)
2006	(c)	\$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%	
2014		3,067,058		100%	
2015		3,317,612		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 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**

	<u>Rate</u>
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)	<u>1.00%</u>
Total	9.50%

- (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**

2014-15		2005-06	
Taxpayer	Business Type	Taxpayer	Business Type
7-Eleven Food Stores	Food Markets	7-Eleven Food Stores	Food Markets
Arco AM/PM Mini Marts	Service Stations	Amoroma Ristorante	Restaurants
Blue Cat	Health & Government	Arco AM/PM Mini Marts	Service Stations
Chevron Service Stations	Service Stations	Barnes & Noble Bookstores	Miscellaneous Retail
CVS/Pharmacy	Drug Stores	Blockbuster Entertainment	Miscellaneous Retail
Dollar Tree Stores	Department Stores	Blue Cat	Health & Government
Homegoods	Furniture/Appliance	Chevron Service Stations	Service Stations
Jack In The Box Restaurants	Restaurants	CVS/Pharmacy	Drug Stores
La Penne Pizza Pub & Pizza	Restaurants	Jack In The Box Restaurants	Restaurants
Lamorinda Gasoline & Auto Repa	Service Stations	Mc Caulou Department Store	Department Stores
Mc Caulou Department Store	Department Stores	Moraga Auto Care & Service	Auto Parts/Repair
Moraga Auto Care & Service	Auto Parts/Repair	Moraga Chevron Service Center	Auto Parts/Repair
Moraga Country Club	Restaurants	Moraga Country Club	Restaurants
Moraga Hardware & Lumber	Bldg.Matls-Retail	Moraga Hardware & Lumber	Bldg.Matls-Retail
Moraga Star Service Stations	Service Stations	Moraga Wines & Spirits	Liquor Stores
Moraga Wines & Spirits	Liquor Stores	Nations Giant Hamburgers	Restaurants
Nations Giant Hamburgers	Restaurants	Orchard Supply Hardware	Bldg.Matls-Retail
Orchard Supply Hardware	Bldg.Matls-Retail	Rheem Unocal	Service Stations
Proforma Element3	Business Services	Safeway Stores	Food Markets
Safeway Stores	Food Markets	Schoofs Incorporated	Chemical Products
Saint Mary's College Bookstore	Miscellaneous Retail	Shell Service Stations	Service Stations
Sodexo Marriott Management	Restaurants	Sodexo Marriott Management	Restaurants
Taco Bell	Restaurants	TJ Maxx	Apparel Stores
TJ Maxx	Apparel Stores	Tuesday Morning	Miscellaneous Retail
Tuesday Morning	Miscellaneous Retail	Valero Service Stations	Service Stations

Note:

(1) Taxpayers listed in alphabetical order.

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Source: State Board of Equalization data, MuniServices, LLC

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



Fiscal Year	Sales & Use Tax		Sales Tax In-Lieu		Transactions & Use Tax		All Sales Tax Total		Percent Change
	(a)	(a)	(a)	(a)	(b)	(b)	(b)	(b)	
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%
2014	746,643		255,268	1,492,885			2,494,796		85.8%
2015	791,900		253,333	1,709,913			2,755,146		10.4%

(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 (Proposition 172).

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

Source: *Town of Moraga: Basic Financial Statements*

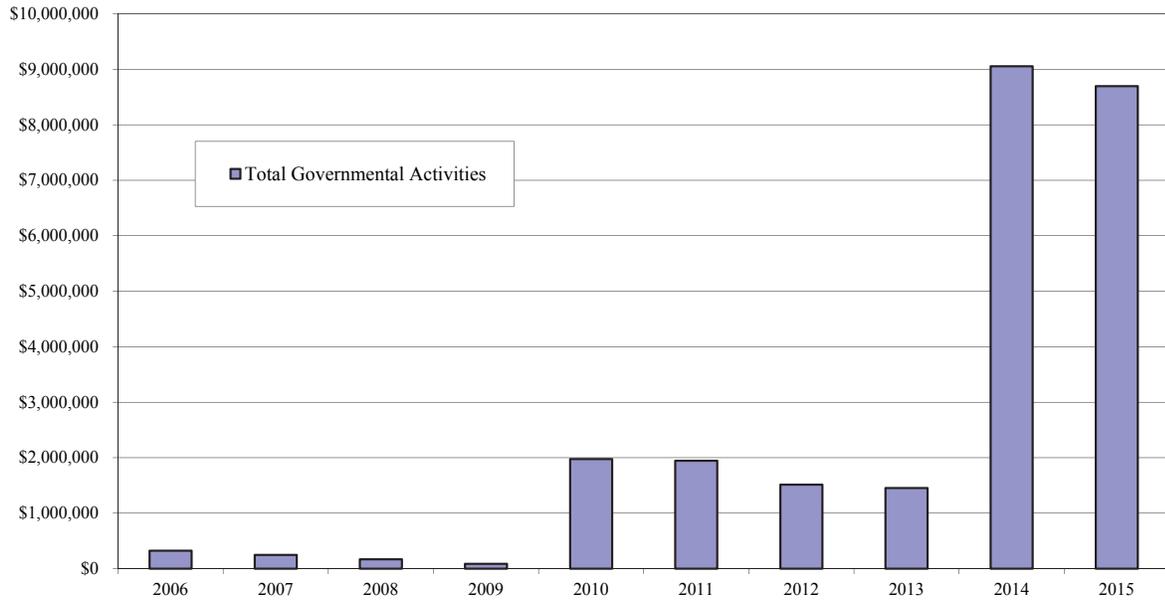
**TOWN OF MORAGA  
TAXABLE RETAIL SALES  
(Dollars in Thousands)**

<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
2012 (a)	231	78,942	340	89,214
2013 (a)	219	81,136	319	90,353

(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		
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
2014	8,991,950	62,464	9,054,414	0.95%	553.85
2015	8,648,953	47,538	8,696,491	0.91%	528.15

(a) See Schedule "Demographic and Economic Statistics" for personal income and population data. 2013 was 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, 2015**

2014-15 Assessed Valuation \$3,407,919,997

<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>	Total Debt Outstanding	Percent Applicable To Town of Moraga (a)	Amount Applicable To Town of Moraga
<b>Overlapping Tax and Assessment Debt:</b>			
Bay Area Rapid Transit District	\$630,795,000	0.608%	\$3,835,234
Contra Costa Community College District	455,860,000	2.132%	9,718,935
Acalanes Union High School District	208,097,905	12.416%	25,837,436
Moraga School District	5,635,000	97.591%	5,499,253
Orinda Union School District	7,806,348	0.270%	21,077
East Bay Regional Park District	<u>176,790,000</u>	0.933%	<u>1,649,451</u>
<b>Total Gross Overlapping Tax and Assessment Debt</b>	<b>\$1,484,984,253</b>		<b>\$46,561,385</b>
<b>Direct and Overlapping General Fund Debt</b>			
Contra Costa County General Fund Obligation Bonds	\$252,598,977	2.124%	\$5,365,202
Contra Costa County Pension Obligation Bonds	236,920,000	2.124%	5,032,181
Contra Costa Community College District Certificates of Participation	615,000	2.132%	13,112
Moraga-Orinda Fire District Pension Obligation Bonds	20,420,000	38.243%	7,809,221
<b>Town of Moraga Certificates of Participation - Direct Debt</b>	<b>8,648,953</b>	<b>100.000%</b>	<b>8,648,953</b>
<b>Town of Moraga Energy Efficiency Loan - Direct Debt</b>	<u>47,538</u>	<b>100.000%</b>	<u>47,538</u>
<b>Total Gross Direct and Overlapping General Fund Debt</b>	<b>\$519,250,468</b>		<b>\$26,916,206</b>
Less: Contra Costa County Obligations supported by revenue bonds			<u>2,098,582</u>
<b>Total Net Direct and Overlapping General Fund Debt</b>			<b>\$24,817,624</b>
<b>Direct Debt Total</b>			<b>\$8,696,491</b>
<b>Gross Overlapping Debt Total</b>			<b>\$64,781,101</b>
<b>Net Overlapping Debt Total</b>			<b>\$62,682,519</b>
<b>Gross Combined Debt Total</b>			<b>\$73,477,592 (b)</b>
<b>Net Combined Debt Total</b>			<b>\$71,379,010</b>

(a) The percentage of overlapping debt applicable to the Town is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the Town divided by the district's total taxable assessed value.

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

**RATIOS TO ASSESSED VALUATION:**

Total Overlapping Tax and Assessment Debt	1.37%
<b>Total Direct Debt</b>	<b>0.26%</b>
Total Gross Combined Debt	2.16%
Total Net Combined Debt	2.09%

Sources: California Municipal Statistics and MuniServices LLC (for 2014-15 Assessed Valuation)

**TOWN OF MORAGA  
COMPUTATION OF LEGAL BONDED DEBT MARGIN  
JUNE 30, 2015**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$3,380,430,188</u>
--	------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$126,766,132</u>
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$0 (b)
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Amount of debt subject to limit	<u>0</u>
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LEGAL BONDED DEBT MARGIN	<u>\$126,766,132</u>
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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 and 2013 Certificates of Participation (COP) are not subject to the computation of bonded debt under the California Government Code, Section 43605.

**TOWN OF MORAGA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Two Fiscal Years

Fiscal Year	Population		Per Capita		Public		County		City	
	(a)	(a)	(b)	(b)	Enrollment	Age	Rate (%)	(d)	Rate (%)	(d)
2012-13	16,168	\$921,721,512	\$57,009	42.6	1,856	9.0	5.3	1,074,702		
2013-14	16,348	951,566,401	58,207	43.6	1,845	7.4	4.4	1,087,008		
2014-15	16,466	960,312,927	58,321	44.4	1,852	4.7	4.0	1,102,871		

**Notes:**

Fiscal Year 2012-13 was the Town's first CAFR publication, therefore prior year data is unavailable.

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

(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*

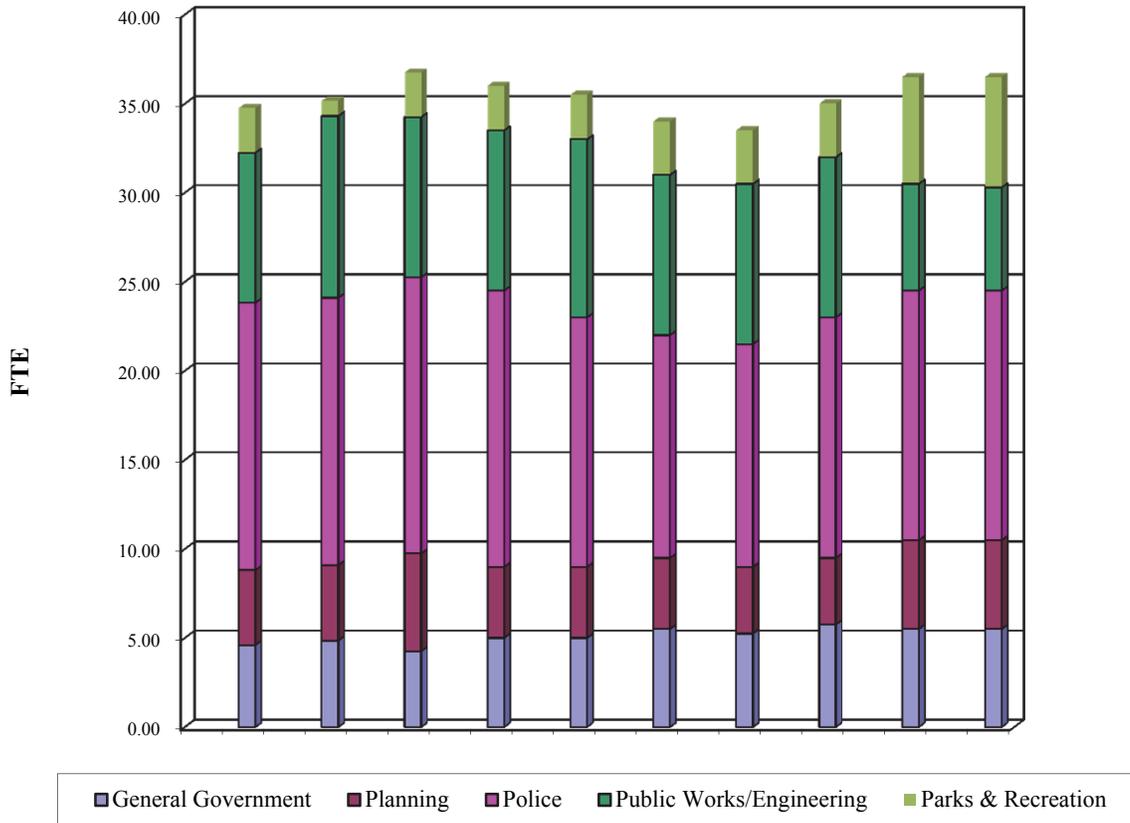
**TOWN OF MORAGA**  
**PRINCIPAL EMPLOYERS (CONTRA COSTA COUNTY)**  
**Current Year (a)**

<b>Employer Name</b>	<b>Location</b>	<b>Industry</b>	<b>Employer Size</b>
AAA Northern Ca Nevada & 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 Ctr	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 Rhb	Concord	Physical Therapists	1,000-4,999
John Muir Medical Center	Concord	Hospitals	1,000-4,999
John Muir Medical Center	Walnut Creek	Hospitals	1,000-4,999
Kaiser	Martinez	Clinics	1,000-4,999
Kaiser Permanente	Antioch	Hospitals	1,000-4,999
Kaiser Permanente	Walnut Creek	Hospitals	1,000-4,999
La Raza Market	Richmond	Grocers-Retail	1,000-4,999
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
Saint Mary's College	Moraga	Schools-Universities & Colleges Academic	1,000-4,999
Sutter Delta Medical Ctr	Antioch	Hospitals	500-999
Tesoro Golden Eagle Refinery	Pacheco	Oil Refiners (Mfrs)	500-999
US Veterans Medical Center	Martinez	Outpatient Services	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, 2015 2nd Edition.*

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

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



<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Government	4.60	4.85	4.25	5.00	5.00	5.50	5.25	5.75	5.50	5.50
Planning	4.22	4.25	5.50	4.00	4.00	4.00	3.75	3.75	5.00	5.00
Police	15.00	15.00	15.50	15.50	14.00	12.50	12.50	13.50	14.00	14.00
Public Works/Engineering	8.43	10.21	9.00	9.00	10.00	9.00	9.00	9.00	6.00	5.80
Parks & Recreation	2.50	0.85	2.50	2.50	2.50	3.00	3.00	3.00	6.00	6.20
<b>Total FTE</b>	<b>34.75</b>	<b>35.16</b>	<b>36.75</b>	<b>36.00</b>	<b>35.50</b>	<b>34.00</b>	<b>33.50</b>	<b>35.00</b>	<b>36.50</b>	<b>36.50</b>

*Source: Town of Moraga Adopted Budget Documents*

**TOWN OF MORAGA  
OPERATING INDICATORS BY FUNCTION**

FUNCTION	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>(a)</b>										
Police										
Crime by type:										
Homicide	0	0	0	0	0	0	0	0	0	0
Forcible Rape	4	2	4	2	4	0	5	1	4	1
Robbery	2	4	1	1	2	3	1	0	0	0
Assault	20	35	29	18	22	27	17	40	30	19
Burglary	32	43	43	47	34	39	34	29	39	33
Larceny	140	153	193	148	140	173	122	112	90	104
Auto Theft	20	19	18	11	5	10	17	11	21	12
Total crime by type	218	256	288	227	207	252	196	193	184	169
<b>(b)</b>										
Various enforcement statistics:										
Traffic Citations						1,290	1,316	1,420	794	959
Speed						716	810	864	410	638
Stop Sign						45	60	56	86	67
Red Light						10	16	18	14	11
Cell Phones						97	125	71	70	34
Total Arrests						118	106	130	94	101
Adult DUI						43	27	66	24	39
Juvenile DUI						4	1	1	0	2
Non-Injury Collisions						67	45	61	100	46
Injury Collisions						18	16	11	12	17
Alcohol-Related Incidents						179	142	188	213	130
Drug-Related Incidents						67	43	41	48	46
Sr. Citizen-Related Incidents						97	98	101	101	113
Domestic Violence						5	7	19	14	6
Saint Mary's College-Related Incidents						140	110	109	154	76
Auto Burglaries						33	19	15	6	6
False Alarm Responses						196	207	195	310	257
Public Works										
Potholes repaired (square miles)								140	140	140
Street Sweeping (miles)								104	104	104
Volume of material removed (cubic yards)								80	65	80
Storm Drains:										
Catch basins cleaned								20	15	16
Volume of material removed (cubic yards)								12	10	8
<b>(c)</b>										
<b>(a)</b>										
Community Facilities										
Parks and recreation class offerings								194	162	176
Parks and recreation class participants								2,262	2,046	2,214

Academic Year

(a) FY 2012-13 was 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.

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

FUNCTION	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(a) Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	2	2	2	2	2
(b) Public Works										
Streets (miles of)								56	56	56
Street lights								974	976	976
Traffic signals								9.5	9.5	9.5
Storm drains pipes (miles of)								30	30	45
Storm drainage inlets								1,824	1,824	2,350
High Visibility Crosswalks									2	2
(c) 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	1	1	1	1	1	1	1	1	1	1
(d)										

(a) FY 2012-13 was 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*