



# Town of Moraga

**Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2020**



**Town of Moraga, California**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**



**Prepared by the Administrative Services Department**  
Norman Veloso, Administrative Services Director  
William Chong, Accountant

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**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2020**

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# Town of Moraga

November 18, 2020

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, 2020. The overall goal of this report is to provide a full and transparent understanding of the Town's financial activities and 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**

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 17,500.

The Town is predominantly residential in nature with two clusters of community-serving retail and commercial spaces. The Town is home to Saint Mary's College, a prestigious private Catholic university with a combined enrollment of over 4,200 undergraduate and graduate students. In 2020, St. Mary's College of California ranked #6 in Regional Universities West by U.S. News and World Report. The Town's only high school, Campolindo, is ranked #188 in the nation and earned a gold medal award from U.S. News and World Report in its 2020 list of the nation's best public high schools. Overall, Town residents enjoy award winning elementary and middle schools as well and are able to enjoy open space while having access to diverse employment opportunities throughout the San Francisco Bay Area.

**TOWN OF MORAGA**  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2020

**TRANSMITTAL LETTER**

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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. 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 seats each election cycle. The Mayor's position is filled by one of the members of the Council who is annually selected to serve in 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.

The Council has established an Audit and Finance Committee (AFC) to consider and make recommendations on matters relating to finance, budget, and audits. This committee comprised of two Council members, the Town Treasurer and two Council appointed citizens. Staff provides the Council and AFC with reports such as the CAFR and budget and specific requested financial analysis.

***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 RecycleSmart.

***Demographic Information***

Size: 9.54 square miles

2019 Population: 17,783 (US Census)

Population: 47 % (Male) 53% (Female)

Median Resident Age: 43.4 years

Estimated Median Household Income: \$149,781 (2018) (\$98,080 in 2000)

Owner Occupied Household: 80.9%

Median Home Value: \$1,711,190

Median Rent per Month: \$3,467

**TOWN OF MORAGA**  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2020

**TRANSMITTAL LETTER**

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**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.”*

Although this philosophy of minimal government is essential to the Town’s fiscal management strategy, the Town has realized that in some cases it may be beneficial to rely upon dedicated permanent staff as opposed to a team of consultants for ongoing programs and services. The Town will continue to evaluate the best way to provide efficient and effective services in light of new mandates and the increasing needs of the community.

***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 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/June and adopts a balanced budget before July 1 of each year.

The Town Council has the legal authority to amend the budget at any time during the fiscal year. Budget amendments that increase a fund’s appropriations require majority approval by the Town Council. Certain budgetary re-allocations within departments require approval by the Administrative Services Director and department heads. Budget amendments between departments are approved by the Administrative Services Director and Town Manager.

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 \$25,000. All contracts over \$25,000 require Town Council authorization. A mid-year budget status report and a long-term financial forecast for the next five years are presented to the Town Council as part of an ongoing assessment and evaluation of budgetary performance, with special attention to the General Fund and certain other major funds.

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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 as well as to ensure 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.

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, 2020.

**Economic Condition and Outlook**

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***Property Taxes***

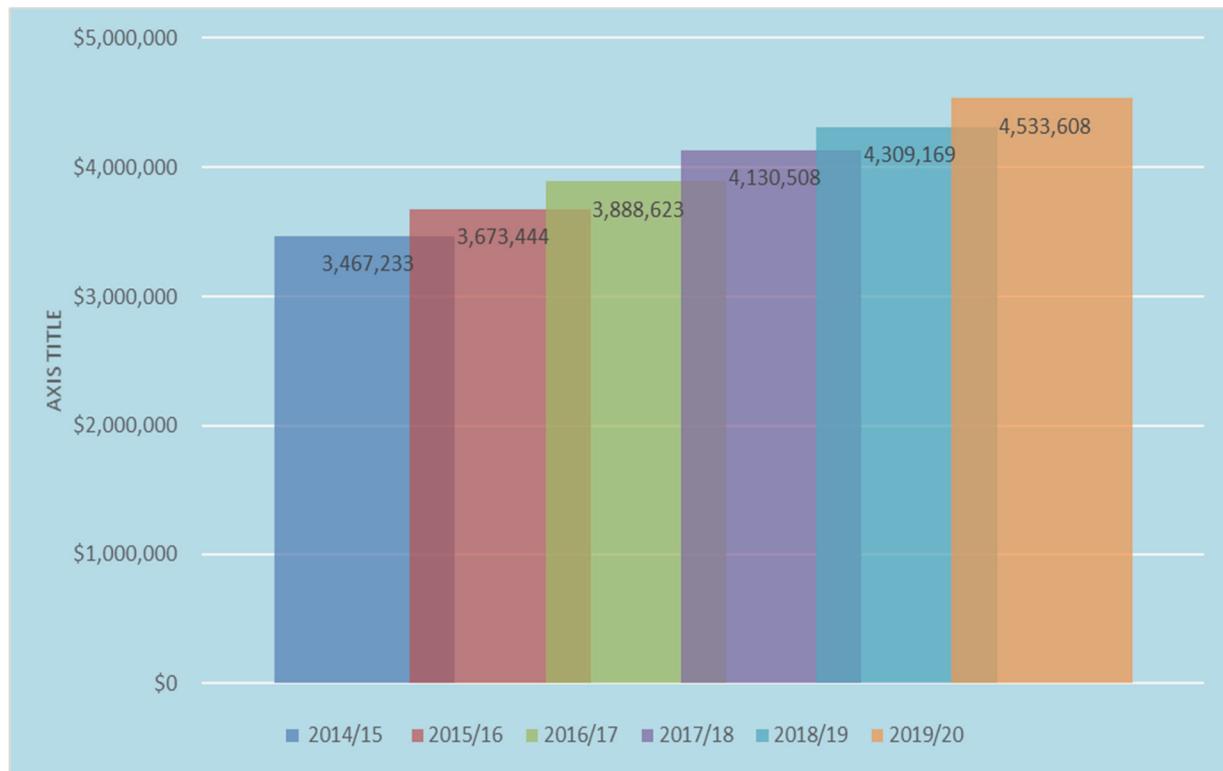
Property tax revenue is the single, largest source of revenue for the Town. Property taxes have remained relatively stable even during the historic upswings and downturns in the economy. The reasoning may be related to the overall stability of the community, which creates both financial advantages and disadvantages. Moraga has experienced a healthy increase in property tax revenue over the past five years with an average increase of more than 5%.

Moraga is a desirable and relatively well-off community and has a stable assessed valuation of property, but the growth of property tax can be limited by certain economic trends and Proposition 13. Under Proposition 13 tax reform, property tax value was rolled back and frozen at the 1976 assessed value level. Property tax increases on any given property were limited to no more than 2% per year as long as the property was not sold. Once sold, the property was reassessed, and the 2% yearly cap became applicable to future years which means that low turnover rates limit the number of properties being reassessed at market rates under Proposition 13.

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

**Chart 1. Historical Property Tax Revenues**



The Town receives around 5.29% of every property tax dollar paid by its property owners. The Town receives the lowest proportional share of property tax dollars paid of any municipality in Contra Costa County. Moraga residents negotiated the proportional share with the County as part of the Town's incorporation process. In order to increase the Town's proportional share of property tax, the other agencies receiving revenue would need to agree to reduce their proportional shares and the state legislature would ultimately need to approve the changes.

The rest of the tax goes to Contra Costa County, various schools and special districts including - Orinda Fire District (18.83%), Moraga Elementary (13.19%), Acalanes High (12.26%), K-12 Schools ERAF (13.70%), Community College and CC ERAF combined (6.4%), East Bay Regional Park (2.87%), County Library (1.42%), County General (13.65%) and other schools and districts in the Contra Costa area. The general chart below illustrates how each \$1.00 of the countywide basic 1% property tax is allocated by groups in general and as a whole in comparison to the Town's proportional share.<sup>1</sup>

<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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**TRANSMITTAL LETTER**

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



The Contra Costa Association of Realtors September 2019 Update indicates that median home sales price in Moraga increased 0.7% from \$1,445,000 year to date in 2018 to \$1,455,000 year to date in 2019. Overall, this slight increase may be a sign of a slowdown in the real estate market.

***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.

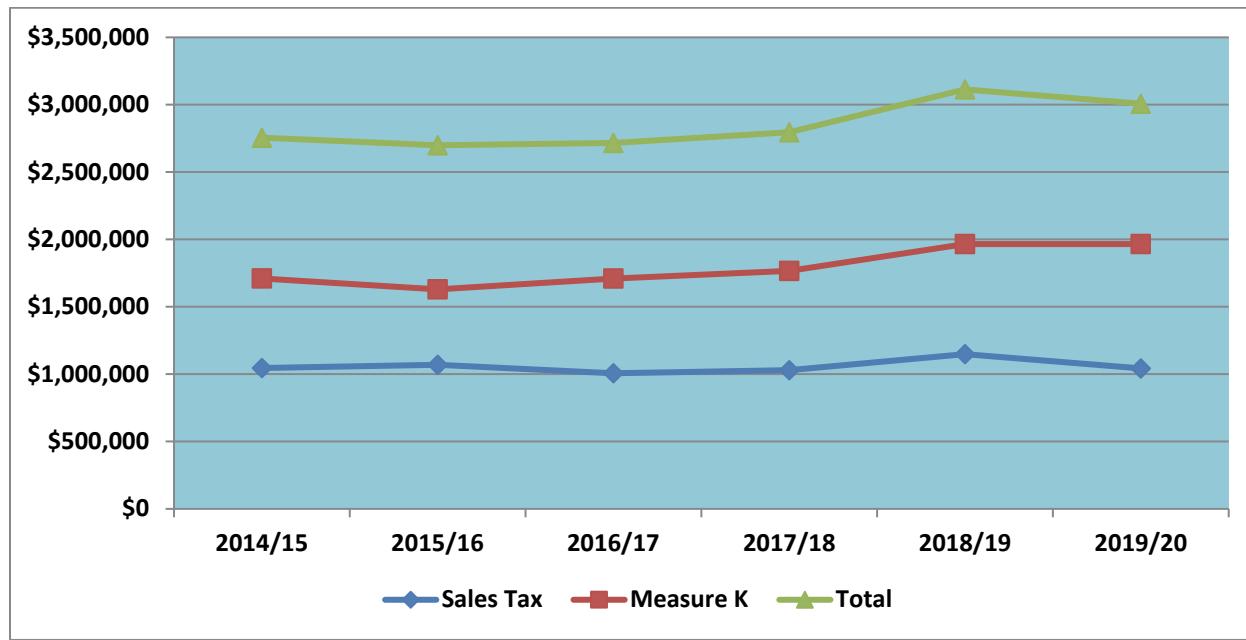
General sales tax revenue was adversely affected during the recent recession – while this revenue peaked in FY 2007-08, it dropped suddenly and significantly in FY 2008-09. Since FY 2008-09, sales tax has recovered and remained relatively stable with a steady increase. According to quarterly sales tax analyses conducted on behalf of the Town by Avenu Insights, the five-year outlook for sales tax is stable and after an initial slight dip, it trends somewhat positively in future years with projected annual changes of between .4% to 2.6%.

On November 6, 2012, the Town passed Measure K, a locally controlled one-cent local transaction and use (add-on sales) with 70.5% voting in favor of the tax. This general sales tax will sunset on March 31, 2033. The tax was initially expected to increase sales tax revenues by at least one million dollars annually, but revenue receipts exceeded expectations due to the different methodology in tax collection. Namely, the 1% local sales tax applies to vehicle sales and internet sales which for the Town of Moraga are relatively significant. This year Moraga's general sales tax receipts totaled \$1.1 million, while the local sales tax receipts totaled just over \$1.9 million. Avenu Insights projections for Measure K revenue indicate a positive trend, with projected annual changes of between +3.3% to 5.6%, over the next five years.

**TOWN OF MORAGA**  
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**Chart 3. Historical Sales Tax Revenues<sup>2</sup>**



The Measure K sales tax measure was approved for general purposes and although the Town may legally use the revenue for a variety of purposes, in 2015 the Town Council directed those funds only be used to repair the Town's streets and related infrastructure in accordance with Resolution 98-2015.

***Long-Term Financial Planning***

Long term financial planning is an integral part of the Town's fiscal management. Each of the Town's operating funds, including the General Fund, maintains a long-term financial model. This financial model takes a strategic approach to ensure long term financial health including a comprehensive analysis of the local, state and federal economic conditions, short and long term revenue and expense trends as well as the challenges such as funding infrastructure needs and long-term pension liabilities. The long-term financial planning is a tool that allows policymakers an opportunity to prioritize funding needs over time. It sets the tone for the annual budget process and is one of the many tools and reports that Council uses for 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, overall, serves as a strategic tool to better manage the Town's limited financial resources. FY 2012-13 marked the first year of the plan, which includes the annual budget and a rolling expectation of future revenue and expenditures over the next five years. Each year the five-year financial plan is updated as part of the budget process. The plan has multiple components including:

<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.

**TOWN OF MORAGA**  
Comprehensive Annual Financial Report  
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**TRANSMITTAL LETTER**

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- (1) a Five-Year Financial Plan that projects the Town's revenues and expenditures five years into the future considering all economic factors including the economic impact of the current pandemic. The projections are based on historical trends and current information about future revenue sources, expenditures and unfunded needs;
- (2) a Five-Year Capital Improvement Program;
- (3) the Annual operating budget; and
- (4) the Town's financial management policies.

*General Purpose Fund Reserve.* The Town of Moraga is committed to maintaining adequate reserves for its General Fund as a matter of fiscal prudence and sound financial management. In 2015, the Town adopted a General Fund Reserve policy of 50% that requires any year end surplus be transferred to the Asset Replacement Fund.

*Containment of Operating Costs.* 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 and when compared to other jurisdictions. The Town's personnel costs constituted 58% of the Town's General Fund expenses. The Town has also kept personnel expenditures at prudent levels, including maintaining low retirement system plans offered by CalPERS for both miscellaneous and sworn employees, with employees contributing 4% of the required employer contribution rate; providing high deductible medical plans; and contracting out services where possible to keep staffing levels at a minimum. And unlike many other municipalities, the Town also does not provide other post-retirement health benefits to its employees.

*Infrastructure Rehabilitation and Maintenance.* Measure K, the Local Add-On Sales Tax, has been invested in the Town's Pavement Management Program, along with Gas Tax revenue and Garbage Franchise Fees which has enabled the Town to improve the overall condition of streets from a Pavement Condition Index (PCI) of 49 (Fair) in 2012 to a PCI of 75 (Good) in 2019. Inadequate resources for other infrastructure investment over many years has resulted in the deferred maintenance of the Town's capital assets and storm drain system.

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**Town Mission, Council Goal and Major Initiatives**

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***Town Mission***

- Providing a safe environment
- Preserving our natural landscape
- Creating a greater sense of community
- Supporting quality education, traffic congestion relief and leisure opportunities within Lamorinda
- Honoring our tradition of minimal service government

**TOWN OF MORAGA**  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2020

**TRANSMITTAL LETTER**

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***Town Council Goals and Major Initiatives***

The Town undertook a number of significant Council initiated goals in FY 2019-20 that will have a beneficial impact on the fiscal health and quality of life for the Town's citizens.

In FY 2019-20 the Town accomplished many of its priority goals as follows:

- Completed four unfunded needs assessments related to the 2018 Pavement Management Report, Capital Asset Replacement Analysis, Pension Obligation Study and the 2019 Addendum to the Storm Drain Master Plan
- Secured funding from Caltrans for the construction of the permanent Canyon Road Bridge and completed bridge design.
- Received over \$5 million in Federal Highway Administration Emergency Relief Reimbursements for the 2016 Rheem sinkhole repair and the temporary Canyon Road bridge projects and restored the General Fund Reserve to 50%, consistent with Town policy.
- Implemented Mobile Moraga, a work order system for parks and public works, to improve efficiency, data collection and transparency.
- Implemented numerous operational efficiencies and completed a detailed examination of non-personnel funds and a performance review of the Town Attorney (including the negotiation of a reduction in specialty rates).
- Updated the Moraga Zoning Code to streamline the process for businesses to locate in Moraga.
- Initiated the Moraga Center Specific Plan Zoning Implementation project, including holding four Citizens Advisory Committee meetings.
- Implemented a Storm Drain System Operations and Maintenance Program, including completing a field mapping project to obtain needed information about the Town's publicly owned infrastructure.
- Completed the Moraga Way Complete Streets, the Canyon/Camino Pablo Intersection and Alta Mesa intersection improvement projects, including receiving \$110k in grant funds for the Alta Mesa project.
- Completed labor negotiations and prepared the FY 2019/20 Budget, which included funding for Capital Improvement Projects for the first time in five years.
- Activated the Hacienda de las Flores with After School Enrichment Programs in the newly renovated Casita (thanks to the Hacienda Foundation donation) and increased event rentals.
- Consolidated the Design Review Board with the Planning Commission to streamline the planning process.
- Implemented strategies of Moraga's Climate Action Plan including installation of hydration stations, and approval of energy efficiency upgrades at Town facilities and electric vehicle charging stations at the Town offices and Commons Park.

**TOWN OF MORAGA**  
Comprehensive Annual Financial Report  
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**TRANSMITTAL LETTER**

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***2020 Goals – Building for the Future***

1. Maintain and improve fiscal discipline by adopting a balanced budget, continuing high quality fiscal reporting, and continuing to position the Town for long-term fiscal sustainability and operational efficiency.
2. Maintain and improve public safety through the continued provision of high quality Police and emergency response services and the exploration of funding opportunities for an additional Police Officer (or perhaps a School Resource Officer) in Town.
3. Begin construction on the permanent Canyon Road Bridge, completing phase I without incident, including submitting for reimbursement of costs in a timely manner.
4. Continue implementation and development of the Storm Drain System Operations and Maintenance Program and begin work on needed storm drain capital improvement projects.
5. Implement the 2020 \$1.8 million Neighborhood Streets and Roads Repair Program, complete design of 2021 Pavement Reconstruction Project (including potential reprioritization of worst condition streets), and pursue additional third-party funding opportunities to supplement these efforts to maintain the Town's streets and roads.
6. Revise the Town's Zoning Code to implement the Moraga Center Specific Plan.
7. Enhance Moraga's business environment and work collaboratively with the Chamber of Commerce and other stakeholders.
8. Rezone the Bollinger Valley Study Area.
9. Implement a new Town website to increase functionality and transparency and reduce administrative burden.
10. Complete approved site improvements and develop economically feasible recommendations/solutions for commercial and other public uses of the Hacienda de las Flores property.
11. Update the Zoning Code to incorporate new Accessory Dwelling Unit legislation.
12. Develop a plan and initiate a re-evaluation of the Town's three-step planned development process, development regulations and needs, and design guidelines, taking into account feedback from residents and other interested stakeholders.
13. Continue evaluation and implementation of viable strategies in Moraga's Climate Action Plan to lessen the Town's impact on the environment.

**TOWN OF MORAGA**  
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**Certificate of Achievement**

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, 2019. The Town first received a GFOA award for the fiscal year ended June 30, 2013. 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 generally accepted accounting principles, applicable legal requirements, and standards established by GFOA.

A Certificate of Achievement is valid for a period of one year only. 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.

**Acknowledgements**

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 Audit and Finance Committee for their 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,**



**Cynthia Battenberg**  
Town Manager



**Norm Veloso**  
Administrative Services Director

Town of Moraga  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2020**

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

### Elected Officials

Kymberleigh Korpus, Mayor  
Mike McCluer, Vice Mayor  
Renata Sos, Councilmember  
Steve Woehleke, Councilmember  
Roger Wykle, Councilmember

### Audit and Finance Committee

Bob Kennedy, Town Treasurer/Chair  
Kymberleigh Korpus, Mayor  
Roger Wykle, Councilmember  
Tim Freeman, Committee Member  
Stephen Huxley, Committee Member

### Town Manager

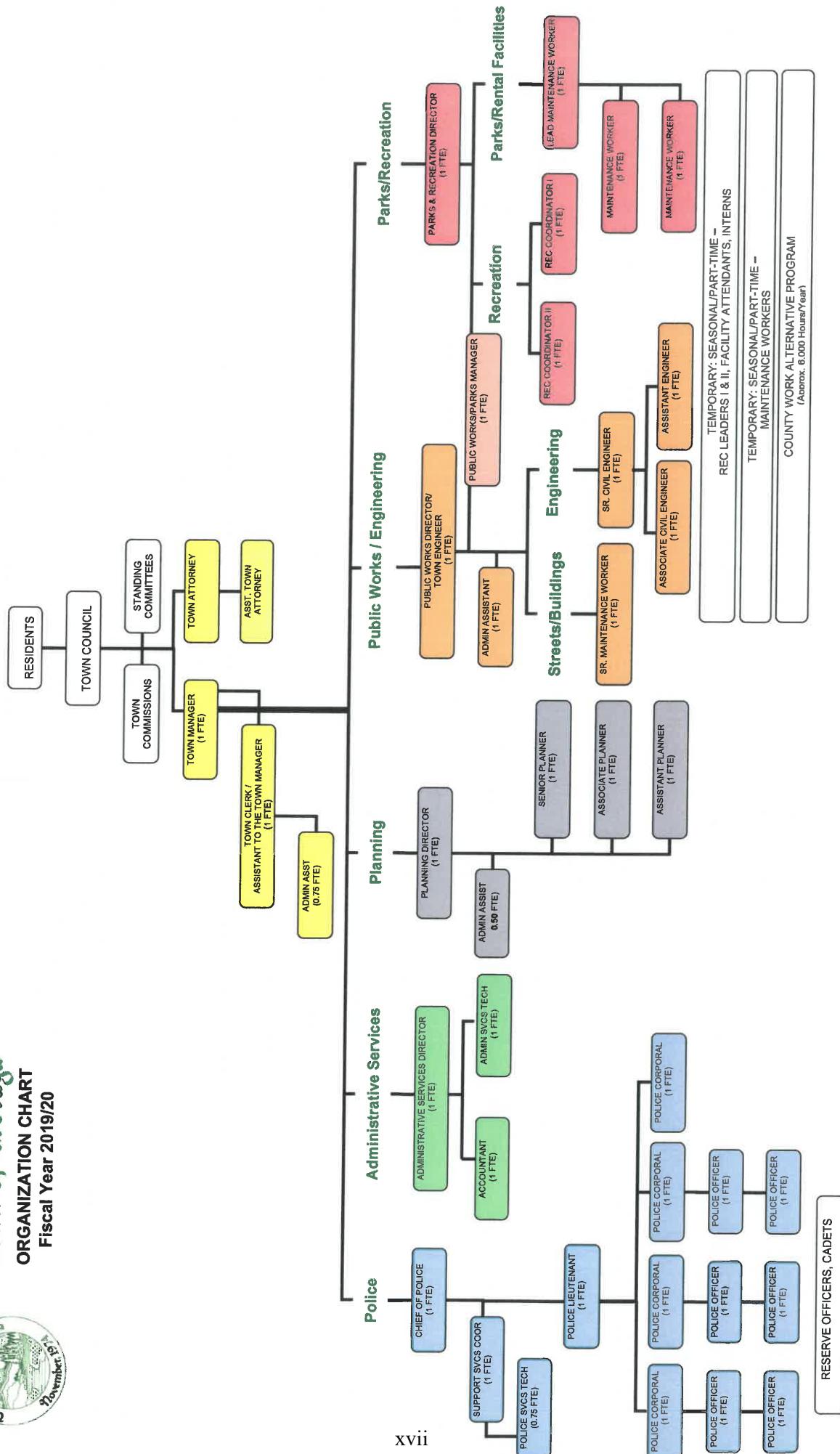
Cynthia Battenberg

### Department Directors

Norm Veloso, Administrative Services Director  
Afshan Hamid, Planning Director  
Breyana Brandt, Parks and Recreation Director  
Shawn Knapp, Public Works Director/Town Engineer  
Marty McInturf, Town Clerk  
Jon King, Chief of Police



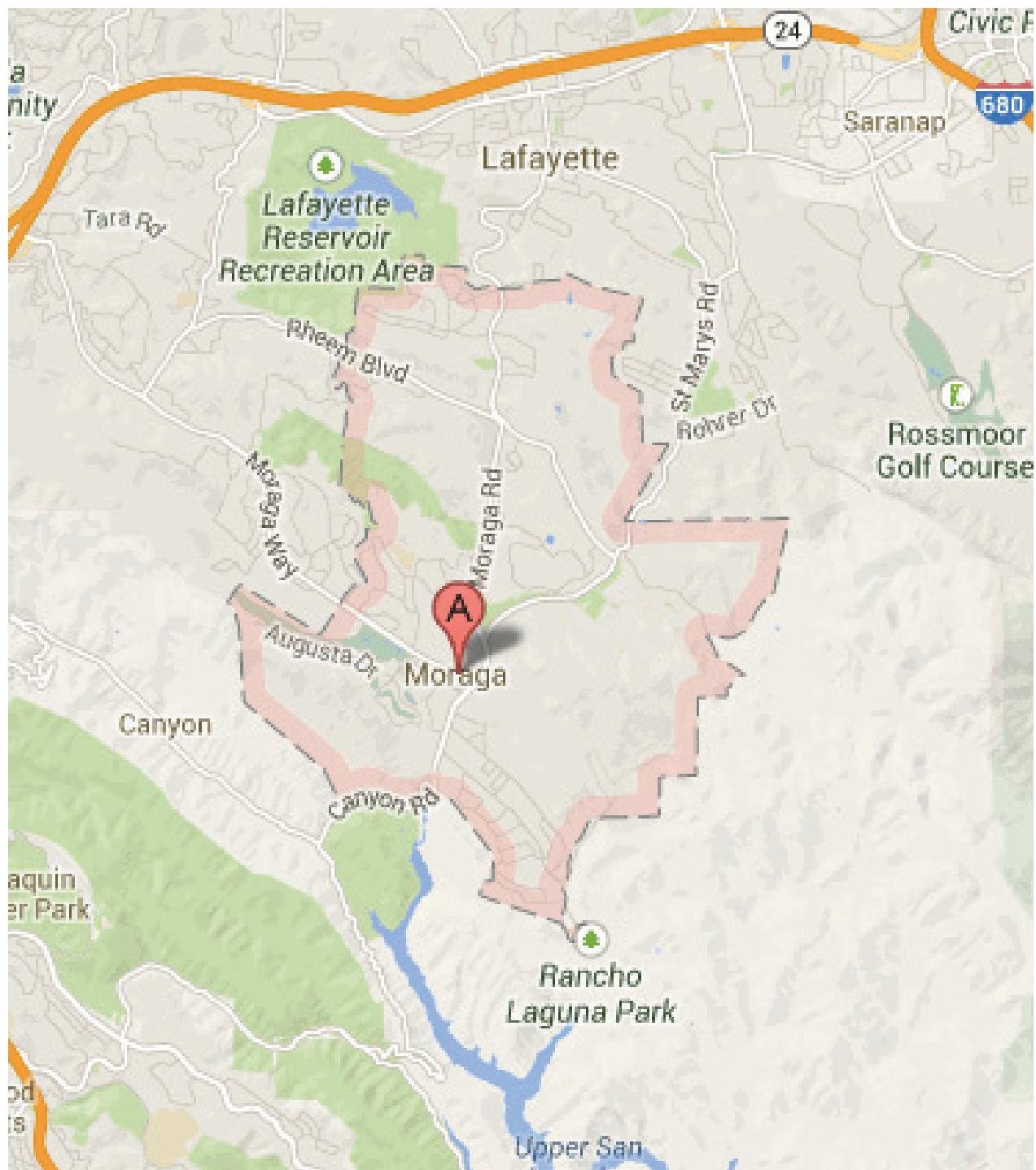
**Town of Moraga  
ORGANIZATION CHART  
Fiscal Year 2019/20**



**Town of Moraga**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2020**

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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, 2019

*Christopher P. Monell*

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), California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparisons listed in the table of contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2020, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

*Maze & Associates*

Pleasant Hill, California  
October 13, 2020

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**TOWN OF MORAGA**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2020**

**MANAGEMENT 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, 2020. The accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures in this report, are the responsibility of the Town. 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 are designed to:

- Highlight information readers may need to assess the Town’s financial position,
- Make comparisons of current year to prior year financial activity,
- Explain any significant deviation in funds and budget variances,
- Describe capital asset and long-term debt activity during the year, and
- Describe currently known facts, decisions, or conditions that are expected to have a significant effect on financial position and the Town’s ability to address future challenges.

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, 2020 are noted as follows:

1. The Town’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of Fiscal Year (FY) 2020 with a Total Net Position of \$65.4 million (*Statement of Net Position*, page 18). Of this amount, \$3.4 million represents unrestricted net position, which may be used to meet the government’s ongoing obligations to citizens and creditors.
2. As of the close of the current fiscal year, the Town’s governmental funds reported a combined ending fund balance of \$12.0 million (*Governmental Funds Balance Sheet*, page 23), consisting of the following components:

Nonspendable	\$ 116,880
Restricted	5,375,138
Committed	3,707,573
Assigned	24,380
Unassigned (Reserve)	2,803,450
<b>Total Fund Balance at June 30, 2020</b>	<b>\$ 12,027,421</b>

3. The Town’s General Fund has a combined Total Fund balance of \$7,648,057 (General Fund Combining Balance Sheet, page 68), of which \$5.1 million is General Purpose and \$2.5 million is Developer Fees. The \$2.5 million fund balance of Developer Fees (One-Time Developer Fees-Palos Colorados Fund) was established through a settlement agreement and is classified as committed based on and subject to Town Council action on its use (General Fund Combining Balance Sheet, page 68).

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**MANAGEMENT DISCUSSION AND ANALYSIS**

## **OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**

This Comprehensive Annual Financial Report consists of the following parts:

- Introductory section, which includes the Transmittal Letter and general information;
- Management's Discussion and Analysis;
- Basic Financial Statements, including the Government-Wide and the Fund financial statements, along with the Notes to these financial statements;
- Supplementary Information including schedules of changes in Net Pension liability and Schedule of Contributions; and
- Statistical information and other schedules

### **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.

#### **Government-Wide Financial Statements**

The *Statement of Net Position* and the *Statement of Activities* report information about the Town's finances as a whole. These statements 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 report all assets, liabilities and deferred inflows/outflows of resources 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 recognized within the reporting period or soon after (60 days).

The *Statement of 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 one indicator of whether its financial health is improving or declining. However, 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.

#### ***Financial Analysis of Government-wide Financial Statements***

This section focuses on the Town's net position and changes in net position of its governmental activities for the fiscal year ending June 30, 2020. As noted earlier, the Town's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$65,449,590. This compares to a net position of \$59,594,844 in the prior year ended June 30, 2019, an increase of 9.8% or \$5,854,746. This increase is attributed to noncurrent assets and primarily due to receipts of reimbursements from previous year's capital projects.

#### ***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) 2019-20. The following table provides a summary of the Town's net position at June 30, 2020 compared to the prior year.

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

**Table 1. Statement of Net Position as of June 30, 2019 and 2020**

	FY 2018-19	FY 2019-20	% Change
<b>Assets</b>			
Current Assets	\$ 15,599,321	\$ 14,678,470	-5.90%
Noncurrent Assets	57,628,598	64,456,633	11.85%
<b>Total Assets</b>	<u>73,227,919</u>	<u>79,135,103</u>	<u>8.07%</u>
<b>Deferred Outflow of Resources</b>			
Related to pensions	1,418,533	1,597,463	12.61%
<b>Total Deferred Outflow</b>	<u>1,418,533</u>	<u>1,597,463</u>	<u>12.61%</u>
<b>Liabilities</b>			
Current liabilities	1,046,806	559,709	-46.53%
Noncurrent liabilities	13,158,529	13,665,366	3.85%
<b>Total Liabilities</b>	<u>14,205,335</u>	<u>14,225,075</u>	<u>0.14%</u>
<b>Deferred Inflow of Resources</b>			
Related to pensions	846,273	1,057,901	25.01%
<b>Total Deferred Inflow</b>	<u>846,273</u>	<u>1,057,901</u>	<u>25.01%</u>
<b>Net Position</b>			
Invested in capital	50,461,784	57,692,665	14.33%
Restricted	5,390,439	4,379,364	-18.76%
Unrestricted	3,742,621	3,377,561	-9.75%
<b>Total Net Position</b>	<u>59,594,844</u>	<u>65,449,590</u>	<u>9.82%</u>

Pension reporting changes required by GASB No. 68 & 71 were first implemented in FY 2014-15. As of June 30, 2020, the portion of non-current liability related to pensions is \$7,053,906, compared to \$6,135,349 as of June 30, 2019.

Of the Town's net position, 88.15% is invested in capital assets (\$57,692,665) (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 6.69% of the net position (\$4,379,364) is restricted for capital projects, debt service and special revenue projects; and \$3,377,561, or 5.16%, of the Town's net position is unrestricted.

At the end of the current fiscal year, the Town is able to report a positive and improved overall financial position.

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**MANAGEMENT DISCUSSION AND ANALYSIS**

***Statement of Activities***

The detailed *Statement of Activities* (Basic Financial Statements, page 19) presents the Town's revenue and incurred expenses for the year ended June 30, 2020. 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 *Statement of Activities* demonstrates 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 2019-20 with that of prior year.

**Table 2. Statement of Activities as of June 30, 2019 and 2020**

<b>Program Revenues:</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>% Change</b>
Charges for Services	\$1,500,711	\$1,618,119	7.8%
Operating Grants and Contributions	5,442,037	6,134,177	12.7%
Capital Grants and Contributions	136,933	375,722	174.4%
<b>Total Program Revenues</b>	<b>7,079,681</b>	<b>8,128,018</b>	<b>14.8%</b>
<b>General Revenues:</b>			
Property Taxes	4,680,092	5,350,049	14.3%
Sales Taxes	3,113,516	3,107,449	-0.2%
Franchise Fees	1,252,102	1,521,963	21.6%
Interest	124,066	266,663	114.9%
Other			
<b>Total General Revenues</b>	<b>9,169,776</b>	<b>10,246,124</b>	<b>11.7%</b>
<b>Total Revenues</b>	<b>16,249,457</b>	<b>18,374,142</b>	<b>13.1%</b>
<b>Program Expenses:</b>			
General Administration	2,252,928	2,817,369	25.1%
Planning	635,537	855,304	34.6%
Public Safety	2,871,971	3,606,434	25.6%
Public Works	2,846,105	3,278,173	15.2%
Parks and Recreation	1,451,004	1,653,945	14.0%
Interest on Long Term Debt	323,272	308,171	-4.7%
<b>Total Expenses</b>	<b>10,380,817</b>	<b>12,519,396</b>	<b>20.6%</b>
<b>Change in Net Position</b>	<b>5,868,640</b>	<b>5,854,746</b>	<b>-0.2%</b>
<b>Net Position, Beginning of the Year</b>	<b>53,726,204</b>	<b>59,594,844</b>	<b>10.9%</b>
<b>Net Position, End of the Year</b>	<b>\$59,594,844</b>	<b>\$65,449,590</b>	<b>9.8%</b>

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**MANAGEMENT DISCUSSION AND ANALYSIS**

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Total General revenue increase of \$1,076,348 is mainly attributed to slightly higher than budgeted receipt of Property and Sales taxes, and growth in garbage vehicle franchise fee revenue. The increase in expenditures is due to the reduction in staff vacancies and increase in insurance premiums and retirement unfunded liability payments.

### **Fund Financial Statements**

The Fund Financial Statements provide detailed information about the Town's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by Governmental Accounting Standards Board (GASB) Statement No. 34 and replaced the concept of combining like funds and presenting them in total. Therefore, each major fund is presented individually, with all non-major funds combined in a single column on each fund statement. Subordinate schedules display these non-major funds in more detail. Major funds present the major activities of the Town for the year. The General Fund is always considered a major fund, but other funds may change from year to year as a result of changes in the pattern of Town activities.

The Fund Financial Statements display the Town's operations in more detail than the Government-wide Financial Statements. Their focus is primarily on the short-term activities of the Town's General Fund and other major funds.

Budget and actual financial comparison information is presented only for the General Fund. Fund Financial Statements include Governmental and Fiduciary Funds.

### ***Financial Analysis of 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 categorized 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 includes 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 funds).

In addition to General Fund, Town of Moraga recognizes the following funds as Major Funds:

- **Pavement Management Program Fund** - established to account for all capital activities related to the rehabilitation of the Town's roads and includes Measure K activity.
- **Construction in Progress Fund** - established to capture all capital project expenditures and corresponding revenues, except those accounted for in the Pavement Management Program Fund.
- **Other Capital Projects Fund** - includes Community Facilities/Open Space Fund, Asset Replacement Fund, various grant funds and development impact fee funds.
- **Debt Service Funds** - include the 2010 Certificates of Participation (Town Hall Improvements) Fund and 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.

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**MANAGEMENT DISCUSSION AND ANALYSIS**

## Fund Balance

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

GASB 54 places fund balance under five possible classifications: *non-spendable, 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, 2020, the Town's governmental fund types included combined ending fund balances of \$12,027,421. Of that total 44.69% (\$5,375,138) is classified as restricted (i.e., Certificates of Participation, debt service, grants, or restricted by legislative action at the local, state or federal level); and 30.83% (\$3,707,573) is committed (i.e., constrained by formal action of the Town Council), and 0.20% (\$24,380) is classified as assigned as of June 30, 2020.

The Town's unassigned General Purpose Fund balance is \$4,992,784 of the total combined fund balance. This amount represents 54.5% of the actual General Fund expenditures (\$9,166,391) for the year ended June 30, 2020.

The detailed *Statement of Revenues, Expenditures and Changes in Fund Balances* (Basic Financial Statements, page 26) presents changes to fund balances resulting from the FY 2019-20 actual revenue and expenditure activity. A summary of net changes by fund group is shown in the table below.

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

Fund Balance	General Fund	Pavement Management Program	Construction in Progress	Other Capital Projects Fund	Debt Service	Other Gov't Funds	Total Gov't Funds
Beginning Fund Balance	8,214,860	1,778,985	(1,521,349)	2,254,850	450,719	2,427,385	13,605,450
Ending Fund Balance	7,648,057	1,053,139	(2,166,723)	2,478,883	455,738	2,558,327	12,027,421
Net Change	\$ (566,803)	\$ (725,846)	\$ (645,374)	\$ 224,033	\$ 5,019	\$ 130,942	\$ (1,578,029)

The total fund balance of the Town's General Fund decreased by \$566,803, or 6.9%. The decrease in fund balance can be attributed largely to increase in pension unfunded liability payment and insurance premiums and transfer to fund asset replacement.

The total fund balance of the Pavement Management Program decreased by \$725,846, or 40.8%. The decrease in fund balance was primarily due to continued use of Measure K to fund pavement projects. Pavement projects are scheduled to allow enough funds to accumulate to fully fund current and future pavement projects.

The total negative fund balance of the Construction in Progress increased by \$645,374, or 42%. The increase in negative fund balance was primarily due to timing of grant revenue receipts for various capital projects funded by federal and state grants.

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**MANAGEMENT DISCUSSION AND ANALYSIS**

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Revenue in the Other Capital Projects Fund and Pavement Management Fund is committed to capital projects over multiple years. Increase in Other Capital Projects Fund is mainly due to receipts of Development Impact fees during the years. The pace of development activity affects the level of development fees. Consequently, this source of funding is subject to considerable variation and dependent upon the progress of development projects. These funds are restricted for future construction and implementation of improvements related to the Town Capital Improvement Program.

***General Fund Budgetary Highlights***

General Fund actual revenues exceeded the final amended budget by \$95,695 or 1.11% due mainly to slightly higher than anticipated collections of the Town's property tax, sales tax and franchise fees. General Fund actual expenditures were under when compared to the final amended budget by \$172,781 or 1.85%, due mainly to delay and savings in Public Works contract services.

**STRENGTHS AND RISKS**

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***General Purpose Fund Reserve***

The General Purpose 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 Purpose Fund balance equal to 50% of the General Purpose Fund operating expenditures. At the year ended June 30, 2020, the unassigned fund balance was \$4,992,784 which represents 54.6% of the actual General Fund expenditures (\$9,166,391) for the year ended June 30, 2020 (*Statement of Revenues, Expenditures and Changes in Fund Balances*, page 26). This change is the result of a slightly higher revenues and lower anticipated expenses.

***Revenue***

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

***Property Taxes***

Historically, property tax revenues remain stable with a slight increase annually. 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 2019-20, the 5.21% 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 17-18</b>	<b>FY 18-19</b>	<b>% Change FY17-18 to FY18-19</b>	<b>FY 19-20</b>	<b>% Change FY18-19 to FY19-20</b>
<b>Property Tax</b>	4,130,508	4,309,169	4.33%	4,533,608	5.21%

***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 or locally controlled Measure K). 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 stable with a steady increase.

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The Town's additional one-cent local transactions and use (add-on sales) tax, locally controlled Measure K, was approved by voters on November 6, 2012 with a 70.5% approval rate. This general sales tax became effective on April 1, 2013 and will sunset on March 31, 2033. The Measure K sales tax measure was approved for general purposes, permitting the Town to use the revenue for a variety of objectives. However, the Town Council approved Resolution No. 98-2015 which dedicated this locally controlled funding source to specifically address street and related infrastructure repairs and maintenance. To complete the initial needed repairs, the Town Council issued 2013 Certificates of Participation for Infrastructure Improvements, leveraging a portion of the additional sales tax revenue for an intensive road rehabilitation program. FY 2019-20 experienced the sixth year of Measure K sales tax revenue with receipts reaching \$1,998,721 (a 1.70% increase from the prior year).

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

	FY 17-18	FY 18-19	% Change FY17-18 to FY18-19	FY 19-20	% Change FY18-19 to FY19-20
Sales and Use Tax	1,029,173	1,148,212	11.57%	1,042,050	-9.25%
1% Local Add on-Measure K	1,766,158	1,965,304	11.28%	1,998,721	1.70%
<b>Total Sales Tax Revenue</b>	<b>2,795,331</b>	<b>3,113,516</b>	<b>11.38%</b>	<b>3,040,771</b>	<b>-2.34%</b>

*Franchise Fees*

Franchise fees are the Town's third largest revenue source. Franchise fees include those from RecycleSmart, Pacific Gas & Electric (PG&E) and Comcast Cable. In addition, beginning March 1, 2014, a Garbage Vehicle Impact Fee is collected from users and remitted to the Town. These revenues are being transferred to the Pavement Management fund for street rehabilitation.

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

	FY 17-18	FY 18-19	% Change FY17-18 to FY18-19	FY 19-20	% Change FY18-19 to FY19-20
CCCSWA	319,957	332,903	4.05%	341,134	2.47%
CCCSWA-Garbage Vehicle Impact Fee	234,406	433,216	84.81%	688,524	58.93%
PG&E	207,815	185,217	-10.87%	195,518	5.56%
Comcast	317,348	300,766	-5.23%	296,788	-1.32%
<b>Total Franchise Fee Revenue</b>	<b>1,079,526</b>	<b>1,252,102</b>	<b>15.99%</b>	<b>1,521,963</b>	<b>21.55%</b>

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.

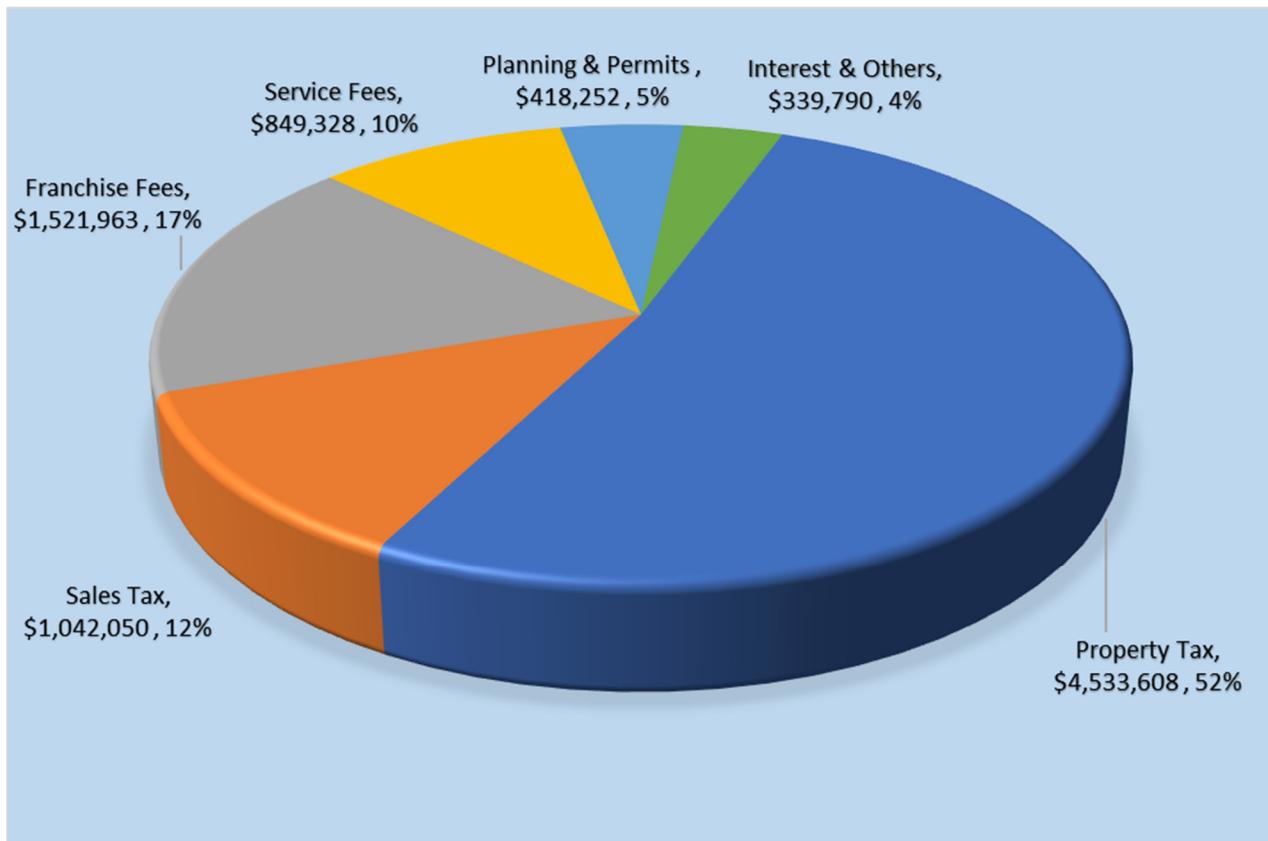
*General Fund*

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 26).

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**MANAGEMENT DISCUSSION AND ANALYSIS**

**Chart 1. FY 2019-20 General Fund Revenues (Total \$8,704,991)**



The Town proactively addresses issues that it has some measure of control over, however, external factors exist over which the Town has little or no control. While the Town relies heavily on property tax for ongoing operations, 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 5.29%<sup>1</sup>.

### **Expenditures**

As noted previously, 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. To meet service demands, contractors and consultants play a critical role in the day-to-day operations, as well as special projects, of the Town government.

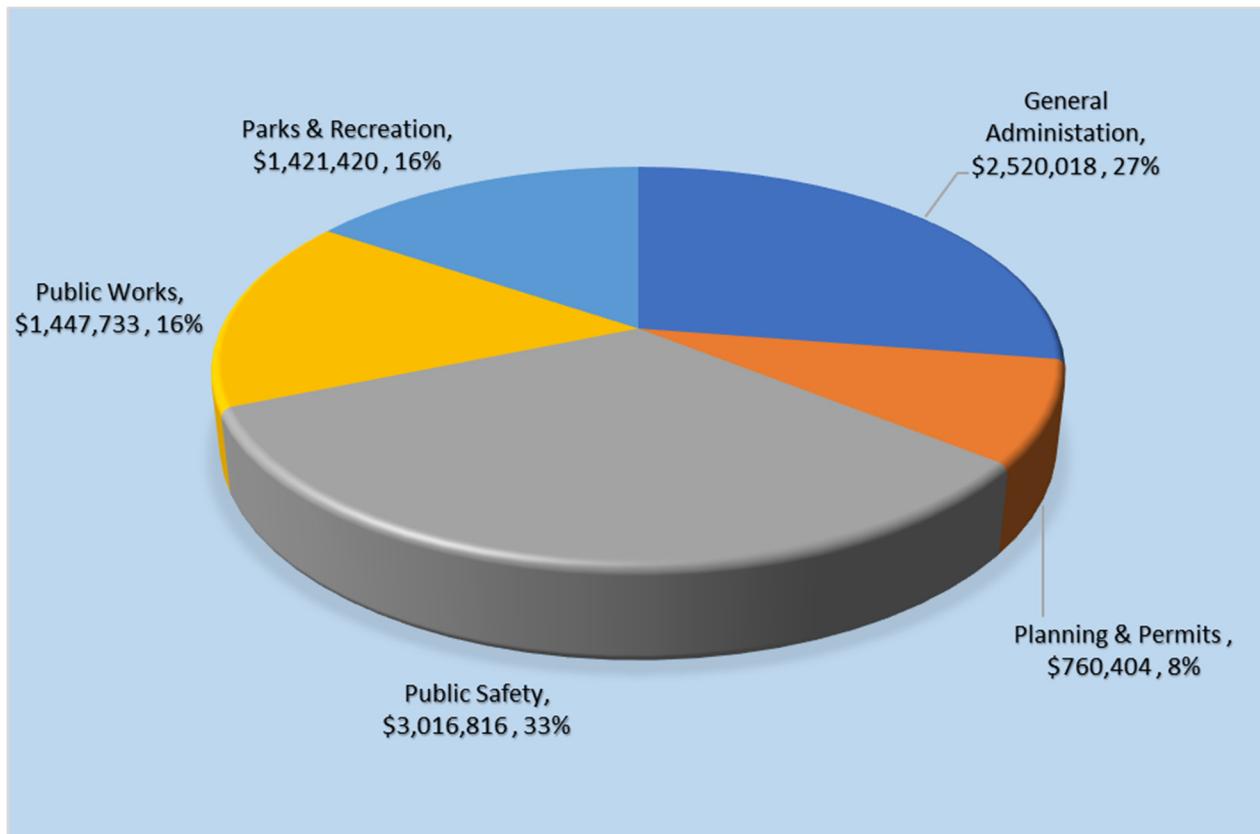
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**MANAGEMENT DISCUSSION AND ANALYSIS**

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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 26). 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.

**Chart 2. FY 2019-20 General Fund Expenditures (\$9,166,391)**



<sup>1</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 5.29% represents the rate in TRA 15-002.

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**Fiscal Year Ended June 30, 2020**

**MANAGEMENT DISCUSSION AND ANALYSIS**

Additionally, the Town contracts with Contra Costa County for a variety of services including animal control 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 streetlight maintenance services provided by the Contra Costa County are part of the Public Works Department. The following table shows the historical costs of these services.

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

Service Type	FY 2017-18	FY 2018-19	% Change FY17-18 to FY18-19	FY 2019-20	% Change FY18-19 to FY19-20
Animal Services	\$98,087	\$101,890	3.9%	\$ 108,487	6.5%
Police Dispatch	157,924	154,591	-2.1%	178,446	15.4%
Cal-ID	17,115	17,971	5.0%	18,881	5.1%
ARIES Maintenance (computer system)	8,770	8,770	0.0%	8,770	0.0%
Forensic Services	8,558	5,563	-35.0%	14,950	168.7%
Traffic Signal Maintenance	50,245	32,602	-35.1%	41,787	28.2%
<b>Total Expenditures</b>	<b>\$340,699</b>	<b>\$321,387</b>	<b>-5.7%</b>	<b>\$371,321</b>	<b>15.5%</b>

The Town had a total capital outlay of \$8,738,446 in the governmental funds (Basic Financial Statements, page 26). Major capital projects during FY 2019-20 included:

- CIP 20-101 398 Rheem Sinkhole Abatement (\$430,222);
- CIP 18-105 Moraga Rd/Alta Mesa (\$440,626);
- CIP 14-101 Canyon Road Bridge Replacement (\$2,589,854);
- CIP 18-101 Moraga Way-Canyon/Camino Pablo (\$2,830,590);
- CIP 14-302 Hacienda Improvements Annual (\$122,048);
- CIP 14-604 Rheem /Saint Mary's Roundabout (\$164,509);
- CIP 18-601 MCSP Implementation (\$200,527);
- CIP 08-106 Annual Pavement Program (\$1,520,423).

### **Capital Assets**

The Town's investment in capital assets as of June 30, 2020 totaled \$64,456,633 as compared to \$57,628,598 in FY 2018-19 (Basic Financial Statements, Note 5, page 45). This investment in capital assets includes land, buildings and improvements, roadways, storm drains, parks and recreation, and equipment and furniture.

There was no retirement of assets in FY 2019-20.

**TOWN OF MORAGA**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2020**

**MANAGEMENT DISCUSSION AND ANALYSIS**

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**Debt**

The Town's debt totals \$6,763,968 as of June 30, 2020, compared to \$7,166,965 in the prior year (Basic Financial Statements, Note 6, page 46). The remaining debt is attributed to the \$1,525,000 Certificates of Participation issued in 2010 for the Town Hall Improvement Project and the \$7,720,000 Certificates of Participation issued in 2013 for Infrastructure Improvements, including streets and related infrastructure.

**Table 8. Long Term Liabilities**

<b>Governmental Activities</b>	<b>Original Issue</b>	<b>Balance June 30, 2019</b>	<b>Retirements</b>	<b>Balance June 30, 2020</b>	<b>Current Portion</b>
2010 Certificates of Participation	\$1,525,000	\$990,000	\$75,000	\$915,000	\$75,000
2013 Certificate of Participation	7,720,000	5,995,000	315,000	5,680,000	330,000
Add: Unamortized Bond Premium	259,947	181,965	12,997	168,968	
<b>Total Debt</b>	<b>\$9,504,947</b>	<b>\$7,166,965</b>	<b>\$402,997</b>	<b>\$6,763,968</b>	<b>\$405,000</b>

**Notes to the Financial Statements**

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the financial statements can be found on pages 33-58 of this report.

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**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, 2020. 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 94566

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**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, 2020

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and investments (Note 3)	\$9,127,410
Restricted cash and investments (Note 3)	455,680
Accounts receivable	4,978,500
Prepays	116,880
	<hr/>
Total current assets	14,678,470
Noncurrent assets:	
Capital assets (Note 5)	
Capital assets, not being depreciated	25,434,148
Capital assets, being depreciated, net of accumulated depreciation	39,022,485
	<hr/>
Total capital assets, net	64,456,633
	<hr/>
Total noncurrent assets	64,456,633
	<hr/>
Total Assets	79,135,103
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions (Note 7)	1,597,463
	<hr/>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	75,736
Unearned revenue	15,850
Accrued compensated absences - due within one year (Note 1G)	63,123
Certificates of participation - due within one year (Note 6)	405,000
	<hr/>
Total current liabilities	559,709
Noncurrent liabilities:	
Accrued compensated absences - due in more than one year (Note 1G)	252,492
Certificates of participation - due in more than one year (Note 6)	6,358,968
Net pension liability (Note 7)	7,053,906
	<hr/>
Total noncurrent liabilities	13,665,366
	<hr/>
Total Liabilities	14,225,075
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions (Note 7)	1,057,901
	<hr/>
Total Deferred Inflows of Resources	1,057,901
	<hr/>
<b>NET POSITION (Note 8)</b>	
Net investment in capital assets	57,692,665
	<hr/>
Restricted for:	
Capital projects	1,394,552
Debt services	426,485
Special revenue projects:	
Streets and roads	1,998,795
Public safety	186,718
Other projects	372,814
	<hr/>
Unrestricted	3,377,561
	<hr/>
Total Net Position	\$65,449,590
	<hr/>

See accompanying notes to financial statements

**TOWN OF MORAGA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Program Revenues			Net Revenue (Expense) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
			Capital Grants and Contributions	
Governmental activities:				
General administration	\$2,817,369	\$306,087		\$113,386
Planning	855,304	480,145	\$411,101	35,942
Public safety	3,606,434	55,535	188,422	(3,274,127)
Public works	3,278,173	354,416	5,398,724	83,136
Parks and recreation	1,653,945	421,936	135,930	2,558,103
Interest on long-term debt	308,171			(1,005,229)
				(308,171)
Total	12,519,396	1,618,119	6,134,177	375,722
				(4,391,378)
Total	<u>\$12,519,396</u>	<u>\$1,618,119</u>	<u>\$6,134,177</u>	<u>\$375,722</u>
				(4,391,378)
General revenues:				
Taxes:				
Property tax				5,350,049
Sales tax				3,107,449
Franchise tax				1,521,963
Interest				266,663
Total general revenues				<u>10,246,124</u>
Change in Net Position				5,854,746
Net Position - Beginning				<u>59,594,844</u>
Net Position - Ending				<u>\$65,449,590</u>

See accompanying notes to financial statements

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**TOWN OF MORAGA  
Basic Financial Statements  
For the Year Ended June 30, 2020**

**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 2020. 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.

**PAVEMENT MANAGEMENT PROGRAM**

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

**CONSTRUCTION IN PROGRESS**

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.

**OTHER CAPITAL PROJECTS FUND**

The Other Capital Projects Fund is used to account for funds expended on various capital improvement projects, other than those under the Pavement Management Program Fund.

**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, 2020**

	General Fund	Pavement Management Program	Construction In Progress	Other Capital Projects Fund
<b>ASSETS</b>				
Cash and investments (Note 3)	\$3,416,556	\$679,141		\$2,503,630
Restricted cash and investments (Note 3)				
Accounts receivable	392,330	373,998	\$4,056,698	15,529
Prepays	116,880			
Due from other funds (Note 4)	3,753,007			
 Total Assets	 \$7,678,773	 \$1,053,139	 \$4,056,698	 \$2,519,159
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$30,716		\$4,744	\$40,276
Unearned revenue			15,850	
Due to other funds (Note 4)			3,643,364	
 Total Liabilities	 30,716		 3,663,958	 40,276
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue			2,559,463	
 FUND BALANCES (Note 8)				
Nonspendable	116,880			
Restricted				\$2,338,462
Committed	2,514,013	\$1,053,139		140,421
Assigned	24,380			
Unassigned	4,992,784		(2,166,723)	
 Total Fund Balances	 7,648,057	 1,053,139	 (2,166,723)	 2,478,883
 Total Liabilities and Fund Balances	 \$7,678,773	 \$1,053,139	 \$4,056,698	 \$2,519,159

See accompanying notes to financial statements

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$58	\$2,528,025	\$9,127,410
455,680		455,680
	139,945	4,978,500
		116,880
		3,753,007
<hr/>	<hr/>	<hr/>
<b>\$455,738</b>	<b>\$2,667,970</b>	<b>\$18,431,477</b>
		\$75,736
		15,850
	<b>\$109,643</b>	<b>3,753,007</b>
<hr/>	<hr/>	<hr/>
	<b>109,643</b>	<b>3,844,593</b>
<hr/>	<hr/>	<hr/>
		<b>2,559,463</b>
		116,880
\$455,738	2,580,938	5,375,138
		3,707,573
		24,380
	<b>(22,611)</b>	<b>2,803,450</b>
<hr/>	<hr/>	<hr/>
<b>455,738</b>	<b>2,558,327</b>	<b>12,027,421</b>
<hr/>	<hr/>	<hr/>
<b>\$455,738</b>	<b>\$2,667,970</b>	<b>\$18,431,477</b>

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**TOWN OF MORAGA**  
 Reconciliation of the  
**GOVERNMENTAL FUNDS - BALANCE SHEET**  
 with the  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

**Total fund balances - governmental funds** \$12,027,421

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 TRANSACTIONS**

Capital assets used in Governmental Activities are not current assets or financial resources and  
 therefore are not reported in the Governmental Funds. 64,456,633

**NON-CURRENT REVENUES**

Revenues which are unavailable on the Fund Balance Sheets because they are not available currently  
 are taken into revenue in the Statement of Activities 2,559,463

**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	1,597,463
Compensated absences	(315,615)
Net pension liability	(7,053,906)
Certificates of participation	(6,763,968)
Deferred inflows of resources related to pensions	<u>(1,057,901)</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$65,449,590

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, 2020**

	General Fund	Pavement Management Program	Construction In Progress	Other Capital Projects Fund
<b>REVENUES</b>				
Property taxes and assessments	\$2,464,576			
Property tax - in lieu	1,909,473			
Sales and use tax	1,042,050			
Sales tax - public safety				
Sales tax - 1% local add-on (Measure K)		\$1,998,721		
Franchise fees	1,521,963			
Real property transfer fees	159,559			
Motor vehicle license fees	13,406			
Planning and permits	418,252			
Interest	87,344	17,754		\$20,798
Property rentals	100,130			
Parks and recreation	421,938			
Police services	72,973			
Public works services	354,417			
Intergovernmental		24,258	\$3,964,117	
Fines, forfeitures and penalties				
Other revenues	138,910			351,464
<b>Total Revenues</b>	<b>8,704,991</b>	<b>2,040,733</b>	<b>3,964,117</b>	<b>372,262</b>
<b>EXPENDITURES</b>				
Current operations:				
General administration	2,520,018			
Planning	760,404			
Public safety	3,016,816			
Public works	1,447,733			
Parks and recreation	1,421,420			
Debt service:				
Principal				
Interest				
Capital outlay		1,520,423	7,218,023	
<b>Total Expenditures</b>	<b>9,166,391</b>	<b>1,520,423</b>	<b>7,218,023</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(461,400)</b>	<b>520,310</b>	<b>(3,253,906)</b>	<b>372,262</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 4)	968,896	958,228	2,608,532	166,000
Transfers out (Note 4)	(1,074,299)	(2,204,384)		(314,229)
<b>Total Other Financing Sources (Uses)</b>	<b>(105,403)</b>	<b>(1,246,156)</b>	<b>2,608,532</b>	<b>(148,229)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(566,803)</b>	<b>(725,846)</b>	<b>(645,374)</b>	<b>224,033</b>
<b>BEGINNING FUND BALANCES</b>	<b>8,214,860</b>	<b>1,778,985</b>	<b>(1,521,349)</b>	<b>2,254,850</b>
<b>ENDING FUND BALANCES</b>	<b>\$7,648,057</b>	<b>\$1,053,139</b>	<b>(\$2,166,723)</b>	<b>\$2,478,883</b>

See accompanying notes to financial statements

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
	\$976,000	\$3,440,576
		1,909,473
		1,042,050
	66,678	66,678
		1,998,721
		1,521,963
		159,559
		13,406
		418,252
\$6,318	34,321	166,535
		100,130
	135,930	557,868
		72,973
		354,417
879,473	4,867,848	
32,475	32,475	
		490,374
<hr/>	<hr/>	<hr/>
6,318	2,124,877	17,213,298
1,000		2,521,018
		760,404
		3,016,816
174,322		1,622,055
		1,421,420
390,000		390,000
321,168		321,168
		8,738,446
<hr/>	<hr/>	<hr/>
712,168	174,322	18,791,327
<hr/>	<hr/>	<hr/>
(705,850)	1,950,555	(1,578,029)
710,869		5,412,525
	(1,819,613)	(5,412,525)
<hr/>	<hr/>	<hr/>
710,869	(1,819,613)	
5,019	130,942	(1,578,029)
<hr/>	<hr/>	<hr/>
450,719	2,427,385	13,605,450
<hr/>	<hr/>	<hr/>
\$455,738	\$2,558,327	\$12,027,421
<hr/>	<hr/>	<hr/>

**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, 2020**

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	(\$1,578,029)
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Governmental funds report capital outlays as expenditures while governmental activities reports depreciation as expense to allocate those expenditures over the life of the assets:

The capitalized expenditures are therefore added back to fund balance	8,624,469
Depreciation expense is deducted from fund balance	(1,796,434)

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.	390,000

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	(7,846)
Change in deferred inflows related to unavailable revenue	1,160,844
Net pension liability and deferred outflows/inflows of resources related to pensions	<u>(951,255)</u>

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$5,854,746</u></b>
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See accompanying notes to financial statements

**TOWN OF MORAGA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Adjusted</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Property taxes and assessments	\$2,413,180	\$2,449,529	\$2,464,576	\$15,047
Property tax - in lieu	1,893,345	1,909,381	1,909,473	92
Sales and use tax	1,105,500	1,017,000	1,042,050	25,050
Franchise fees	800,568	1,488,784	1,521,963	33,179
Real property transfer fees	160,000	120,000	159,559	39,559
Motor vehicle license fees	633,216		13,406	13,406
Planning and permits	572,000	455,000	418,252	(36,748)
Interest	47,600	47,600	87,344	39,744
Property rentals	101,861	101,861	100,130	(1,731)
Parks and recreation	600,680	379,505	421,938	42,433
Police services	64,400	64,400	72,973	8,573
Public works services	347,750	349,700	354,417	4,717
Other revenues	233,536	226,536	138,910	(87,626)
<b>Total Revenues</b>	<b>8,973,636</b>	<b>8,609,296</b>	<b>8,704,991</b>	<b>95,695</b>
<b>EXPENDITURES:</b>				
Current operations:				
General government	2,625,600	2,531,726	2,520,018	11,708
Planning	665,108	793,958	760,404	33,554
Public safety	3,081,088	3,061,087	3,016,816	44,271
Public works	1,524,422	1,575,570	1,447,733	127,837
Parks and recreation	1,596,566	1,376,303	1,421,420	(45,117)
<b>Total Expenditures</b>	<b>9,492,784</b>	<b>9,338,644</b>	<b>9,166,391</b>	<b>172,253</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(519,148)</b>	<b>(729,348)</b>	<b>(461,400)</b>	<b>267,948</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,413,796	1,223,896	968,896	(255,000)
Transfers out	(748,735)	(1,597,235)	(1,074,299)	522,936
<b>Total Other Financing Sources (Uses)</b>	<b>665,061</b>	<b>(373,339)</b>	<b>(105,403)</b>	<b>267,936</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$145,913</b>	<b>(\$1,102,687)</b>	<b>(566,803)</b>	<b>\$535,884</b>
<b>BEGINNING FUND BALANCE</b>				<b>8,214,860</b>
<b>ENDING FUND BALANCE</b>				<b>\$7,648,057</b>

See accompanying notes to financial statements

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**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**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, 2020

	<u>Agency</u> <u>Fund</u>
<b>ASSETS</b>	
Cash and investments (Note 3)	\$1,142,155
Accounts receivable	<u>26,856</u>
 Total Assets	 <u><u>\$1,169,011</u></u>
 <b>LIABILITIES</b>	
Accounts payable	\$29,028
Deposits payable	989,847
Due to others	<u>150,136</u>
 Total Liabilities	 <u><u>\$1,169,011</u></u>

See accompanying notes to financial statements

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**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, 2020**

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

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 **Other Capital Projects Fund** is used to account for funds expended on various capital improvement projects, other than those under the Pavement Management Program 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.

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, 2020**

**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.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the Town may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The Town's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

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.

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.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTES TO FINANCIAL STATEMENTS**

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

***E. Capital Assets***

Contributed capital assets are valued at their estimated fair market value on the date contributed. Donated capital assets, donated works of art and similar items, and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. All other capital assets are valued at historical cost or estimated historical cost if not available.

Infrastructure, improvements and equipment purchased or acquired with an original cost of \$100,000, \$50,000, and \$5,000 or more, respectively, are capitalized. 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 liability for these compensated absences in the government-wide statements has been estimated by management to be 20% current and 80% non-current liabilities. 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, 2020**

**NOTES TO FINANCIAL STATEMENTS**

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

The activities of the compensated absences for the year ended June 30, 2020 were as follows:

Beginning balance	\$307,769
Additions	351,643
Payments	(343,796)
Ending Balance	<u><u>\$315,615</u></u>
Current Portion	<u><u>\$63,123</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. Prepays***

The Town uses the consumption method to report prepaid items.

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

In addition to assets, the statement of net 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. The Town has one item that qualifies for reporting in this category related to pensions as discussed in Note 7.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTES TO FINANCIAL STATEMENTS**

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

In addition to liabilities, the statement of net 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 has one item that qualifies for reporting in this category, unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The Construction in Progress Fund reports unavailable revenue related to amounts due from other governments for grants. The Town also has deferred inflow of resources related to pensions on the statement of net position as discussed in Note 7. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

***L. Fair Value Measurements***

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

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

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

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

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

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**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 re-appropriated 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.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTES TO FINANCIAL STATEMENTS**

**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.

***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, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$9,127,410
Restricted cash and investments	455,680
Fiduciary Funds:	
Cash and investments	<u>1,142,155</u>
Total cash and investments	<u><u>\$10,725,245</u></u>

Cash and investments as of June 30, 2020 consist of the following:

Cash on hand and in banks	\$3,229,914
Investments with fiscal agents	450,778
California Local Agency Investment Fund	<u>7,044,553</u>
Total cash and investments	<u><u>\$10,725,245</u></u>

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTES TO FINANCIAL STATEMENTS**

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

***C. Cash Deposits With Financial Institutions – Custodial Credit Risk-Deposits***

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2020, the Town's bank balance was \$4,619,943 and \$4,369.943 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the Town's name.

***D. 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%

***E. 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.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTES TO FINANCIAL STATEMENTS**

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

***F. 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.

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>		
California Local Agency Investment Fund	\$7,044,553	\$7,044,553
<i>Held by Fiscal Agents:</i>		
Money Market Fund	450,778	450,778
Total Investments	<u>\$7,495,331</u>	7,495,331
<i>Cash deposits in banks and petty cash</i>		3,229,914
Total Cash and Investments		<u>\$10,725,245</u>

***G. Fair Value Hierarchy***

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

The Town's investments with the California Local Agency Investment Fund (LAIF) and Money Market Fund are classified as exempt in the fair value hierarchy, as they are valued at amortized cost, which is exempt from being classified under GASB 72.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTES TO FINANCIAL STATEMENTS**

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

***H. 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, 2020 for each investment type:

Investment Type	Not rated	Total
<i>Not rated:</i>		
Money Market Fund	\$450,778	\$450,778
California Local Agency Investment Fund	7,044,553	7,044,553
Total Investments	<u><u>\$7,495,331</u></u>	7,495,331
<i>Cash deposits in banks and petty cash</i>		3,229,914
Total Cash and Investments		<u><u>\$10,725,245</u></u>

***I. 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.

At June 30, 2020, the Town only had investments in LAIF and money market funds.

***J. 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 is the same as the value of the pool share. 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, 2020, these investments matured in an average of 191 days.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTES TO FINANCIAL STATEMENTS**

**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.

Transfers between Town funds during fiscal year 2019-20 were as follows:

<b>Transfer From</b>	<b>Transfer To</b>	<b>Amount Transferred</b>
General Fund	Pavement Management Program Fund	\$688,524 A
	Construction in Progress Fund	104,290 B
	Other Capital Projects Fund	166,000 C
	Debt Service Fund	115,485 D
Pavement Management Program Fund	Debt Service Fund	595,384 D
	Construction in Progress Fund	1,609,000 B
Other Capital Project Fund	Construction in Progress Fund	314,229 B
Other Governmental Funds	General Fund	968,896 E
	Pavement Management Program Fund	269,704 B
	Construction in Progress Fund	581,013 B
	<b>Total Interfund Transfers</b>	<b>\$5,412,525</b>

- A. To fund pass through garbage vehicle impact fees and construction costs
- B. To fund capital projects: labor and materials
- C. To fund asset replacement
- D. To fund debt service
- E. To fund Police services, transportation and street related programs, labor costs, purchase of equipment and storm drain maintenance

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTES TO FINANCIAL STATEMENTS**

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

***B. Due To (From) Other Funds***

The Town provides short-term interfund loans to cover cash flows which are expected to be repaid within the next year. As of June 30, 2020, the Construction in Progress Fund and Non-major Governmental Funds owed \$3,643,364 and \$109,643 respectively to the General Fund.

**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, 2020:

	Balance June 30, 2019	Additions	Transfers	Balance June 30, 2020
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land and easements	\$10,680,212			\$10,680,212
Construction in progress	14,687,793	\$8,624,469	(\$8,558,326)	14,753,936
Total capital assets, not being depreciated	<u>25,368,005</u>	<u>8,624,469</u>	<u>(8,558,326)</u>	<u>25,434,148</u>
Depreciable capital assets:				
Building and improvements	7,431,090		368,025	7,799,115
Roadway and related	44,679,866		7,636,360	52,316,226
Storm drains	4,327,992		412,691	4,740,683
Parks and recreation	3,736,275		38,661	3,774,936
Equipment and furniture	1,695,856		102,589	1,798,445
Total capital assets, being depreciated	<u>61,871,079</u>		<u>8,558,326</u>	<u>70,429,405</u>
Accumulated depreciation:				
Building and improvements	(2,061,713)	(152,975)		(2,214,688)
Roadway and related	(21,769,775)	(1,370,109)		(23,139,884)
Storm drains	(2,572,415)	(72,261)		(2,644,676)
Parks and recreation	(1,672,381)	(124,727)		(1,797,108)
Equipment and furniture	(1,534,202)	(76,362)		(1,610,564)
Total accumulated depreciation	<u>(29,610,486)</u>	<u>(1,796,434)</u>		<u>(31,406,920)</u>
Depreciable capital assets, net	<u>32,260,593</u>	<u>(1,796,434)</u>	<u>8,558,326</u>	<u>39,022,485</u>
Governmental capital assets, net	<u>\$57,628,598</u>	<u>\$6,828,035</u>		<u>\$64,456,633</u>

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**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:

**Governmental Activities:**

General Administration	\$164,842
Planning	9,287
Public Safety:	
Police	28,378
Public Works	1,456,528
Parks and Recreation	<u>137,399</u>
Total Governmental Activities	<u><u>\$1,796,434</u></u>

**NOTE 6 – LONG-TERM DEBT**

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, 2019	Retirements	Balance June 30, 2020	Current Portion
2010 Certificates of Participation	\$1,525,000	\$990,000	(\$75,000)	\$915,000	\$75,000
2013 Certificates of Participation	7,720,000	5,995,000	(315,000)	5,680,000	330,000
Add: Unamortized Bond Premium	259,947	181,965	(12,997)	168,968	
<b>Total Governmental Activity</b>	<b><u>\$7,166,965</u></b>	<b><u>(\$402,997)</u></b>		<b><u>\$6,763,968</u></b>	<b><u>\$405,000</u></b>

***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% with a final maturity in 2030.

**TOWN OF MORAGA**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – LONG TERM DEBT (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% with a final maturity in 2033.

***D. 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
2021	\$405,000	\$305,568
2022	425,000	289,268
2023	435,000	272,268
2024	460,000	251,218
2025	485,000	228,912
2026-2030	2,760,000	793,946
2031-2033	1,625,000	165,250
Total	6,595,000	<u><u>\$2,306,430</u></u>
Unamortized Premium	168,968	
		<u><u>\$6,763,968</u></u>

**NOTE 7 – PENSION PLAN**

***A. General Information***

***Plan Descriptions*** – All qualified permanent and probationary employees are eligible to participate in the Town's Safety and Miscellaneous (all other) Employee Pension Rate Plans. The Town's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors four rate plans (two miscellaneous and two safety). 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. The Town does not provide any post-retirement health benefits (OPEB).

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLAN (Continued)**

**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, 2020, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On of after January 1, 2013
Hire date		
Benefit formula	2.0% @ Age 55	2.0% @ Age 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7%	6.75%
Required employer contribution rates	9.680%	6.985%
	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 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 - 55	50-57
Monthly benefits, as a % of eligible compensation	2.000% to 2.700%	2.000% to 2.700%
Required employee contribution rates	9%	12.00%
Required employer contribution rates	16.636%	13.034%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The Town's required contribution for the unfunded liability was \$406,949 in fiscal year 2020.

**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 the Plan 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.

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLAN (Continued)**

For the year ended June 30, 2020, the contributions recognized as part of pension expense for the Plan were as follows.

	Miscellaneous	Safety	Total
Contributions - employer	\$147,289	\$186,077	\$333,366

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

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2020, the Town reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous:	\$3,985,520
Safety	3,068,386
<b>Total Net Pension Liability</b>	<b>\$7,053,906</b>

The Town's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 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 plan relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2018	0.08863%	0.04764%
Proportion - June 30, 2019	0.09953%	0.04915%
<b>Change - Increase (Decrease)</b>	<b>(0.01089%)</b>	<b>(0.00152%)</b>

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

**NOTE 7 – PENSION PLAN (Continued)**

For the year ended June 30, 2020, the Town recognized pension expense of \$918,557. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$147,289	
Differences between actual and expected experience	276,811	(\$21,447)
Changes in assumptions	190,048	(67,370)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	327,339	(517,906)
Net differences between projected and actual earnings on plan investments		(69,679)
<b>Total Miscellaneous</b>	<b>\$941,487</b>	<b>(\$676,402)</b>
Safety	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$186,077	
Differences between actual and expected experience	200,338	
Changes in assumptions	125,768	(\$24,543)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	143,793	(314,745)
Net differences between projected and actual earnings on plan investments		(42,211)
<b>Total Safety</b>	<b>\$655,976</b>	<b>(\$381,499)</b>
<b>Grand Total</b>	<b>\$1,597,463</b>	<b>(\$1,057,901)</b>

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

**NOTE 7 – PENSION PLAN (Continued)**

\$333,366 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2021	\$310,868
2022	(151,058)
2023	24,092
2024	22,294
	<hr/> <hr/> <hr/> <hr/> <hr/>
	<b>\$206,196</b>

***Actuarial Assumptions*** – For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liability were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.5% (1)
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) Net of pension plan investment and administrative expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

***Change of Assumptions*** – For the measurement date of June 30, 2019, the inflation rate reduced from 2.75% to 2.50%.

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

**NOTE 7 – PENSION PLAN (Continued)**

**Discount Rate** – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

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 (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 adjusted to account for assumed administrative expenses.

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	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive		0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%		-0.92%
<b>Total</b>	<b>100%</b>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.00% used for this period.  
 (c) An expected inflation of 2.92% used for this period.

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – PENSION PLAN (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 the Plan, calculated using the discount rate for the 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
1% Decrease	6.15%	6.15%
Net Pension Liability	\$6,214,804	\$4,767,856
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$3,985,520	\$3,068,386
1% Increase	8.15%	8.15%
Net Pension Liability	\$2,145,403	\$1,675,088

***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 2020, the Town and its employees did not make contributions to the plan.

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.

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**NOTES TO 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, 2020, the breakout of this calculation is reflected as follows:

Total Capital Assets at June 30, 2020	\$64,456,633
Related Debt at June 30, 2020:	
Certificates of Participation (COP)	<u>6,763,968</u>
Net Investment in Capital Assets	<u><u>\$57,692,665</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:

*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.

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

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

*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.

Detailed classifications of the Town's Fund Balances, as of June 30, 2020, are as follows:

	General Fund	Pavement Management Program	Construction In Progress	Other Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
Nonspendable:							
Prepaid items	\$116,880						\$116,880
Total Nonspendable	116,880						116,880
Restricted for:							
Streets and roads						\$1,998,795	1,998,795
Public safety						194,925	194,925
Future projects						387,218	387,218
Capital projects				\$2,338,462	\$29,253		2,367,715
Debt service					426,485		426,485
Total Restricted				2,338,462	455,738	2,580,938	5,375,138
Committed to:							
Future projects (Palos Developer Fees)	2,514,013						2,514,013
Capital projects		\$1,053,139		15,454			1,068,593
Asset replacements				124,967			124,967
Total Committed	2,514,013	1,053,139		140,421			3,707,573
Assigned							
Capital projects *	24,380						24,380
Total Unassigned	24,380						24,380
Unassigned							
Fund balance deficits			(\$2,166,723)		(22,611)	(2,189,334)	
Residual fund balance	4,992,784						4,992,784
Total Unassigned	4,992,784		(2,166,723)		(22,611)	2,803,450	
Total fund balances	\$7,648,057	\$1,053,139	(\$2,166,723)	\$2,478,883	\$455,738	\$2,558,327	\$12,027,421

\* Fund balance assigned to Capital Projects CIP 16-602 (TC Resolution 68-2016) and CIP 17-7011 (TC Resolution 57-2017)

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

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

***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 commits any net surplus or revenues above the amount needed to satisfy the General Purpose Fund Reserve policy of 50% to the Asset Replacement Fund (Fund 750).

**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 (Aggregate)	Deductible (Town Portion)
All risk fire and property	\$1,000,000,000	\$25,000
Flood	25,000,000	100,000
Cyber liability	2,000,000	50,000
Public entity pollution liability	25,000,000	100,000
Boiler and machinery	100,000,000	5,000
Government crime	5,000,000	2,500
General liability	30,000,000	10,000
Employment liability	3,000,000	50,000
Workers' compensation	50,000,000	0
Vehicle physical damage		
All other police vehicles	250,000	2,000
Police department vehicles	250,000	3,000
Deadly weapons response	2,500,000	100,000

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**  
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**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, 2017, the third year of the three-year Program had been completed. Under the Program, the Town focused on preventative maintenance during the first year; overlays during the second year; and reconstruction treatments during the third year.

The following is the sources and uses of the Program during fiscal year 2020:

SOURCES	
Sales Tax from Measure K	\$1,998,721
Rubberized Pavement Grant	24,258
Gas Tax	269,704
Garbage Vehicle Impact Fee	688,524
Interest Income	<u>17,754</u>
 Total Sources	 <u>2,998,961</u>
USES	
Construction	1,253,394
Construction Management	51,583
Project Management	162,316
Design Services	47,414
Miscellaneous Expenses	<u>5,716</u>
 Total Uses	 <u>1,520,423</u>
OTHER FINANCING USES	
Principal payment on the bonds	315,000
Interest payment on the bonds	280,650
Transfer out to various projects	<u>1,608,734</u>
 Total Other Financing Sources (Uses)	 <u>2,204,384</u>
NET CHANGE IN PROGRAM BALANCE	(725,846)
BEGINNING PROGRAM BALANCE	<u>1,778,985</u>
ENDING PROGRAM BALANCE	<u><u>\$1,053,139</u></u>

**TOWN OF MORAGA**  
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**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.

***A. Encumbrances***

The Town utilized an encumbrance system during fiscal year 2020 to assist in controlling expenditures. Under this system, governmental funds are encumbered when purchase orders, contracts or other commitments are signed or approved. The following are encumbrances at June 30, 2020, that will be carried over to fiscal year 2021:

General Fund	\$41,440
Construction in Progress Fund	7,709,730
Non-major Governmental Funds	<u>11,900</u>
Total	<u><u>\$7,763,070</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

## REQUIRED SUPPLEMENTARY INFORMATION

Town of Moraga Cost-Sharing Multiple-Employer Defined Pension Plan  
Last 10 Years\*\*

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

Measurement Date as of June 30	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Plan's Proportion of the Net Pension Liability/(Asset)	0.05809%	0.04235%	0.06040%	0.06208%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$3,614,505	\$3,840,323	\$5,226,347	\$6,156,875
Plan's Covered Payroll*	\$3,183,341	\$3,044,571	\$3,214,375	\$3,467,455
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	113.54%	126.14%	162.59%	177.56%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	82.31%	82.25%	77.29%	76%

#### **Notes to Schedule:**

\* Covered Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered payroll as the total payroll of employees that are provided pensions through the pension plan.

\*\* Fiscal year 2015 was the first year of implementation of GASB 68 and 71.

## REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2019</u>
0.06367%	0.06884%
\$6,135,349	\$7,053,906
\$3,357,567	\$3,924,854
182.73%	179.72%
77%	76%

## **REQUIRED SUPPLEMENTARY INFORMATION**

Town of Moraga Miscellaneous and Safety Rate Plans, a Cost-Sharing Multiple-Employer Defined Pension Plan  
Last 10 Years\*

### **SCHEDULE OF CONTRIBUTIONS**

For the Year Ended June 30	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Actuarially determined contribution	\$413,526	\$314,989	\$308,628	\$274,211
Contributions in relation to the actuarially determined contributions	<u>413,526</u>	<u>314,989</u>	<u>308,628</u>	<u>274,211</u>
Contribution deficiency (excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Covered payroll	\$3,044,571	\$3,214,375	\$3,467,455	\$3,357,567
Contributions as a percentage of covered payroll	13.58%	9.80%	8.90%	8.17%

\* Fiscal year 2015 was the first year of implementation of GASB 68 and 71.

## REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2020</b>
\$280,636	\$333,366
<u>280,636</u>	<u>333,366</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$3,924,854	\$3,919,586
7.15%	8.51%

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**SUPPLEMENTAL INFORMATION**

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**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2020**

**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 335 Rheem Boulevard property, and various capital improvement projects.

**TOWN OF MORAGA  
GENERAL FUND  
COMBINING BALANCE SHEETS  
JUNE 30, 2020**

	<u>General Purpose</u>	<u>Developer Fees</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$902,543	\$2,514,013	\$3,416,556
Accounts receivable	392,330		392,330
Prepays	116,880		116,880
Due from other funds	<u>3,753,007</u>		<u>3,753,007</u>
 Total Assets	 <u>\$5,164,760</u>	 <u>\$2,514,013</u>	 <u>\$7,678,773</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	<u>\$30,716</u>		<u>\$30,716</u>
 Total Liabilities	 <u>30,716</u>		 <u>30,716</u>
<b>FUND BALANCES</b>			
Nonspendable	116,880		116,880
Committed		\$2,514,013	2,514,013
Assigned	24,380		24,380
Unassigned	<u>4,992,784</u>		<u>4,992,784</u>
 Total Fund Balances	 <u>5,134,044</u>	<u>2,514,013</u>	<u>7,648,057</u>
 Total Liabilities and Fund Balances	 <u>\$5,164,760</u>	<u>\$2,514,013</u>	<u>\$7,678,773</u>

**TOWN OF MORAGA**  
**GENERAL FUND**  
**COMBINING SCHEDULES OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Purpose</u>	<u>Developer Fees</u>	<u>Total</u>
<b>REVENUES</b>			
Property taxes and assessments	\$2,464,576		\$2,464,576
Property tax - in lieu	1,909,473		1,909,473
Sales and use tax	1,042,050		1,042,050
Franchise fees	1,521,963		1,521,963
Real property transfer fees	159,559		159,559
Motor vehicle license fees	13,406		13,406
Planning and permits	418,252		418,252
Interest	87,344		87,344
Property rentals	100,130		100,130
Parks and recreation	421,938		421,938
Police services	72,973		72,973
Public works services	354,417		354,417
Other revenues	138,910		138,910
 Total Revenues	 8,704,991		 8,704,991
<b>EXPENDITURES</b>			
Current operations:			
General administration	2,520,018		2,520,018
Planning	760,404		760,404
Public safety	3,016,816		3,016,816
Public works	1,447,733		1,447,733
Parks and recreation	1,421,420		1,421,420
 Total Expenditures	 9,166,391		 9,166,391
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(461,400)		(461,400)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,223,896		1,223,896
Transfers out	(970,009)	(\$359,290)	(1,329,299)
 Total Other Financing Sources (Uses)	 253,887	 (359,290)	 (105,403)
<b>NET CHANGE IN FUND BALANCES</b>			
	(207,513)	(359,290)	(566,803)
<b>BEGINNING FUND BALANCES</b>			
	5,341,557	2,873,303	8,214,860
<b>ENDING FUND BALANCES</b>			
	 \$5,134,044	 \$2,514,013	 \$7,648,057

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**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2020**

**OTHER CAPITAL PROJECTS FUND**

The Other Capital Projects Fund is used to account for funds expended on various capital improvement projects, other than those under the Pavement Management Program. Funds in the Capital Projects Fund include the following:

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 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.

**Development Impact Fee Funds:**

**Public Safety Impact Fees, Local Transportation Impact Fees, Storm Drain Impact Fees, 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**  
**OTHER CAPITAL PROJECTS FUND**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2020**

	Asset Replacement	Comcast Grant Unrestricted	Comcast PEG Restricted	Public Safety Impact Fees
<b>ASSETS</b>				
Cash and investments	\$124,967	\$15,454	\$380,296	\$200,411
Accounts receivable			12,110	318
<b>Total Assets</b>	<b><u>\$124,967</u></b>	<b><u>\$15,454</u></b>	<b><u>\$392,406</u></b>	<b><u>\$200,729</u></b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses				
<b>Total Liabilities</b>	<b><u> </u></b>	<b><u> </u></b>	<b><u> </u></b>	<b><u> </u></b>
<b>FUND BALANCE</b>				
Restricted			\$392,406	\$200,729
Committed	<u>\$124,967</u>	<u>\$15,454</u>		
<b>Total Fund Balances</b>	<b><u>124,967</u></b>	<b><u>15,454</u></b>	<b><u>392,406</u></b>	<b><u>200,729</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$124,967</u></b>	<b><u>\$15,454</u></b>	<b><u>\$392,406</u></b>	<b><u>\$200,729</u></b>

Local Transportation Impact Fees	Storm Drain Impact Fees	General Government Facilities Impact Fees	Park Development Impact Fees	LFFA	Total Capital Projects Fund
\$31,649 51	\$474,246 952	\$577,644 1,035	\$194,513 220	\$504,450 843	\$2,503,630 15,529
<u>\$31,700</u>	<u>\$475,198</u>	<u>\$578,679</u>	<u>\$194,733</u>	<u>\$505,293</u>	<u>\$2,519,159</u>
				\$40,276	\$40,276
				40,276	40,276
\$31,700	\$475,198	\$578,679	\$194,733	465,017	2,338,462 140,421
31,700	475,198	578,679	194,733	465,017	2,478,883
<u>\$31,700</u>	<u>\$475,198</u>	<u>\$578,679</u>	<u>\$194,733</u>	<u>\$505,293</u>	<u>\$2,519,159</u>

**TOWN OF MORAGA**  
**OTHER CAPITAL PROJECTS FUND**  
**COMBINING SCHEDULES OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Asset Replacement</u>	<u>Comcast Grant Unrestricted</u>	<u>Comcast PEG Restricted</u>	<u>Public Safety Impact Fees</u>
<b>REVENUES</b>				
Intergovernmental				
Interest				\$2,084
Other revenue		\$45,765		88,350
Total Revenues		45,765		90,434
<b>EXPENDITURES</b>				
General administration	-	-	-	-
Total Expenditures	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			45,765	90,434
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$166,000			
Transfers (out)	(279,957)			
Total Other Financing Sources (Uses)	(113,957)			
<b>NET CHANGE IN FUND BALANCES</b>	(113,957)		45,765	90,434
<b>BEGINNING FUND BALANCES</b>	<u>238,924</u>	<u>\$15,454</u>	<u>346,641</u>	<u>110,295</u>
<b>ENDING FUND BALANCES</b>	<u>\$124,967</u>	<u>\$15,454</u>	<u>\$392,406</u>	<u>\$200,729</u>

Local Transportation Impact Fees	Storm Drain Impact Fees	General Government Facilities Impact Fees	Park Development Impact Fees	LFFA	Total Capital Projects Funds
\$368	\$5,805	\$6,179	\$1,260	\$5,102	\$20,798
	13,113	73,110	90,850	40,276	351,464
368	18,918	79,289	92,110	45,378	372,262
-	-	-	-	-	-
-	-	-	-	-	-
368	18,918	79,289	92,110	45,378	372,262
	(25,000)	(9,272)			166,000 (314,229)
	(25,000)	(9,272)			(148,229)
368	(6,082)	70,017	92,110	45,378	224,033
31,332	481,280	508,662	102,623	419,639	2,254,850
<b>\$31,700</b>	<b>\$475,198</b>	<b>\$578,679</b>	<b>\$194,733</b>	<b>\$465,017</b>	<b>\$2,478,883</b>

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**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2020**

**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, 2020**

	COP 329 Rheem Renovations	2013 COP Infrastructure Improvements	Total
<b>ASSETS</b>			
Cash and investments	\$124,506	\$331,232	\$455,738
<b>Total Assets</b>	<b>\$124,506</b>	<b>\$331,232</b>	<b>\$455,738</b>
<b>FUND BALANCES</b>			
Nonspendable	\$124,506	\$331,232	\$455,738
<b>Total Fund Balances</b>	<b>124,506</b>	<b>331,232</b>	<b>455,738</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$124,506</b>	<b>\$331,232</b>	<b>\$455,738</b>

**TOWN OF MORAGA**  
**DEBT SERVICE FUND**  
**COMBINING SCHEDULES OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	COP 329 Rheem Renovations	2013 COP Infrastructure Improvements	Total
<b>REVENUES</b>			
Interest	<u>\$3,217</u>	<u>\$3,101</u>	<u>\$6,318</u>
<b>Total Revenues</b>	<u>3,217</u>	<u>3,101</u>	<u>6,318</u>
<b>EXPENDITURES</b>			
Current operations:			
General administration	1,000		1,000
Debt service:			
Principal	75,000	315,000	390,000
Interest	<u>40,518</u>	<u>280,650</u>	<u>321,168</u>
<b>Total Expenditures</b>	<u>116,518</u>	<u>595,650</u>	<u>712,168</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(113,301)</u>	<u>(592,549)</u>	<u>(705,850)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>115,485</u>	<u>595,384</u>	<u>710,869</u>
<b>Total Other Financing Sources (Uses)</b>	<u>115,485</u>	<u>595,384</u>	<u>710,869</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>2,184</u>	<u>2,835</u>	<u>5,019</u>
<b>BEGINNING FUND BALANCES</b>	<u>122,322</u>	<u>328,397</u>	<u>450,719</u>
<b>ENDING FUND BALANCES</b>	<u><b>\$124,506</b></u>	<u><b>\$331,232</b></u>	<u><b>\$455,738</b></u>

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**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2020**

**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.

**Art in Public Spaces** – This fund accounts for money allocated by Town Council and received through donations or grants or otherwise obtained to fund expenditures that may include, but are not limited to, the following uses: costs associated with the purchase, commissioning, lease, transportation, installation, insurance, maintenance, repair, removal or restoration of artwork, and any costs to administer the Art in Public Spaces program or purchase objects necessary for the proper presentation of the artwork.

**TOWN OF MORAGA**  
**OTHER GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2020**

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District
<b>ASSETS</b>				
Cash and investments	\$94,940	\$902,919	\$386,639	\$371,900
Accounts receivable	<u>45,791</u>	<u>1,944</u>	<u>579</u>	<u>722</u>
<b>Total Assets</b>	<b><u>\$140,731</u></b>	<b><u>\$904,863</u></b>	<b><u>\$387,218</u></b>	<b><u>\$372,622</u></b>
<b>LIABILITIES</b>				
Due to other funds	_____	_____	_____	_____
<b>Total Liabilities</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
<b>FUND BALANCE</b>				
Restricted	\$140,731	\$904,863	\$387,218	\$372,622
Unassigned	_____	_____	_____	_____
<b>Total Fund Balances</b>	<b><u>140,731</u></b>	<b><u>904,863</u></b>	<b><u>387,218</u></b>	<b><u>372,622</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$140,731</u></b>	<b><u>\$904,863</u></b>	<b><u>\$387,218</u></b>	<b><u>\$372,622</u></b>

COPS/AVA	Traffic Safety	NPDES	Asset Forfeiture	Public Safety Sales Tax	Street Lighting	Art in Public Spaces	Total Nonmajor Governmental Funds
\$148,262 393	\$38,028 1,932	\$74,551	\$6,300 10	\$12,481	\$579,037 1,542		\$2,528,025 139,945
<u>\$148,655</u>	<u>\$39,960</u>	<u>\$74,551</u>	<u>\$6,310</u>	<u>\$12,481</u>	<u>\$580,579</u>		<u>\$2,667,970</u>
		\$95,265		\$14,378			\$109,643
		95,265		14,378			109,643
\$148,655	\$39,960		\$6,310		\$580,579		2,580,938
		(20,714)		(1,897)			(22,611)
148,655	39,960	(20,714)	6,310	(1,897)	580,579		2,558,327
<u>\$148,655</u>	<u>\$39,960</u>	<u>\$74,551</u>	<u>\$6,310</u>	<u>\$12,481</u>	<u>\$580,579</u>		<u>\$2,667,970</u>

**TOWN OF MORAGA**  
**OTHER GOVERNMENTAL FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District
<b>REVENUES</b>				
Taxes and assessment	\$375,046			\$196,554
Sales tax - public safety				
Intergovernmental	312,424	\$411,101		
Interest	4,678	10,668	\$3,068	4,155
Parks and recreation				135,930
Fines, forfeitures and penalties				
 Total Revenues	 692,148	 421,769	 138,998	 200,709
<b>EXPENDITURES</b>				
Current operations:				
Public works				174,322
 Total Expenditures	 _____	 _____	 _____	 174,322
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>692,148</b>	<b>421,769</b>	<b>138,998</b>	<b>26,387</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Transfers (out)	(702,600)	(356,013)		(6,000)
 Total Other Financing Sources (Uses)	 (702,600)	 (356,013)		 (6,000)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(10,452)</b>	<b>65,756</b>	<b>138,998</b>	<b>20,387</b>
<b>BEGINNING FUND BALANCES</b>	<b>151,183</b>	<b>839,107</b>	<b>248,220</b>	<b>352,235</b>
<b>ENDING FUND BALANCES</b>	<b>\$140,731</b>	<b>\$904,863</b>	<b>\$387,218</b>	<b>\$372,622</b>

COPS/AVA	Traffic Safety	NPDES	Asset Forfeiture	Public Safety Sales Tax	Street Lighting	Art in Public Spaces	Total Other Governmental Funds
		\$220,860			\$183,540		\$976,000
\$155,948				\$66,678			66,678
2,317	\$371	635	\$73	63	8,293		879,473
							34,321
							135,930
		32,475					32,475
158,265	32,846	221,495	73	66,741	191,833		2,124,877
							174,322
							174,322
158,265	32,846	221,495	73	66,741	191,833		1,950,555
(140,000)	(20,000)	(295,000)		(59,000)	(241,000)		(1,819,613)
(140,000)	(20,000)	(295,000)		(59,000)	(241,000)		(1,819,613)
18,265	12,846	(73,505)	73	7,741	(49,167)		130,942
130,390	27,114	52,791	6,237	(9,638)	629,746		2,427,385
\$148,655	\$39,960	(\$20,714)	\$6,310	(\$1,897)	\$580,579		\$2,558,327

**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, 2020**

	Gasoline Tax			Transportation Measure J		
			Variance with Final Budget			Variance with Final Budget
	Final Budget	Actual Amounts	Positive (Negative)	Final Budget	Actual Amounts	Positive (Negative)
<b>REVENUES</b>						
Taxes and assessment	\$383,692	\$375,046	(\$8,646)			
Sales tax - public safety						
Intergovernmental	301,176	312,424	11,248	\$336,413	\$411,101	\$74,688
Interest		4,678	4,678	3,130	10,668	7,538
Parks and recreation						
Fines, forfeitures and penalties						
<b>Total Revenues</b>	<b>684,868</b>	<b>692,148</b>	<b>7,280</b>	<b>339,543</b>	<b>421,769</b>	<b>82,226</b>
<b>EXPENDITURES</b>						
Current operations:						
Public works						
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>684,868</b>	<b>692,148</b>	<b>7,280</b>	<b>339,543</b>	<b>421,769</b>	<b>82,226</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in						
Transfers (out)	(715,029)	(702,600)	12,429	(340,785)	(356,013)	(15,228)
<b>Total Other Financing Sources (Uses)</b>	<b>(715,029)</b>	<b>(702,600)</b>	<b>12,429</b>	<b>(340,785)</b>	<b>(356,013)</b>	<b>(15,228)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(\$30,161)</b>	<b>(10,452)</b>	<b>\$19,709</b>	<b>(\$1,242)</b>	<b>65,756</b>	<b>\$66,998</b>
<b>BEGINNING FUND BALANCES</b>	<b>151,183</b>			<b>839,107</b>		
<b>ENDING FUND BALANCES</b>	<b>\$140,731</b>			<b>\$904,863</b>		

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)
			\$199,631	\$196,554	(\$3,077)			
\$2,200	\$3,068	\$868	1,600	4,155	2,555	\$143,298	\$155,948	\$12,650
	135,930	135,930				1,800	2,317	517
2,200	<u>138,998</u>	<u>136,798</u>	<u>201,231</u>	<u>200,709</u>	<u>(522)</u>	<u>145,098</u>	<u>158,265</u>	<u>13,167</u>
			<u>205,350</u>	<u>174,322</u>	<u>31,028</u>			
	-	-	<u>205,350</u>	<u>174,322</u>	<u>31,028</u>			
2,200	<u>138,998</u>	<u>136,798</u>	<u>(4,119)</u>	<u>26,387</u>	<u>30,506</u>	<u>145,098</u>	<u>158,265</u>	<u>13,167</u>
			<u>43,134</u>	<u>(6,000)</u>	<u>(43,134)</u>			
(38,000)		<u>38,000</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(183,000)</u>	<u>(140,000)</u>		<u>43,000</u>
(38,000)		<u>38,000</u>	<u>37,134</u>	<u>(6,000)</u>	<u>(43,134)</u>	<u>(183,000)</u>	<u>(140,000)</u>	<u>43,000</u>
<u>(\$35,800)</u>	<u>138,998</u>	<u>\$174,798</u>	<u>\$33,015</u>	<u>20,387</u>	<u>(\$12,628)</u>	<u>(\$37,902)</u>	<u>18,265</u>	<u>\$56,167</u>
			<u>248,220</u>		<u>352,235</u>			<u>130,390</u>
		<u>\$387,218</u>			<u>\$372,622</u>			<u>\$148,655</u>

(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, 2020**

	Traffic Safety			NPDES		
			Variance with Final Budget			Variance with Final Budget
	Final Budget	Actual Amounts	Positive (Negative)	Fiscal Budget	Actual Amounts	Positive (Negative)
<b>REVENUES</b>						
Taxes and assessment				\$291,000	\$220,860	(\$70,140)
Sales tax - public safety						
Intergovernmental						
Interest	\$75	\$371	\$296	75	635	560
Parks and recreation						
Fines, forfeitures and penalties	37,600	32,475	(5,125)			
Total Revenues	<u>37,675</u>	<u>32,846</u>	<u>(4,829)</u>	<u>291,075</u>	<u>221,495</u>	<u>(69,580)</u>
<b>EXPENDITURES</b>						
Current operations:						
Public works						
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	<u>37,675</u>	<u>32,846</u>	<u>(4,829)</u>	<u>291,075</u>	<u>221,495</u>	<u>(69,580)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in						
Transfers (out)	<u>(20,000)</u>	<u>(20,000)</u>		<u>(295,000)</u>	<u>(295,000)</u>	
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(20,000)</u>		<u>(295,000)</u>	<u>(295,000)</u>	
NET CHANGE IN FUND BALANCES	<u>\$17,675</u>	12,846	<u>(\$4,829)</u>	<u>(\$3,925)</u>	<u>(73,505)</u>	<u>(\$69,580)</u>
BEGINNING FUND BALANCES		<u>27,114</u>			<u>52,791</u>	
ENDING FUND BALANCES		<u>\$39,960</u>			<u>(\$20,714)</u>	

(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, 2020**

	Arts In Public Spaces		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes and assessment			
Sales tax - public safety			
Intergovernmental			
Interest			
Parks and recreation			
Fines, forfeitures and penalties			
<b>Total Revenues</b>	-	-	-
<b>EXPENDITURES</b>			
Current operations:			
Public works			
<b>Total Expenditures</b>	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			
Transfers (out)			
<b>Total Other Financing Sources (Uses)</b>	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-		-
<b>BEGINNING FUND BALANCES</b>			-
<b>ENDING FUND BALANCES</b>			-

**TOWN OF MORAGA**  
**Supplemental Information**  
**For the Year Ended June 30, 2020**

**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, 2020**

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<b>ASSETS</b>				
Cash and investments	\$981,821	\$1,142,155	\$981,821	\$1,142,155
Accounts receivable	178	26,856	178	26,856
<b>Total Assets</b>	<b><u>\$981,999</u></b>	<b><u>\$1,169,011</u></b>	<b><u>\$981,999</u></b>	<b><u>\$1,169,011</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$104,707	\$29,028	\$104,707	\$29,028
Deposits payable	736,315	989,847	736,315	989,847
Due to others	140,977	64,110	54,951	150,136
<b>Total Liabilities</b>	<b><u>\$981,999</u></b>	<b><u>\$1,082,985</u></b>	<b><u>\$895,973</u></b>	<b><u>\$1,169,011</u></b>

**TOWN OF MORAGA  
STATISTICAL SECTION**

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 wellbeing 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

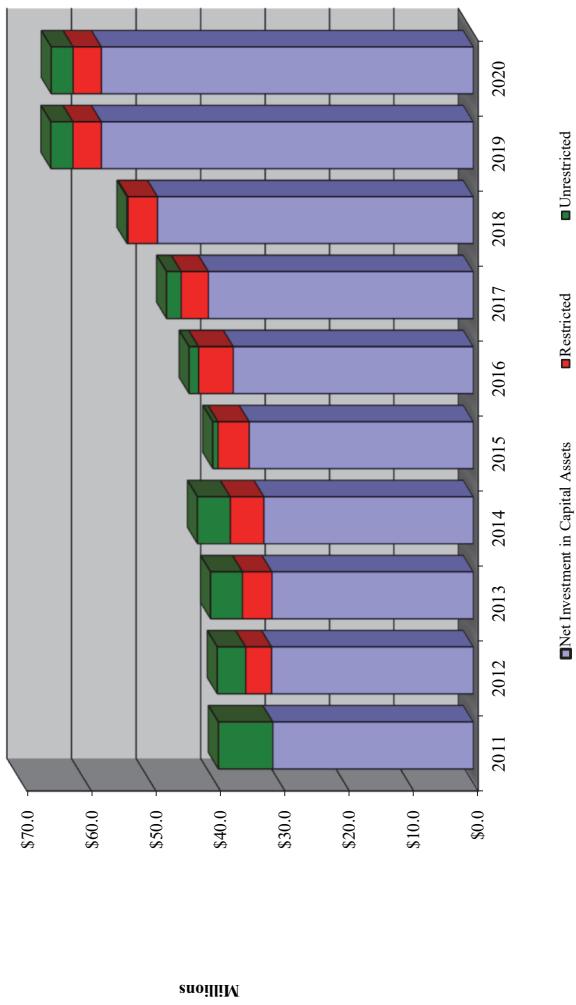
***Operating Information***

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)**



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Fiscal Year Ended June 30,</b>										
<b>Net Investment in Capital Assets</b>										
Unrestricted	\$49,000,379	\$47,588,576	\$53,726,204	\$65,500,687	\$65,449,590					
Restricted	4,582,338	4,395,963	4,395,963	4,395,963	4,395,963					
Total	<b>\$49,000,379</b>	<b>\$47,588,576</b>	<b>\$53,726,204</b>	<b>\$65,500,687</b>	<b>\$65,449,590</b>					

(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.

*Source: Town of Moraga: Basic Financial Statements*

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

	<b>Fiscal Year Ended June 30</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	(a)	<b>2014</b>
<b>Expenses</b>					
Governmental activities:					
General administration	\$1,208,943	\$1,310,021	\$1,528,140 (c)	\$1,601,401	
Planning	462,025	443,788	\$445,705	666,363	
Public safety	2,150,458	2,280,426	2,288,770	2,551,912	
Public works	2,310,181	3,154,962	2,342,094	1,962,949	
Parks and recreation	809,048	632,177	679,215	1,568,294	
Interest and long-term debt	63,176	58,394	56,669	250,457	
<b>Total Governmental activities expenses</b>	<b>7,003,831</b>	<b>7,879,768</b>	<b>7,340,593</b>	<b>8,601,376</b>	
<b>Total Primary Government Expenses</b>	<b>\$7,003,831</b>	<b>\$7,879,768</b>	<b>\$7,340,593</b>	<b>\$8,601,376</b>	
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General administration	\$20	\$72,735	\$38,637	\$103,967	
Planning	233,432	289,690	383,754	477,559	
Public safety	121,097	123,787	132,932	113,396	
Public works	316,124	160,832	294,212	228,063	
Parks and recreation	216,358	411,117	398,321	366,240	
Operating Grants and Contributions	100,000	109,016	1,365,249 (b)	1,586,631	
Capital Grants and Contributions	593,824	1,096,496	430,697	1,306,480	
<b>Total Governmental activities program revenues</b>	<b>1,580,855</b>	<b>2,263,673</b>	<b>3,043,802</b>	<b>4,182,336</b>	
<b>Net Revenues / (Expenses)</b>					
Governmental activities	<u>(5,422,976)</u>	<u>(5,616,095)</u>	<u>(4,296,791)</u>	<u>(4,419,040)</u>	
<b>Total Primary Government Net Expense</b>	<b><u>(\$5,422,976)</u></b>	<b><u>(\$5,616,095)</u></b>	<b><u>(\$4,296,791)</u></b>	<b><u>(\$4,419,040)</u></b>	
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property tax	\$2,978,396	\$3,065,030	\$3,070,278	\$3,204,386	
Sales tax	967,688	1,018,561	1,342,747	2,494,796	
Franchise tax	735,390	738,185	749,227	823,301	
Motor vehicle in-lieu	48,982	43,316	7,011		
Gas tax	417,903	467,217	(b)		
Assessment	488,980	431,447	(b)		
Interest and use of property	249,441	27,260	22,544	25,954	
Other	112,529		144,500		
<b>Total Governmental activities</b>	<b>5,999,309</b>	<b>5,791,016</b>	<b>5,336,307</b>	<b>6,548,437</b>	
<b>Change in Net Position</b>					
Governmental activities	<u>576,333</u>	<u>174,921</u>	<u>1,039,516 (c)</u>	<u>2,129,397</u>	
<b>Total Primary Government Change in Net Position</b>	<b><u>\$576,333</u></b>	<b><u>\$174,921</u></b>	<b><u>\$1,039,516</u></b>	<b><u>\$2,129,397</u></b>	

(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.

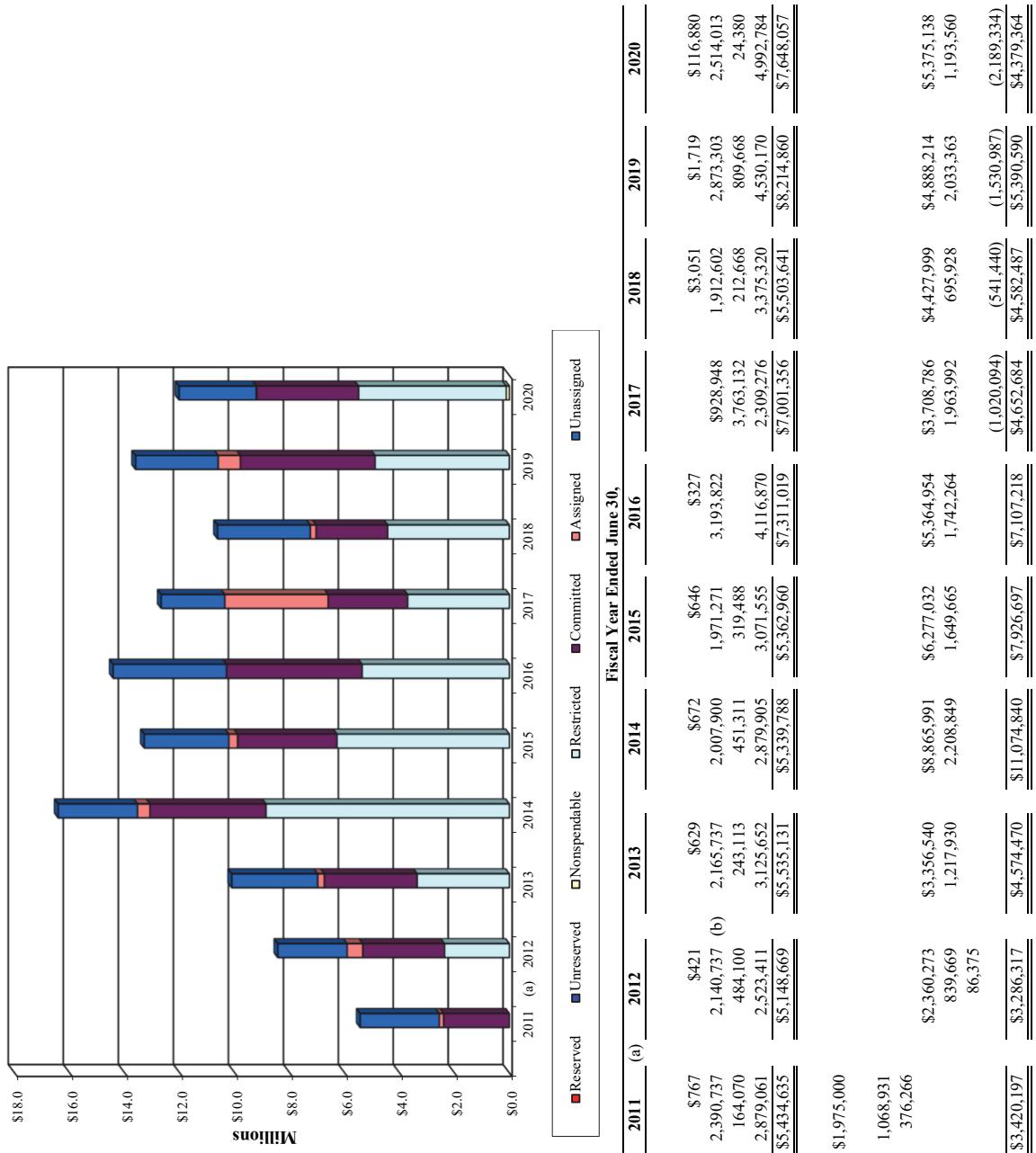
(c) In fiscal year 2013, the Town restated its net pension asset, reducing general administration expenses by \$48,473 in net pension asset amortization expense. This restatement is applied to prior years back to 2009 when the amortization expense was initially applied.

Source: Town of Moraga: Basic Financial Statements

Fiscal Year Ended June 30					
2015	2016	2017	2018	2019	2020
\$1,546,125	\$2,026,707	\$2,032,953	\$2,297,903	\$2,252,928	\$2,817,369
720,899	705,286	841,860	615,531	635,537	855,304
2,546,827	3,329,382	2,976,211	2,902,846	2,871,971	3,606,434
2,056,010	2,273,923	2,481,231	2,459,023	2,846,105	3,278,173
1,339,255	1,545,628	1,517,572	1,360,153	1,451,004	1,653,945
368,686	360,963	349,969	338,241	323,272	308,171
8,577,802	10,241,889	10,199,796	9,973,697	10,380,817	12,519,396
<b>\$8,577,802</b>	<b>\$10,241,889</b>	<b>\$10,199,796</b>	<b>\$9,973,697</b>	<b>\$10,380,817</b>	<b>\$12,519,396</b>
\$199,703	\$243,025	\$274,488	\$221,143	\$213,827	\$306,087
528,548	535,714	476,409	812,217	454,244	480,145
92,100	83,766	69,027	71,631	88,024	55,535
452,795	253,065	584,804	570,987	382,365	354,416
357,278	287,884	436,948	381,256	362,251	421,936
1,386,015	3,569,566	1,173,070	5,457,409	5,442,037	6,134,177
422,684	1,050,101	2,978,412	503,124	136,933	375,722
3,439,123	6,023,121	5,993,158	8,017,767	7,079,681	8,128,018
<b>(5,138,679)</b>	<b>(4,118,768)</b>	<b>(4,118,768)</b>	<b>(1,955,930)</b>	<b>(3,301,136)</b>	<b>(4,391,378)</b>
<b>(\$5,138,679)</b>	<b>(\$4,118,768)</b>	<b>(\$4,118,768)</b>	<b>(\$1,955,930)</b>	<b>(\$3,301,136)</b>	<b>(\$4,391,378)</b>
\$3,467,233	\$3,673,444	\$3,888,623	\$4,130,507	\$4,680,092	\$5,350,049
2,755,146	2,698,602	2,715,945	2,795,331	3,113,516	3,107,449
955,183	1,007,135	1,023,529	1,079,525	1,252,102	1,521,963
36,101	66,919	66,161	88,195	124,066	266,663
	343,695				
<b>7,213,663</b>	<b>7,789,795</b>	<b>7,694,258</b>	<b>8,093,558</b>	<b>9,169,776</b>	<b>10,246,124</b>
2,074,984	3,671,027	3,487,620	6,137,628	5,868,640	5,854,746
<b>\$2,074,984</b>	<b>\$3,671,027</b>	<b>\$3,487,620</b>	<b>\$6,137,628</b>	<b>\$5,868,640</b>	<b>\$5,854,746</b>

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



(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>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Revenues</b>				
Property taxes and assessments	\$2,498,730	\$2,611,524	\$2,628,727	\$2,805,223
Property taxes - in lieu (motor vehicle)	1,248,672	1,255,380	1,266,002	1,342,531
Sales taxes	747,228	783,239	803,298	807,904
Sales & use tax - in lieu	220,460	235,322	263,557	255,268
Sales tax - 1% local add-on			333,008	1,492,885
Franchise fees	735,390	738,185	749,227	823,301
Real property transfer fees	83,629	96,790	116,309	137,329
Motor vehicle license fees	48,982	43,316	7,011	
Planning and permits	234,144	289,690	383,754	477,559
Parks and recreation	271,557	283,341	398,320	362,751
Police services	78,428	70,290	80,287	81,506
Public works services	145,808	135,533	115,651	219,098
Intergovernmental	998,079	1,162,785	763,735	1,715,536
Fines, forfeitures and penalties	59,540	51,271	49,895	31,102
Interest	38,288	27,256	22,542	25,959
Property rentals	211,153	165,333	29,403	29,060
Other revenues	40,002	150,217	224,883	123,761
<b>Total Revenues</b>	<b>7,660,090</b>	<b>8,099,472</b>	<b>8,235,609</b>	<b>10,730,773</b>
<b>Expenditures</b>				
Current operations:				
General administration	1,090,454	1,202,641	1,379,011	1,475,191
Planning	444,159	430,203	434,138	628,706
Police	2,020,235	2,235,142	2,247,128	2,450,233
Public works	1,721,121	1,645,765	1,549,792	1,085,423
Parks and recreation	565,521	554,465	582,074	1,125,559
Debt service:				
Principal	30,000	505,000	60,000	366,452
Interest	63,176	58,394	56,669	263,454
Capital outlay	<u>1,524,855</u>	<u>1,048,899</u>	<u>986,244</u>	<u>4,901,833</u>
<b>Total Expenditures</b>	<b>7,459,521</b>	<b>7,680,509</b>	<b>7,295,056</b>	<b>12,296,851</b>
Revenues over (under) expenditures	200,569	418,963	940,553	(1,566,078)
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,489,178	1,839,348	1,973,365	6,515,328
Transfers (out)	(1,489,178)	(1,839,348)	(1,973,365)	(6,515,328)
Proceeds from loan / debt issuance		29,133		7,979,947
Total Other Financing Sources (Uses)	<u>0</u>	<u>29,133</u>	<u>0</u>	<u>7,979,947</u>
<b>Net Change in Fund Balance</b>	<b>\$200,569</b>	<b>\$448,096</b>	<b>\$940,553</b>	<b>\$6,413,869</b>
<b>Debt service as a percentage of noncapital expenditures</b>	1.4%	1.6%	9.3%	1.9%

Source: Town of Moraga: Basic Financial Statements

**Fiscal Year Ended June 30**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$2,862,344	\$2,916,958	\$3,001,995	\$3,181,741	\$3,285,156	\$3,440,576
1,448,086	1,533,346	1,622,029	1,712,049	1,811,813	1,909,473
855,442	930,860	1,072,512	1,098,280	1,220,022	1,108,728
253,333	201,338				
1,709,913	1,629,441	1,709,325	1,766,158	1,965,304	1,998,721
955,183	1,007,135	1,023,530	1,079,526	1,252,102	1,521,963
149,620	157,140	155,746	191,523	145,553	159,559
6,772	6,644	7,398	9,365	8,156	13,406
528,548	535,714	476,409	812,218	427,719	418,252
367,478	561,284	457,350	613,817	362,254	557,868
72,379	83,766	69,026	71,631	88,023	72,973
255,857	333,965	231,808	221,741	322,141	354,417
848,208	745,120	1,990,524	5,162,434	3,842,903	4,867,848
35,500	32,408	47,615	41,688	40,328	32,475
36,100	66,920	66,146	88,194	124,062	166,535
41,285	89,867	92,653	95,851	99,277	100,130
226,738	3,081,010	589,364	619,048	276,302	490,374
<b>10,652,786</b>	<b>13,912,916</b>	<b>12,613,430</b>	<b>16,765,264</b>	<b>15,271,115</b>	<b>17,213,298</b>
1,440,996	1,610,798	1,676,824	2,191,396	2,044,802	2,521,018
720,128	550,689	686,417	554,658	617,689	760,404
2,493,681	2,537,267	2,564,426	2,706,935	2,805,252	3,016,816
1,079,345	1,067,553	1,213,060	1,257,506	1,589,154	1,622,055
1,146,108	1,187,549	1,220,187	1,158,078	1,304,221	1,421,420
344,926	355,375	365,842	381,321	375,000	390,000
381,683	373,960	362,966	351,238	336,269	321,168
<b>6,170,890</b>	<b>5,101,145</b>	<b>7,287,905</b>	<b>9,731,814</b>	<b>2,679,406</b>	<b>8,738,446</b>
<b>13,777,757</b>	<b>12,784,336</b>	<b>15,377,627</b>	<b>18,332,946</b>	<b>11,751,793</b>	<b>18,791,327</b>
<b>(3,124,971)</b>	<b>1,128,580</b>	<b>(2,764,197)</b>	<b>(1,567,682)</b>	<b>3,519,322</b>	<b>(1,578,029)</b>
7,410,024	5,365,999	5,114,321	5,673,699	5,723,806	5,412,525
(7,410,024)	(5,365,999)	(5,114,321)	(5,673,699)	(5,723,806)	(5,412,525)
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(\$3,124,971)</b>	<b>\$1,128,580</b>	<b>(\$2,764,197)</b>	<b>(\$1,567,682)</b>	<b>\$3,519,322</b>	<b>(\$1,578,029)</b>
8.0%	9.3%	9.2%	7.9%	7.8%	7.0%

# Town of Moraga

Assessed Value and Estimated Actual Value of Taxable Property  
Last Eight Fiscal Years\*

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property**	Unsecured Property	Less Tax-Exempt Property	Taxable Assessed Value	Total Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed
2012-13	\$2,773,216,943	\$92,450,434	\$8,111,278	\$276,953,958	\$22,847,805	\$222,687,799	\$2,950,892,619	1.079300	\$5,345,750,006	1.811570
2013-14	2,940,360,209	95,650,441	8,265,752	284,103,953	21,586,880	218,964,300	3,131,002,935	1.091100	6,552,318,608	2.092722
2014-15	3,189,436,494	97,325,035	8,300,379	215,816,326	20,244,706	150,816,543	3,380,306,397	1.097500	6,609,735,670	1.955366
2015-16	3,376,268,618	101,893,597	10,267,743	315,176,410	19,911,343	242,201,114	3,581,316,597	1.087400	7,899,958,887	2.205831
2016-17	3,568,968,130	104,795,692	8,643,428	336,112,559	20,181,060	247,929,016	3,790,771,853	1.077900	9,010,566,135	2.376974
2017-18	3,770,046,544	105,160,237	8,800,562	275,390,226	20,247,588	176,617,350	4,003,027,807	1.102700	7,046,621,918	1.760323
2018-19	4,004,575,572	110,735,016	8,967,631	349,250,799	19,800,159	255,005,861	4,238,323,316	1.097200	8,928,229,131	2.106547
2019-20	4,250,814,732	112,829,167	9,136,909	341,567,058	19,568,271	265,511,717	4,468,404,420	1.118000	7,467,886,537	1.671265

Source: Contra Costa County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

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

\*\* Other Property column includes unitary amount of \$145,460 for 2019-20.

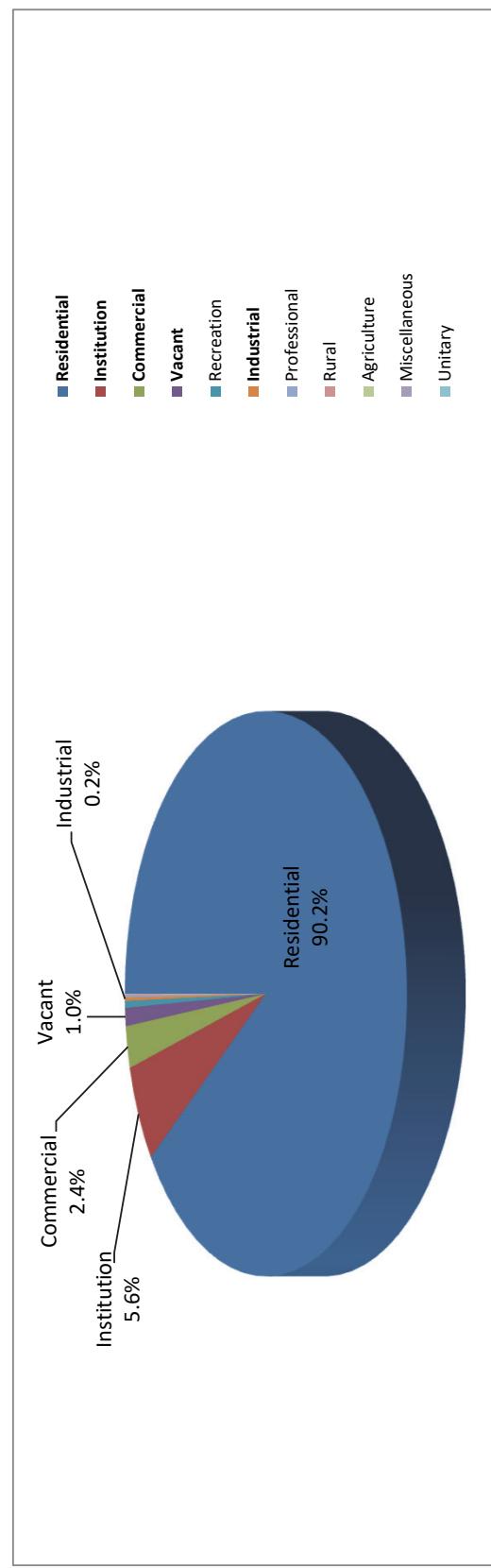
(1) Total tax rate is represented by TRA 15-002.

(2) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

# Town of Moraga

Assessed Value of Property by Use Code, Citywide  
Last Eight Fiscal Years\*

Category	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Residential	\$2,773,216,943	\$2,940,360,209	\$3,189,436,494	\$3,376,268,618	\$3,568,968,130	\$3,770,046,544	\$4,004,575,572	\$4,250,814,732
Institution	209,453,195	214,305,204	143,503,641	234,248,426	240,107,445	182,977,401	255,492,713	263,942,279
Commercial	92,450,434	95,650,441	97,325,035	101,893,597	104,795,692	105,160,237	110,735,016	112,829,167
Vacant	40,404,507	41,360,919	42,401,862	55,391,943	69,413,408	65,179,598	65,628,242	48,909,262
Recreation	20,438,481	21,677,212	21,768,661	16,725,492	17,647,225	17,938,305	18,203,687	18,482,002
Industrial	8,111,278	8,265,752	8,300,379	10,267,743	8,643,428	8,800,562	8,967,631	9,136,909
Professional	3,282,241	3,325,726	3,313,765	3,761,444	3,818,802	4,237,495	4,748,861	4,843,835
Rural	2,055,843	2,096,956	3,284,442	3,350,060	3,401,144	3,300,255	3,366,256	3,433,578
Agriculture	752,745	770,981	775,085	791,024	804,142	820,849	836,808	965,297
Miscellaneous	450,467	450,476	768,870	784,230	796,602	812,532	828,772	845,345
Unitary	116,479	116,479	123,791	123,791	123,791	123,791	145,460	145,460
Gross Secured Value	3,150,732,613	3,328,380,355	3,511,002,025	3,803,606,368	4,018,519,809	4,159,397,569	4,473,529,018	4,714,347,866
Unsecured Exemptions	22,847,805 222,687,799	21,586,880 218,964,300	20,244,706 150,816,543	19,911,343 242,201,114	20,181,060 247,929,016	20,247,588 176,617,350	19,800,159 255,005,861	19,568,271 265,511,717
Net Assessed Value	\$2,950,892,619	\$3,131,002,935	\$3,380,430,188	\$3,581,316,597	\$3,790,771,853	\$4,003,027,807	\$4,238,323,316	\$4,468,404,420



Source: Contra Costa County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

Categories are based on Contra Costa County Assessor's data  
\*2012-13 is the Town's first CAFR publication, therefore, prior year data is unavailable.

# Town of Moraga

**Direct and Overlapping Property Tax Rates  
Last Eight Fiscal Years\***

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Basic City and County Levy								
TOWN OF MORAGA	0.052732	0.052732	0.052732	0.052732	0.052732	0.052732	0.052732	0.052732
COUNTY OF CONTRA COSTA	0.947268	0.947268	0.947268	0.947268	0.947268	0.947268	0.947268	0.947268
<b>TOTAL 1% BREAKOUT</b>	<b>1.000000</b>							
<hr/>								
Override Assessments								
BART	0.004300	0.007500	0.004500	0.002600	0.008000	0.008400	0.007000	0.012000
EAST BAY REG PK BD	0.005100	0.007800	0.008500	0.006700	0.003200	0.002100	0.002100	0.009400
ACALANES UNION	0.033300	0.036100	0.035000	0.033200	0.032300	0.032500	0.032300	0.032600
MORAGA ELEM BON	0.027900	0.026400	0.024300	0.022900	0.022400	0.048300	0.044800	0.045200
COMMUNITY COLLEGE	0.008700	0.013300	0.025200	0.022000	0.012000	0.011400	0.011000	0.018800
<b>TOTAL OVERRIDE RATE</b>	<b>0.079300</b>	<b>0.091100</b>	<b>0.097500</b>	<b>0.087400</b>	<b>0.077900</b>	<b>0.102700</b>	<b>0.097200</b>	<b>0.118000</b>
<hr/>								
<b>TOTAL TAX RATE</b>	<b>1.079300</b>	<b>1.091100</b>	<b>1.097500</b>	<b>1.087400</b>	<b>1.077900</b>	<b>1.102700</b>	<b>1.097200</b>	<b>1.118000</b>

Source: County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics

Rates are not adjusted for ERAF.

TRA 15-002 is represented for this report.

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

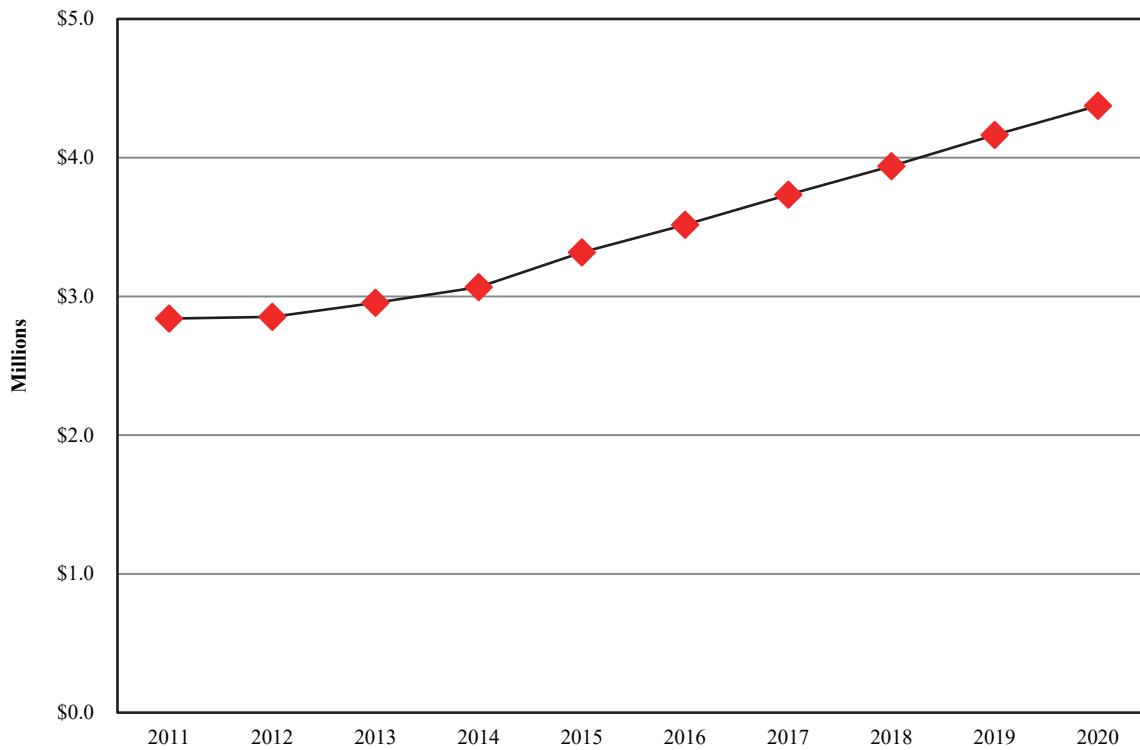
# Town of Moraga

**Principal Property Tax Payers**  
**Last Fiscal Year and Nine Years Ago**

Taxpayer	2019-20		2010-11	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Pwpr Moraga Lp	\$40,173,061	0.90%		
Summerhill RI Llc	33,559,075	0.75%		
Russell J Bruzzone Inc.	23,523,640	0.53%	\$20,338,826	0.70%
Asc Moraga Llc	13,246,877	0.30%		
Vanguard Apts Llc	11,978,201	0.27%	3,601,900	0.12%
Moraga Country Club Hoa	10,108,625	0.23%		
Gage George Tre	9,419,967	0.21%	7,527,600	0.26%
Bigbury Company N V	8,657,039	0.19%	7,481,430	0.26%
Moraga 1 Inv Llc	8,476,200	0.19%		
Gkhb Royale Investments Lp	7,887,041	0.18%	7,291,784	0.25%
Markets Angelos	7,700,000	0.17%	5,783,000	0.20%
Vio At Moraga Llc	6,827,144	0.15%		
Jw King Rheem Llc	5,800,000	0.13%		
Jaber Philip J Tre	5,670,036	0.13%		
Kn Productions Inc.	5,573,174	0.12%	4,816,290	0.17%
Moraga Builders Corp	5,506,602	0.12%	4,758,786	0.16%
Logos Property Investment W	5,314,840	0.12%		
Comcast Corp	5,031,981	0.11%		
Vrionis Michael G Maria S	4,269,771	0.10%	3,689,901	0.13%
Bruner Barbara M Tre	4,250,404	0.10%		
348 Park Llc	4,244,396	0.09%		
Moraga Cc Holdings Llc	4,135,974	0.09%	3,447,455	0.12%
Moraga Creekside Llc	4,058,512	0.09%		
348 Rheem Boulevard Llc	4,019,430	0.09%		
Gage Deborah S Tre	3,936,135	0.09%	3,401,577	0.12%
PK I Rheem Valley Lp			23,366,351	0.80%
Oakmont Of Moraga Llc			10,363,283	0.36%
Moraga Town Of			6,819,442	0.23%
Puri Mahesh K Minoo			4,590,247	0.16%
Demello Debra Jean			3,788,471	0.13%
Moraga Office Partners			3,662,204	0.13%
Beeri Giora			3,380,505	0.12%
Ct Operating Partnership Lp			3,360,152	0.12%
Sandelman Sanford			3,356,554	0.12%
Jaber George H			3,279,620	0.11%
Aaaaa Rent A Space Moraga Ltd.			3,220,364	0.11%
Cedercreutz Mons			3,129,371	0.11%
Miller Kathleen Cone			3,113,802	0.11%
Doyle Patrick K Allison Mk			3,050,617	0.10%
Total Top 25 Taxpayers	<u>\$243,368,125</u>	5.45%	<u>\$150,619,532</u>	5.18%
Total Taxable Value	<u>\$4,468,404,420</u>	100.00%	<u>\$2,908,144,394</u>	100.00%

Source: County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

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



Fiscal Year	Property Tax Levied and Collected (a)	Percent of Total Tax Collections to Tax Levy (b)
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%
2016	3,516,304	100%
2017	3,732,878	100%
2018	3,939,215	100%
2019	4,163,616	100%
2020	4,374,049	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.

*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 January 1, 2020**

	Rate
State General Fund	6.25%
Contra Costa County share	0.25%
Town of Moraga share	0.75% (b)
Contra Costa Transportation Authority	0.50%
Bay Area Rapid Transit	0.50%
Town of Moraga Local Transaction and Use Tax (a)	1.00%
Total	<hr/> 9.25%

(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.

*Source: State of California Board of Equalization*

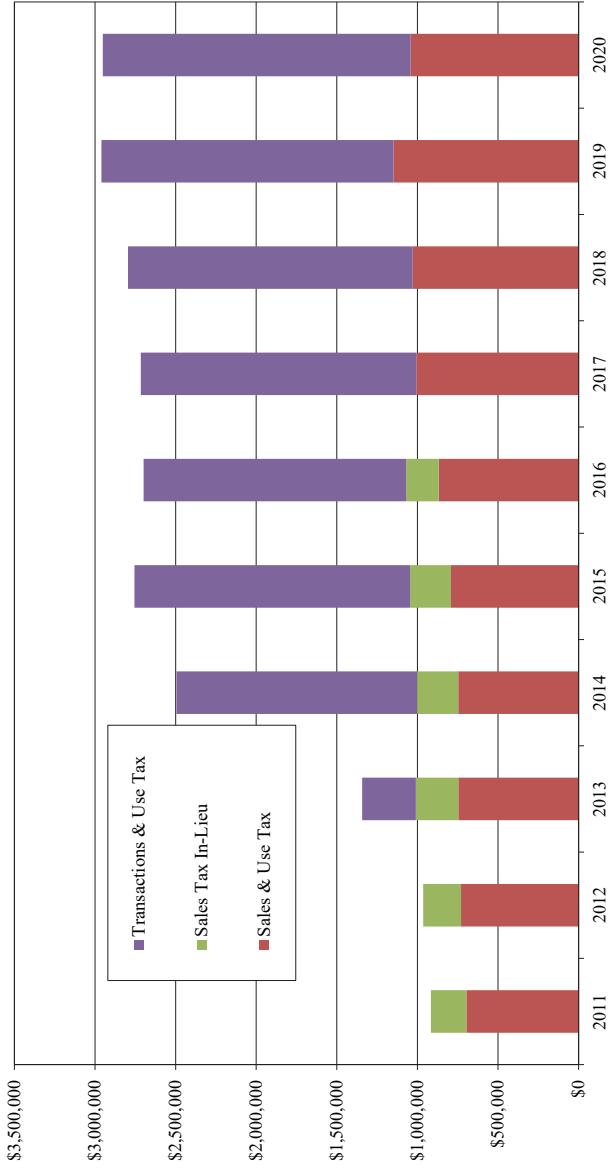
# Town of Moraga

Principal Sales Tax Producers  
Last Fiscal Year and Nine Years Ago

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
Barnes & Noble Bookstores	Miscellaneous Retail	Arco AM/PM Mini Marts	Service Stations
Canyon Club Brewery	Food Processing Eqp	Blue Cat	Health & Government
Chevron Service Stations	Service Stations	Burger King Restaurants	Restaurants
CVS/Pharmacy	Drug Stores	Chevron Service Stations	Service Stations
Dollar Tree Stores	Department Stores	CVS/Pharmacy	Drug Stores
Dover Saddlery	Recreation Products	Homegoods	Furniture/Appliance
Golden Palace Restaurant	Restaurants	Homegoods	Restaurants
Homegoods	Furniture/Appliance	Jack In The Box Restaurants	Restaurants
La Finestra Ristorante	Restaurants	La Penne Pizza Pub & Pizza	Restaurants
La Penne Pizza Pub & Pizza	Restaurants	Mc Caulou Department Store	Department Stores
Moraga Auto Care & Service	Auto Parts/Repair	Moraga Auto Care & Service	Auto Parts/Repair
Moraga Country Club	Miscellaneous Retail	Moraga Country Club	Restaurants
Moraga Hardware & Lumber	Bldg.Matis-Retail	Moraga Hardware & Lumber	Bldg.Matis-Retail
Moraga Service Center	Service Stations	Moraga Wines & Spirits	Liquor Stores
Moraga Star Service Stations	Service Stations	Orchard Supply Hardware	Restaurants
Moraga Wines & Spirits	Liquor Stores	Orchard Supply Hardware	Bldg.Matis-Retail
Nation's Giant Hamburgers	Restaurants	Orchard Supply Hardware	Food Markets
Outdoor Supply Hardware	Bldg.Matis-Retail	Orchard Supply Hardware	Restaurants
Pumping Essentials	Light Industry	Orchard Supply Hardware	Miscellaneous Retail
Safeway Stores	Food Markets	Shell Service Stations	Service Stations
Sodexho Marriott Management	Restaurants	Sodexho Marriott Management	Apparel Stores
TJ Maxx	Apparel Stores	St Mary's College Bookstore	Miscellaneous Retail
Valero Service Stations	Service Stations	TJ Maxx	Apparel Stores

Source: MuniServices, LLC / Avenu Insights & Analytics

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



Fiscal Year	Sales & Use Tax (a)	Sales Tax In-Lieu (a)	Transactions & Use Tax (a)	All Sales Tax Total	Percent Change
2011	\$695,885	\$0	\$220,460	\$916,345	-1.0%
2012	\$728,891	\$0	\$235,322	\$964,213	5.2%
2013	\$746,182	\$0	\$263,557	\$1,342,747	39.3%
2014	\$746,643	\$0	\$255,268	\$1,492,885	85.8%
2015	\$791,900	\$0	\$253,333	\$1,709,913	2,755,146
2016	\$867,823	\$0	\$201,338	\$1,629,441	2,698,602
2017	\$1,006,620	\$0	\$0	\$2,015,945	-2.1%
2018	\$1,029,173	\$0	\$0	\$2,795,331	0.6%
2019	\$1,148,212	\$0	\$0	\$2,960,025	2.9%
2020	\$1,042,050	\$0	\$0	\$2,951,523	5.9%

(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.

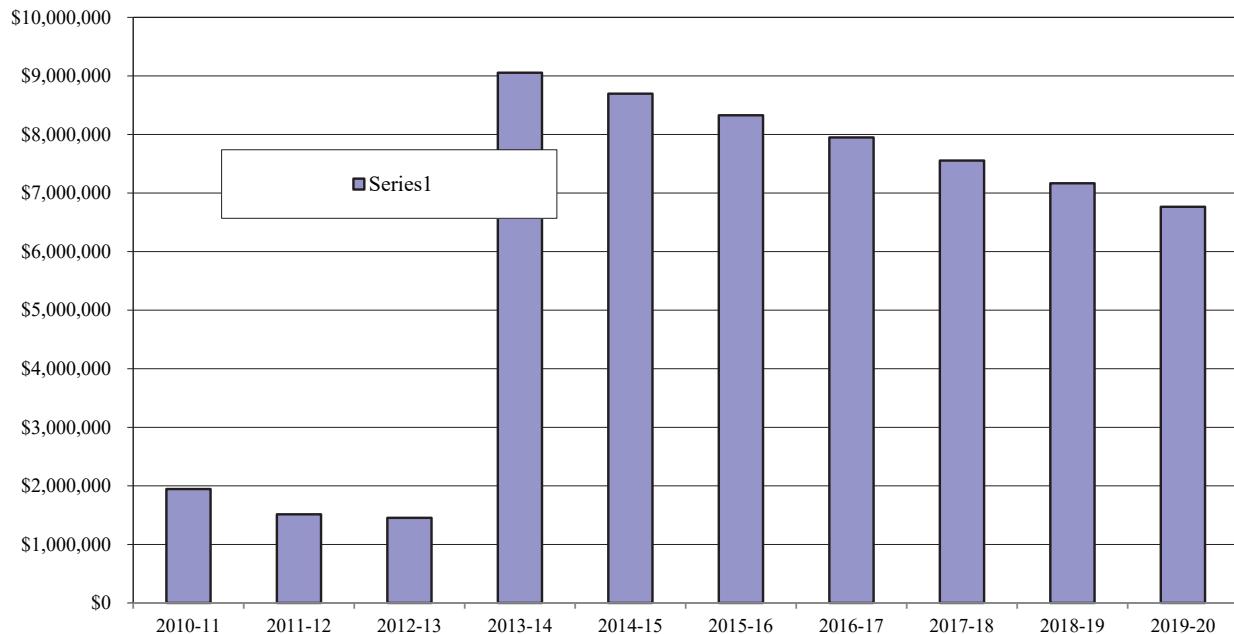
Source: *Town of Moraga: Basic Financial Statements, Governmental Funds Statement of Revenues Expenditures and Changes in Fund Balance*

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

Year	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2009	231	\$69,248	341	\$76,004
2010	246	72,537	346	78,752
2011	221	78,327	323	86,329
2012	231	78,942	340	89,214
2013	219	81,136	319	90,353
2014	214	83,425	306	92,997
2015	211	80,531	335	90,281
2016	210	78,532	340	88,058
2017	207	78,332	333	90,380
2018	202	82,664	347	97,946

*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		
2010-11	\$1,495,000	\$450,000	\$1,945,000		
2011-12	1,440,000	73,916	1,513,916		
2012-13	1,380,000	73,916	1,453,916	0.16%	\$89.93
2013-14	8,991,950	62,464	9,054,414	0.95%	553.85
2014-15	8,648,952	47,537	8,696,489	0.91%	528.15
2015-16	8,295,956	32,162	8,328,118	0.82%	504.34
2016-17	7,932,959	16,321	7,949,280	0.74%	476.69
2017-18	7,554,962	0	7,554,962	0.65%	444.64
2018-19	7,166,965	0	7,166,965	0.58%	423.18
2019-20	6,763,968	0	6,763,968	0.53%	399.15

(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**

October 6, 2020

TOWN OF MORAGA

2019-20 Assessed Valuation: \$4,493,281,160

	Total Debt 6/30/20	% Applicable (1)	Town's Share of Debt 6/30/20
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Bay Area Rapid Transit District	\$1,282,740,000	0.558%	\$ 7,157,689
Contra Costa Community College District	513,955,000	2.089	10,736,520
Acalanes Union High School District	170,374,470	11.873	20,228,561
Moraga School District	23,450,000	97.794	22,932,693
Orinda Union School District	3,265,000	0.210	6,857
East Bay Regional Park District	155,835,000	0.890	<u>1,386,932</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$62,449,252</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Contra Costa County General Fund Obligations	\$232,484,653	2.082%	\$ 4,840,330
Contra Costa County Pension Obligation Bonds	85,690,000	2.082	1,784,066
Orinda Union School District Certificates of Participation	2,690,000	0.210	5,649
<b>Town of Moraga Certificates of Participation</b>	<b>6,595,000</b>	<b>100.</b>	<b>6,595,000</b>
Moraga-Orinda Fire Protection District General Fund Obligations	3,134,000	37.352	1,170,612
Moraga-Orinda Fire Protection District Pension Obligation Bonds	8,520,000	37.352	<u>3,182,390</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$17,578,047</b>
Less: Contra Costa County Obligations supported by revenue funds			<u>1,930,157</u>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$15,647,890</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$6,595,000</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>\$73,432,299</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>\$71,502,142</b>
<b>GROSS COMBINED TOTAL DEBT</b>			<b>\$80,027,299 (2)</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$78,097,142</b>

(1) 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.

(2) 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 .....	1.39%
<b>Total Direct Debt (\$6,595,000)</b> .....	<b>0.15%</b>
Gross Combined Total Debt .....	1.78%
Net Combined Total Debt .....	1.74%

Source: Avenu Insights & Analytics

**TOWN OF MORAGA**  
**COMPUTATION OF LEGAL BONDED DEBT MARGIN**  
**JUNE 30, 2020**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$4,448,733,261</u>
--	------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$166,827,497</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>\$166,827,497</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 Eight Fiscal Years\*

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Median Age (4)	Public School Enrollment (5)	County Unemployment Rate (%) (4)	Town Unemployment Rate (%) (4)	County Population
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
2015-16	16,513	1,016,816,873	61,577	44.7	1,886	5.0	3.5	1,123,429
2016-17	16,676	1,076,279,379	64,541	44.1	1,898	4.4	4.3	1,139,513
2017-18	16,991	1,166,384,745	68,647	43.4	1,832	3.1	3.3	1,149,363
2018-19	16,939	1,226,520,298	72,408	42.8	1,851	2.6	3.3	1,155,879
2019-20	16,946	1,276,182,925	75,309	43.4	1,855	13.6	8.7	1,153,561

Source: MuniServices, LLC / Avenu Insights & Analytics

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

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

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

(3) 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.

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

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

# Town of Moraga

Principal Employers  
Last Fiscal Year and Nine Years Ago

Business Name	2019-20	
	Number of Employees	Percent of Total Employment (%)
St. Mary's College of California*	824	11.61%
Bright Star Care	170	2.39%
Safeway	118	1.66%
Campolindo High School	91	1.28%
Moraga Country Club	67	0.94%
Aegis Living Moraga	63	0.89%
Moraga Post Acute	59	0.83%
Moraga Gardens Farm	50	0.70%
Outdoor Supply Hardware	47	0.66%
TJ Maxx	42	0.59%
 Total Top Employers	 1,531	 21.56%
 Total Labor Force (1)	 7,100	

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Source: MuniServices, LLC / Avenu Insights & Analytics

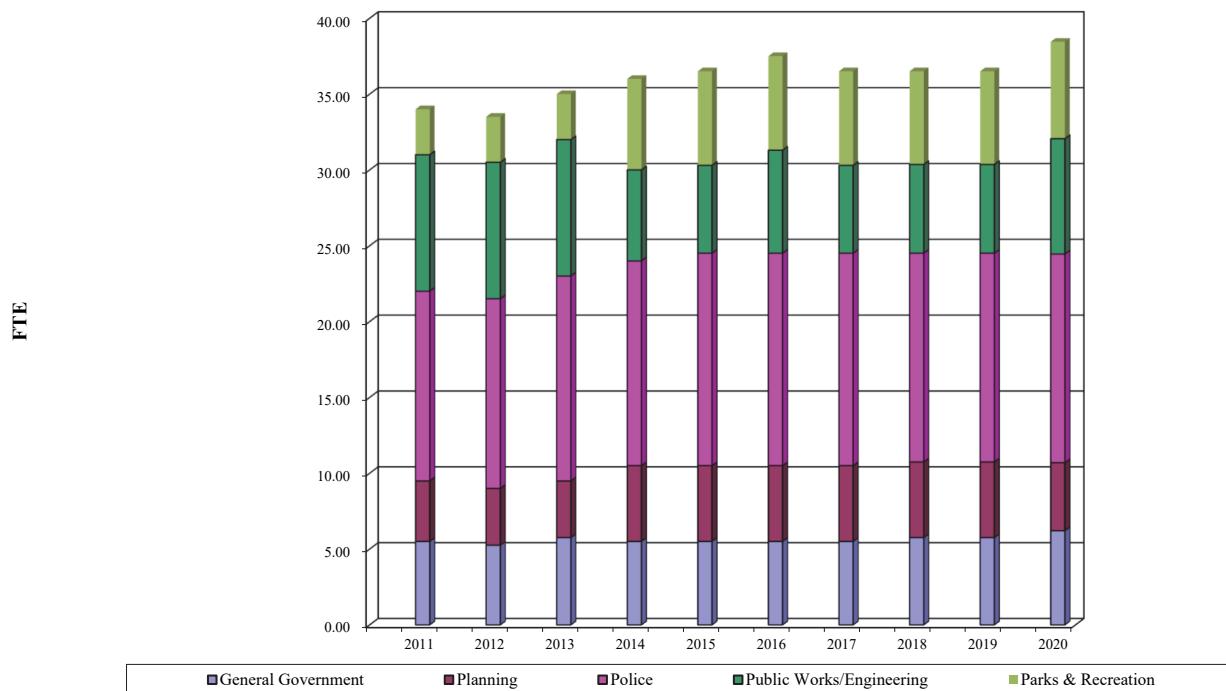
Source: 2010-11, published CAFR unavailable on website

Results based on direct correspondence with Town's local businesses.

\*Includes all classified, certificated, admin, full-time.

(1) Total Town Labor Force provided by EDD Labor Force Data

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



Source: Town of Moraga Adopted Budget Documents

**TOWN OF MORAGA**  
**OPERATING INDICATORS BY FUNCTION**

FUNCTION	(a)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police</b>											
Crime by type:	(b)										
Homicide		0	0	0	0	0	0	0	1	0	0
Forcible Rape		0	5	1	4	1	1	1	2	0	0
Robbery		3	1	0	0	0	2	2	2	2	0
Assault		27	17	40	30	19	20	14	14	5	9
Burglary		39	34	29	39	33	41	24	12	19	10
Larceny		173	122	112	90	104	136	95	72	36	64
Motor Vehicle Theft		10	17	11	21	12	24	24	8	4	8
<b>Total crime by type</b>		<b>207</b>	<b>252</b>	<b>196</b>	<b>193</b>	<b>169</b>	<b>224</b>	<b>160</b>	<b>111</b>	<b>66</b>	<b>91</b>
<b>Public Works</b>											
Potholes repaired (square miles)			140	140	140	140	140	140	140	140	121
Street Sweeping (miles)			104	104	108	104	104	112	112	112	112
Volume of material removed (cubic yards)			80	65	80	75	75	80	80	80	90
Storm Drains:											
Catch basins cleaned			20	15	16	18	15	18	18	18	19
Volume of material removed (cubic yards)			12	10	8	10	10	11	11	11	12
<b>Community Facilities</b>											
Parks and recreation class offerings	(c)		194	162	176	165	165	119	137	166	
Parks and recreation class participants	(c)		2,262	2,046	2,214	1,843	1,713	1,135	1,611	1,611	2,073

(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. 2020 crime statistics through 6/30/20.  
 (c) Parks and recreation data is based on an "academic year" of Fall through Summer.

*Source: Town Departments*

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

FUNCTION	(a)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety											
Police stations	(b)	1	1	1	1	1	1	1	1	1	1
Fire stations		2	2	2	2	2	2	2	2	2	2
Public Works											
Streets (miles of)											
Street lights	(c)	56	56	56	56	56	56	56	56	56	56
Traffic signals		974	976	976	976	1,054	1,054	1,054	1,054	1,054	1,054
Storm drains pipes (miles of)		9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Storm drainage inlets		30	30	45	45	45	45	45	45	45	45
High Visibility Crosswalks		1,824	1,824	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350
Community Facilities											
Parks		3	3	3	3	3	3	3	3	3	3
Park acreage		57	57	57	57	57	57	57	57	57	57
Open space acreage		250	250	250	250	250	250	250	250	250	250
Libraries	(d)	1	1	1	1	1	1	1	1	1	1

(a) FY 2012-13 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*