

Town of Moraga, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



Prepared by the Administrative Services Department

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TOWN OF MORAGA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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Town of Moraga

December 06, 2023

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 Annual Comprehensive Financial Report

On behalf of the Town organization, we are pleased to submit the Town of Moraga's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023. This report aims 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 staff's 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 were 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 in Contra Costa County, approximately twenty-two miles east of San Francisco. The Town encompasses an area of approximately 9.5 square miles. It was originally part of the Rancho Laguna de Los Palos Colorados, granted in 1835 by the Mexican government to cousins Joaquin Moraga and Juan Bernal for military services rendered. The Town has a population of approximately 16,700.

The Town is predominantly residential 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 2,765 undergraduate and graduate students. In 2023, St. Mary's College of California ranked #4 in Regional Universities West by U.S. News and World Report. The Town's only high school, Campolindo, is ranked #273 in the nation and #40 in California. Town residents enjoy award-winning elementary and middle schools, access to open space, hiking trails, and diverse employment opportunities throughout the San Francisco Bay Area.

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Fiscal Year Ended June 30, 2023

TRANSMITTAL LETTER

Form of Government

The Town of Moraga was incorporated as a General Law City (the City of the Town of Moraga) on November 12, 1974, as a result of a public election in which 59% of the 6,216 voters supported incorporation. The Town operates under a Council-Manager Form of Government and is governed by a Town Council of five members elected at-large. Each Councilmember's term is four years. Council elections are held biennially in November of even-numbered years, with the number of open seats that are filled by alternating between two and three seats each election cycle. The position of Mayor is filled by one Councilmember who is selected annually by the Town Council.

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

Town Council has established an Audit and Finance Committee (AFC) to consider and make recommendations on matters relating to finance, budget, and audits. This Committee is comprised of two Councilmembers, Town Treasurer, and two Council-appointed citizens. Staff provides Town Council and AFC with reports, such as the ACFR, Proposed Biennial Budget, and specifically 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 public infrastructure), parks and recreation (recreational programming, park acquisition and improvements, and maintenance of parks), land-use planning, and general administrative services. The Moraga-Orinda Fire District provides fire protection services, the Central Contra Costa Sanitary District (Central San) provides sanitary sewer services, and water services are provided by the East Bay Municipal Utility District (EBMUD). RecyleSmart provides solid waste and residential recycling services.

Demographic Information

- Size: 9.54 square miles
- Population: 16,707 (52% Female; 48% Male) – US Census 2017-2021
- Median Resident Age: 43.4 Years
- Estimated Median Household Income: \$167,784 – US Census 2017-2021
- Owner Occupied Households: 84.9% -- US Census 2017-2021
- Median Home Value: \$2,000,000 -- Contra Costa Association of Realtors Nov 2023
- Median Rent per Month: \$2,378 2-bedroom -- US Census 2017-2021

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TRANSMITTAL LETTER

Financial Policies and Practices

Budgetary Policy and Control

The Town's Biennial Budget covers two fiscal years (two one-year budgets) and serves as the foundation for planning and controlling the Town's finances. The 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 for both fiscal years before July 1 of the first fiscal year. Town Council will conduct a mid-year budget review of each fiscal year, along with a review of the second fiscal year before July 1 of that fiscal year.

On July 1, 2023, the Town moved to a Biennial Budget format. Advantages of moving to a two-year budget include a more thoughtful and deliberative approach to budgeting, creating greater staffing efficiencies and time savings that would add capacity to provide core services for the community, and dedicating more time to plan for and implement Town priorities and other major initiatives.

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 reallocations within departments require approval by the Administrative Services Director and department directors. 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 capped at \$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.

The Town's Administrative Services Department maintains revenue, expenditure, and budgetary details using a computerized financial system. The system contains an ongoing 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

TOWN OF MORAGA
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TRANSMITTAL LETTER

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 is supported by the independent auditor's "clean" report of the Town's financial statements for the year ended June 30, 2023.

Economic Condition and Outlook

Property Taxes

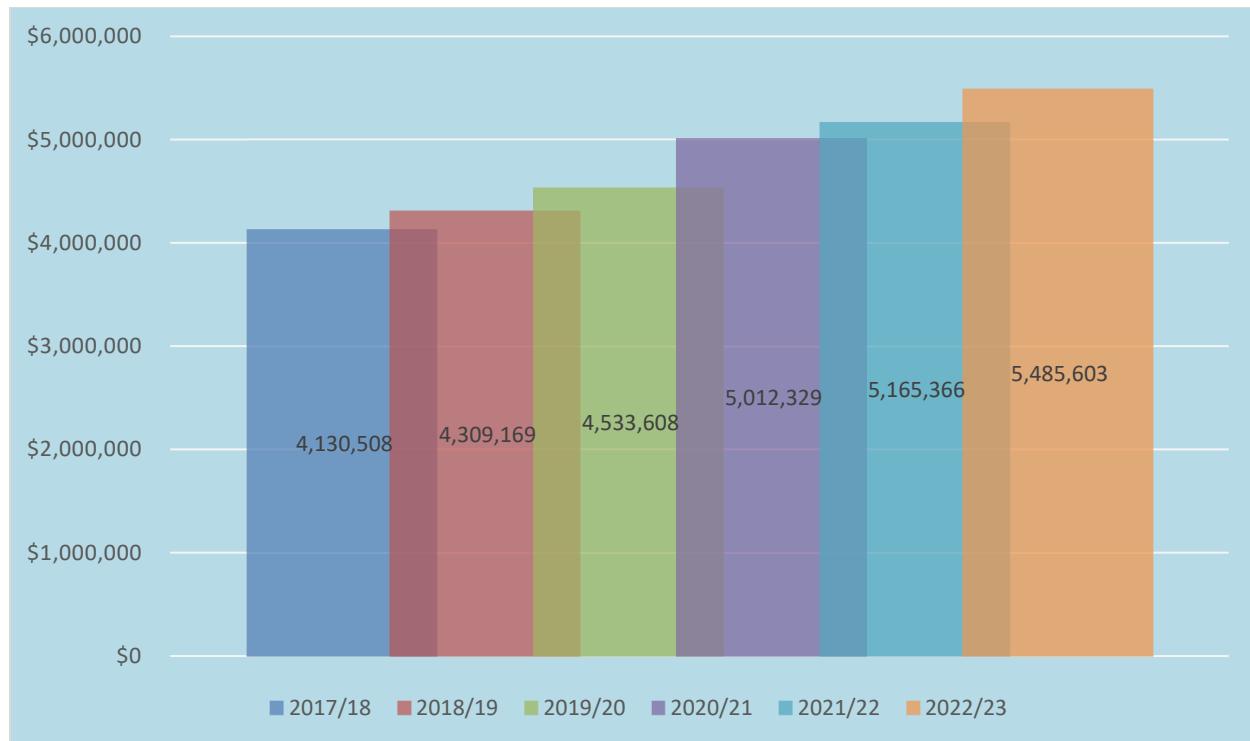
Property tax revenue is the single largest source of revenue for the Town. Property taxes have remained relatively stable even during the historic upswings and downturns in the economy. This may be related to the overall stability of the community as Moraga has experienced a healthy increase in property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

Moraga is a desirable and financially well-off community with a stable assessed valuation of property: however, the growth of property tax is 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 if 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.

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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. 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 need to approve the changes.

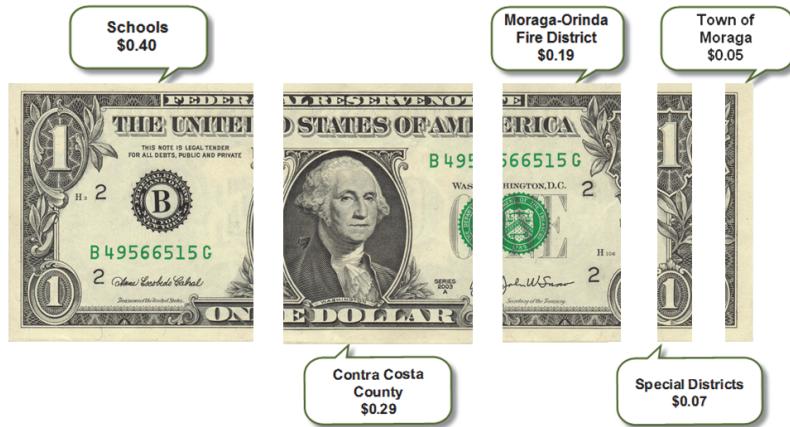
The rest of the property tax goes to Contra Costa County, various schools and special districts including -Orinda Fire District (18.83%), Moraga Elementary (13.19%), Acalanes High (12.26%), K-12 Schools ERAF (13.70%), Community College and CC ERAF combined (6.4%), East Bay Regional Park (2.87%), County 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 and in comparison, to the Town's proportional share.¹

¹ 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' 2023 update indicates that the median home sales price in Moraga is \$2,000,000 as of November 2023.

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.

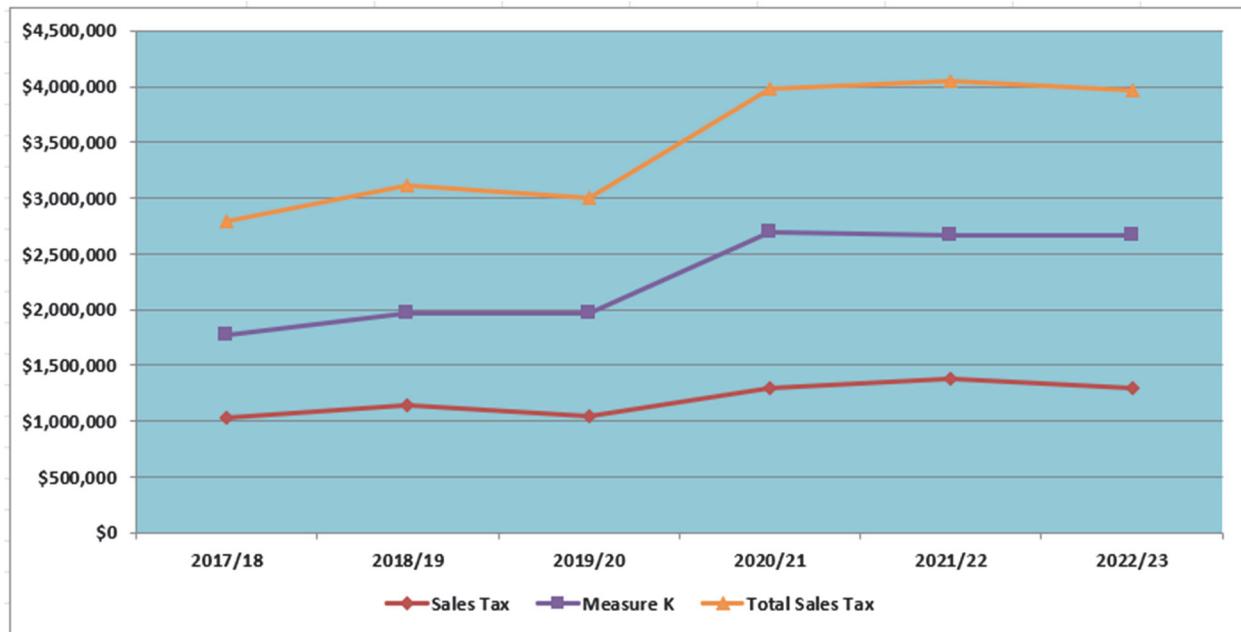
General sales tax revenue was adversely affected during the recent recession. According to quarterly sales tax analyses conducted on behalf of the Town by Avenu Insights, the five-year outlook for sales tax is stable and after an initial slight dip, it trends positively in future years with projected annual changes of between three to four percent.

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. In FY 2022-23, general sales tax receipts totaled \$1.3 million, while the local sales tax receipts totaled just over \$2.6 million. Projections for Measure K revenue indicate a positive trend, with projected annual changes of between three to four percent over the next five years. The Measure K sales tax measure was approved for general purposes. As acknowledged in Resolution 98-2015, although Measure K, a general-purpose tax, Town Council has historically used tax revenue for street pavement, storm drain, and related public infrastructure improvements.

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TRANSMITTAL LETTER

Chart 3. Historical Sales Tax Revenues²



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 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. Long-term financial planning is a tool that allows policymakers an opportunity to prioritize funding needs over time and sets the tone for the annual budget process.

Five-Year Financial Plan. As part of the budget process, the Town Council reviews and approves a Five-Year Financial Plan that serves as a strategic tool to manage the Town's financial resources. Each budget cycle, the five-year financial plan is updated. The Plan considers historical trends, known and projected economic factors, and the Town's fiscal management policies to determine the financial outlook in the coming years.

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 fiscal management. In 2015, Town Council adopted a General Fund Reserve policy that requires 50% of operating expenditures to be set aside as a reserve. The Reserve policy also requires that any year-end surplus over the reserve be transferred to the Asset Replacement Fund.

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

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Containment of Operating Costs. While personnel costs 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 approximately 66 percent of the Town's General Fund expenditures. The Town has taken steps to keep personnel expenditures at thoughtful levels including maintaining reasonable retirement system plans offered by CalPERS for both miscellaneous and public safety employees, with "classic" employees contributing an additional four percent of the required employer contribution rate. The Town also contracts out services where possible to keep staffing levels at a minimum. And unlike other municipalities, the Town 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 Refuse 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 70 (Good) in 2023.

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. The Town first received a GFOA award for the fiscal year that ended June 30, 2013. To be awarded the 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 one year only. Town staff believes that the current Annual Comprehensive Financial Report (ACFR) continues to meet the Certificate of Achievement Program requirements and will again submit its ACFR to the GFOA to determine eligibility for another certificate.

Town Mission and Town Council 2023 Goals and Priorities

Refer to Exhibits A and B for the Town Mission Statement and FY 2022-2023 Goals and Priorities.

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Fiscal Year Ended June 30, 2023

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Acknowledgments

Preparation of this ACFR was made possible by the year-round and dedicated efforts of the entire Administrative Services Department working in conjunction with the Town's Auditors, Maze & Associates. Special thanks are extended to Annie To, former Administrative Services Director, and the Town's Senior Accountant, Sylvia Wells, for their work on the preparation of this report. We are grateful to the Audit and Finance Committee for their contributions to this report. And finally, we would like to thank the Town Council for their continued leadership, direction, and support throughout the year.

Respectfully submitted,



Scott Mitnick
Town Manager



Lisa Malek-Zadeh
Interim Administrative Services Director

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

TRANSMITTAL LETTER

Exhibit A

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.

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TRANSMITTAL LETTER

Exhibit B

Moraga Town Council Goals and Priorities Calendar Year 2023

“For the Community, With the Community”

- Continue to lay the foundation and create pathways for a better mix of housing and the revitalization of the Town’s two commercial areas, including adopting a certified Housing Element, rezoning the commercial centers and Bollinger Canyon, updating the General Plan, and completing an evacuation study.
- Maintain fiscal discipline, position the Town for long-term fiscal sustainability, and efficiently sustain core operations of the Town and services to our residents.
- Complete the second year of the 2022-2024 “Worst Streets First” Pavement Reconstruction Project.
- Continue the Storm Drain Operations and Maintenance Program and complete 2021-2023 storm drain capital improvement projects.
- Support high-quality police and emergency response services, including securing energy alternatives for emergencies, and coordinate with MOFD on fire safety and planning.
- Enhance the Town’s parks, open spaces, and facilities for the benefit of the public and move forward with public input into a Town-wide recreation and open space plan.
- Pursue measures designed to improve traffic, pedestrian, and bicycle safety, especially around our schools, crosswalks, through routes, and residential street entry points to the Town’s main roadways.
- Work with the Moraga Chamber of Commerce, Saint Mary’s College, and our local school districts to enhance Moraga’s business and education climate.
- Continue outreach to the public and provide opportunities for input from all segments of the community.
- Continue to work with Wedgewood to enhance the Hacienda and address the impacts of operations on the neighborhood.
- Onboard the new Town Manager with minimum disruption to staff and operations, and collaboratively streamline Town Council meetings.

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- Lessen the Town's impact on the environment by continuing to implement sustainability and resiliency initiatives and viable strategies in Moraga's Climate Action Plan and the Town's Facility Energy Generation Study.
- Conduct a Town Council/Town Manager session focused on effectiveness and organizational competency.
- Initiate the process of amending the Townwide Noise Ordinance.



LIST OF OFFICIALS, ADVISORY COMMITTEE, AND ADMINISTRATION

TOWN COUNCIL

Renata Sos, Mayor

Teresa Onoda, Vice-Mayor

Steve Woehleke, Councilmember

David Shapiro, Councilmember

Kerry Hillis, Councilmember

AUDIT AND FINANCE COMMITTEE

Bob Kennedy, Town Treasurer/Chair

Amy McLellan, Committee Member

Minshu Liu, Committee Member

Renata Sos, Mayor

Steve Woehleke, Councilmember

TOWN MANAGER

Scott Mitnick

DEPARTMENT DIRECTORS

Afshan Hamid, Planning Director

Annie To, Administrative Services Director

Jon King, Chief of Police

Mackenzie Brady, Parks and Recreation Director

Shawn Knapp, Public Works Director/Town Engineer

Marty McInturf, Interim Town Clerk



Town of MORAGA California
ORGANIZATION CHART
Fiscal Year 2022/23
(Effective 7/1/22)

RESIDENTS

TOWN COUNCIL

TOWN COMMISSIONS

TOWN MANAGER
(1 FTE)

TOWN CLERK/
ASSISTANT TO THE TOWN MANAGER
(1 FTE)

ADMINISTRATIVE ASSISTANT
(0.75 FTE)

Administrative Services

ADMINISTRATIVE SERVICES DIRECTOR
(1 FTE)

SR. ACCOUNTANT
(1 FTE)

ACCOUNTING TECH
(0.45 FTE)

ADMIN SVCS TECH
(1 FTE)

SR. ADMIN ASSISTANT
(0.70 PT)

PRINCIPAL PLANNER
(1 FTE)

ASSOCIATE PLANNER
(1 FTE)

ASSISTANT PLANNER
(1 FTE)

ENGINEER TECH / INSPECT
(1 FTE)

Planning

PLANNING DIRECTOR
(1 FTE)

SR. ADMIN ASSISTANT
(1 FTE)

PUBLIC WORKS / PARKS
SUPERVISOR
(1 FTE)

RECREATION SUPERVISOR
(1 FTE)

LEAD MAINTENANCE WORKER
(1 FTE)

MAINTENANCE WORKER
(1 FTE)

MAINTENANCE WORKER
(1 FTE)

SEASONAL/PART-TIME
MAINTENANCE WORKER

Public Works / Engineering

PUBLIC WORKS DIRECTOR/ TOWN
ENGINEER
(1 FTE)

SR. CIVIL ENGINEER
(1 FTE)

ASSOCIATE CIVIL ENGINEER
(1 FTE)

ASSISTANT ENGINEER
(1 FTE)

ENGINEER TECH / INSPECT
(1 FTE)

LEAD MAINTENANCE WORKER
(1 FTE)

MAINTENANCE WORKER
(1 FTE)

MAINTENANCE WORKER
(1 FTE)

RESERVES, CADETS

Parks / Recreation

PARKS & RECREATION DIRECTOR
(1 FTE)

ADMIN ASSISTANT
(.45 FTE)

RECREATION SUPERVISOR
(1 FTE)

RECREATION COORDINATOR
(1 FTE)

SEASONAL/PART-TIME
REC. LEADERS I & II

MAINTENANCE WORKER
(1 FTE)

MAINTENANCE WORKER
(1 FTE)

SEASONAL/PART-TIME
MAINTENANCE WORKER

Police

CHIEF OF POLICE
(1 FTE)

POLICE LIEUTENANT
(1 FTE)

POLICE CORPORAL
(1 FTE)

POLICE CORPORAL
(1 FTE)

POLICE OFFICER
(1 FTE)

POLICE OFFICER
(1 FTE)

POLICE OFFICER
(1 FTE)

POLICE OFFICER
(1 FTE)

Streets / Buildings & Storm Drains

PARKS & RECREATION DIRECTOR
(1 FTE)

ADMIN ASSISTANT
(.45 FTE)

RECREATION SUPERVISOR
(1 FTE)

RECREATION COORDINATOR
(1 FTE)

SEASONAL/PART-TIME
REC. LEADERS I & II

MAINTENANCE WORKER
(1 FTE)

MAINTENANCE WORKER
(1 FTE)

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RECREATION COORDINATOR
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MAINTENANCE WORKER
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PARKS & RECREATION DIRECTOR
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ADMIN ASSISTANT
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RECREATION SUPERVISOR
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RECREATION COORDINATOR
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SEASONAL/PART-TIME
REC. LEADERS I & II

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(1 FTE)

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(1 FTE)

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MAINTENANCE WORKER

PARKS & RECREATION DIRECTOR
(1 FTE)

ADMIN ASSISTANT
(.45 FTE)

RECREATION SUPERVISOR
(1 FTE)

RECREATION COORDINATOR
(1 FTE)

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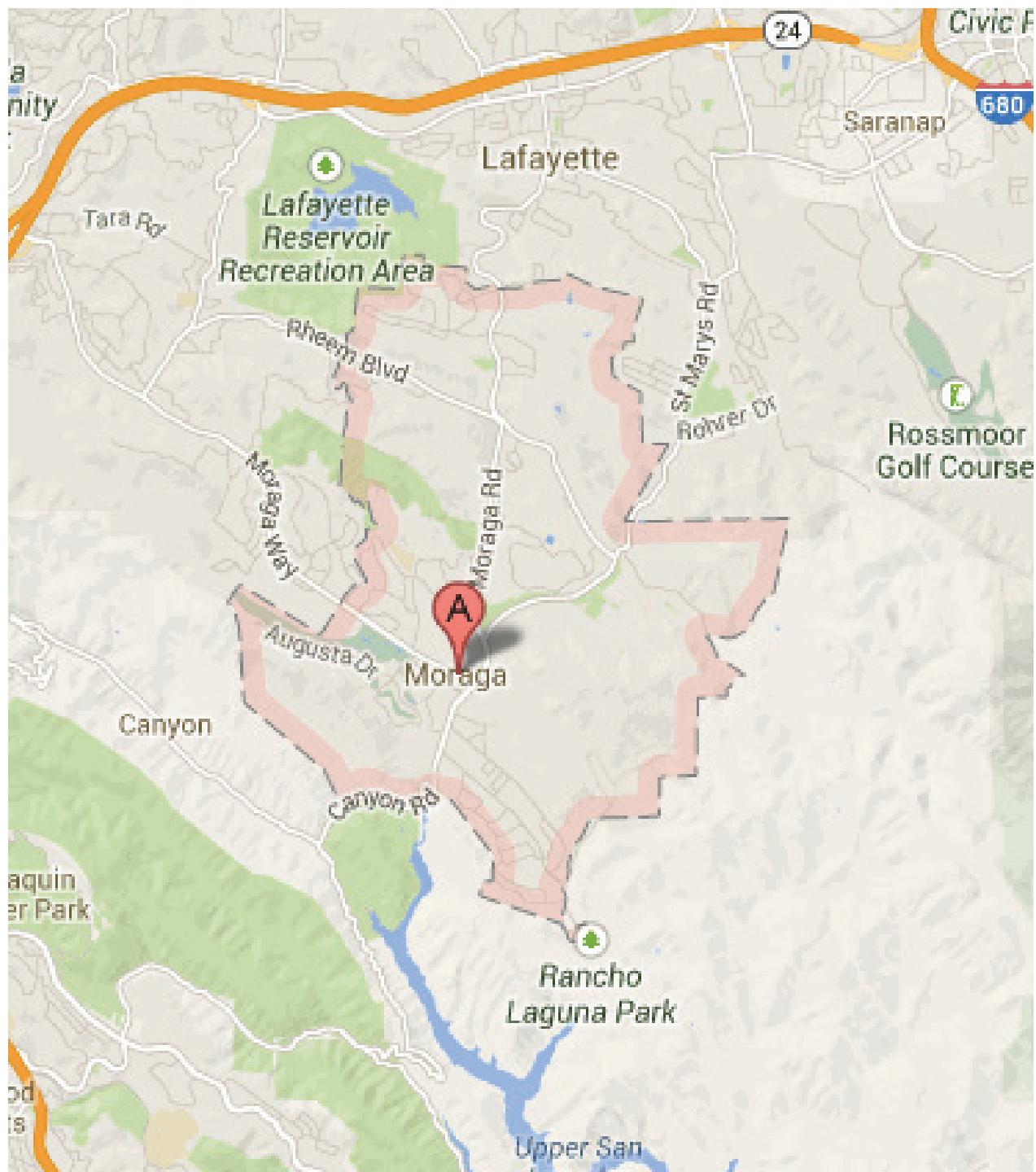
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(1 FTE)

SEASONAL/PART-TIME
MAINTENANCE WORKER

PARKS & RECREATION DIRECTOR
(1 FTE)

Town of Moraga
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

LOCATION MAP





Government Finance Officers Association

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

Presented to

**Town of Moraga
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Monell

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Town Council of the
Town of Moraga, California

Report on the Audit of the Financial Statements

Opinions

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, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management's 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter – Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statement No. 96 – *Subscription Based Information Technology Arrangements (SBITAs)*, which became effective during the year ended June 30, 2023 and had a significant effect on the financial statements as discussed in Notes 10 and 8 to the financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 is the responsibility of management and, 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, 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 solely 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 the effectiveness of the Town's 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
December 6, 2023

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

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, 2023. 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’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, 2023 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 2022-23 with a Total Net Position of \$87.36 million (*Statement of Net Position, page 20*). Of this amount, \$9.44 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 \$21.51 million (*Governmental Funds - Balance Sheet, pages 24-25*), consisting of the following components:

Non-spendable	\$3,150
Restricted	6,000,567
Committed	9,718,489
Assigned	438,799
Unassigned (Reserve)	5,353,029
Total Fund Balance at June 30, 2023	\$21,514,034

3. The Town’s General Fund has a combined Total Fund Balance of \$11.25 million (General Fund Combining Balance Sheets, page 78), of which \$6.95 million is General Purpose and \$4.29 million is Developer Fees (One-Time Developer Fees-Palos Colorados Fund). The Palos Colorados fund was established through a settlement agreement and classified as committed based on and subject to Town Council action on its use.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

This Annual Comprehensive 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 the 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, 2023. As noted earlier, the Town's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$87.36 million. This compares to a net position of \$78.17 million in the prior year ended June 30, 2022, an increase of 11.75 percent or \$9.19 million. This increase is attributed to noncurrent assets and primarily due to receipts of reimbursements from previous year's capital projects.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

Statement of Net Position

The detailed *Statement of Net Position* (Basic Financial Statements, page 20) is a snapshot of the Town's financial position at the end of the Fiscal Year (FY) 2022-23. The following table provides a summary of the Town's net position at June 30, 2023, compared to the prior year.

Table 1. Statement of Net Position as of June 30, 2022 and 2023

	FY 2021-22	FY 2022-23	% Change
Assets			
Current Assets	\$21,976,932	\$24,890,671	13.26%
Noncurrent Assets	75,850,298	80,658,486	6.34%
Total Assets	<u>97,827,230</u>	<u>105,549,157</u>	<u>7.89%</u>
Deferred Outflow of Resources			
Related to Pensions	1,378,303	4,290,436	211.28%
Total Deferred Outflow	<u>1,378,303</u>	<u>4,290,436</u>	<u>211.28%</u>
Liabilities			
Current Liabilities	2,701,222	3,279,657	21.41%
Noncurrent Liabilities	9,857,602	13,967,846	41.70%
Total Liabilities	<u>12,558,824</u>	<u>17,247,503</u>	<u>37.33%</u>
Deferred Inflow of Resources			
Related to Leases	4,128,259	3,835,220	-7.86%
Related to Pensions	4,343,466	1,396,016	-67.86%
Total Deferred Inflow	<u>8,471,725</u>	<u>5,231,236</u>	<u>-38.25%</u>
Net Position			
Invested in Capital	66,515,433	71,923,018	8.13%
Restricted	7,830,789	6,000,567	-23.37%
Unrestricted	3,828,762	9,437,269	146.48%
Total Net Position	<u>\$78,174,984</u>	<u>\$87,360,854</u>	<u>11.75%</u>

Pension reporting changes required by GASB No. 68 & 71 were first implemented in FY 2014-15. As of June 30, 2023, the portion of Noncurrent Liabilities related to pensions is \$9.25 million compared to \$4.77 million as of June 30, 2022. This \$4.48 million increase is largely due to changes in investment returns between the actuarial valuation used for fiscal year 21/22 (which were considerably high) as compared with the valuation used for fiscal year 22/23. In addition, CalPERS reduced the discount rate used for the latest valuation down to 6.9%.

Of the Town's Total Net Position, 82.33 percent or \$71.92 million is invested in capital assets (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 6.87 percent or \$6.0 million of the net position is restricted for capital projects, debt service and special revenue projects, and 10.80 percent or \$9.44 million of the Town's net position is unrestricted.

At the end of the current fiscal year, the Town reported a positive and improved overall financial position.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

Statement of Activities

The detailed *Statement of Activities* (Basic Financial Statements, page 21) presents the Town's revenue and incurred expenses for the year ended June 30, 2023. All financial activities of the Town are recorded here, including operational costs, capital project costs, depreciation, and accrued liabilities such as vacation, administrative leave, and comp time.

The *Statement of Activities* demonstrates how much each activity is funded through special revenues and assessments, fees, and grants. It 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 2022-23 with that of prior year.

Table 2. Statement of Activities as of June 30, 2022 and 2023

Program Revenues:	FY 2021-22	FY 2022-23	% Change
Charges for Services	\$2,184,754	\$2,525,055	15.58%
Operating Grants and Contributions	2,066,595	2,418,050	17.01%
Capital Grants and Contributions	6,033,911	4,583,510	-24.04%
Total Program Revenues	10,285,260	9,526,615	-7.38%
General Revenues:			
Property Taxes	5,827,476	6,239,991	7.08%
Sales Taxes	4,043,356	4,057,799	0.36%
Franchise Fees	871,755	917,590	5.26%
Interest	192,697	680,309	253.05%
Other			
Total General Revenues	10,935,284	11,895,689	8.78%
Total Revenues	21,220,544	21,422,304	0.95%
Program Expenses:			
General Administration	3,030,241	3,313,148	9.34%
Planning	777,618	631,532	-18.79%
Public Safety	3,830,814	2,836,278	-25.96%
Public Works	3,957,682	3,499,822	-11.57%
Parks and Recreation	1,754,878	1,727,601	-1.55%
Interest on Long Term Debt	241,853	228,053	-5.71%
Total Expenses	13,593,086	12,236,434	-9.98%
Change in Net Position	7,627,458	9,185,870	20.43%
Net Position, Beginning of the Year	70,547,526	78,174,984	10.81%
Net Position, End of the Year	\$78,174,984	\$87,360,854	11.75%

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

When compared to the previous year, overall total revenues increased by 0.95 percent or \$202k. A significant portion of the increase is in Total General Revenues, specifically Property Taxes and Interest. In this fiscal year, the Town also received American Rescue Plan Act (ARPA) funds. One-time capital grants and grant revenue can fluctuate from year to year depending on the timing of grant funded projects.

Expenditures

Overall expenses as shown in the Statement of Activities decreased by 9.98 percent or \$1.36 million. Public Safety and Public Works have the largest decreases in expenditures.

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, due to the changes in the pattern of the Town's activities.

The Fund Financial Statements, which include Governmental and Fiduciary Funds, display the Town's operations in more detail than the Government-wide Financial Statements and focus primarily on the short-term activities of the Town's General Fund and other major 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, One-Time Developer Fee Fund (i.e., Palos Colorados funds) and Deposits Fund.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

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

- **Measure K** – established to separately account for the use of the one-cent added local sales tax approved by the voters in 2012 for 20 years.
- **American Rescue Plan Act Fund** – established in FY2021-22 to capture all Federal ARPA funding resources and expenditures.
- **Construction in Progress Fund** – established to capture all capital project expenditures and corresponding revenues, except those accounted for in Measure K.
- **Other Capital Projects Fund** - includes Community Facilities/Open Space Fund, Asset Replacement Fund, various grant funds and development impact fee funds.
- **Debt Service Funds** - 2013 Certificates of Participation (Infrastructure Improvements) Fund.

The Town also has funds that are Non-Major Funds:

- **Other Governmental Funds** - include the COPS/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), Street Lighting, Pavement Management Program, Refuse Vehicle Impact Fees, Public Safety Grants, and Art in Public Spaces funds.

Fund Balance

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

GASB 54 places fund balance under five possible classifications: *non-spendable, restricted, committed, assigned, and unassigned*. Only the fund balance in the General Fund can 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 pages 24-25, as of the fiscal year ended June 30, 2023, the Town's Governmental Fund types included combined ending fund balance of \$21.51 million. Of that total, 27.89 percent or \$6.0 million is classified as restricted (i.e., Certificates of Participation, debt service, grants, or restricted by legislative action at the local, state or federal level), 45.17 percent or \$9.72 million is committed (i.e., constrained by formal action of the Town Council), and 2.04 percent or \$439k is classified as assigned as of June 30, 2023.

The Town's unassigned General Purpose Fund balance is \$5.35 million of the total combined fund balance. This amount represents 51 percent of the actual General Fund expenditures of \$10.50 million for the year ended June 30, 2023 maintaining the required reserve of 50 percent of the General Purpose Fund operating expenditures.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

The detailed *Statement of Revenues, Expenditures and Changes in Fund Balances* (Basic Financial Statements, pages 28-29) presents changes to fund balances resulting from the FY 2022-23 actual revenue and expenditure activity. A summary of net changes by fund group is shown in Table 3.

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

Fund Balance	General Fund	Measure K Local Funding	American Rescue Plan Act Fund	Construction in Progress	Other Capital Projects Fund	Debt Service	Other Gov't Funds	Total Gov't Funds
Beginning Fund Balance	\$10,688,449	1,924,476	629,786	\$1,012,737	\$2,121,781	\$332,051	\$2,439,744	\$19,149,024
Ending Fund Balance	11,253,991	197,602	445,553	4,689,138	2,347,755	347,370	2,232,625	21,514,034
Net Change	\$565,542	(\$1,726,874)	(\$184,233)	\$3,676,401	\$225,974	\$15,319	(\$207,119)	\$2,365,010

The total fund balance of the Town increased by 12.35 percent or \$2.37 million. The increase can be attributed in part to an increase in funds for Capital Improvement Projects.

The Measure K Fund was accounted for separately beginning in FY 2020-21 to better track the one-cent added local sales tax. The net change in the fund balance is due to an increase in transfers out to capital improvement projects.

The balance of the Construction in Progress Fund increased by 363.02 percent or \$3.68 million. The increase in the fund balance was primarily due to timing of grant revenue receipts for various capital projects funded by federal and state grants.

Revenue in the Other Capital Projects Fund is committed to capital projects over multiple years. The increase in the Other Capital Projects Fund is mainly due to the transfer of excess FY 2021-22 reserve fund from the General Fund and the use of the funds for various capital projects during the year. 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.

The fund balance of the Debt Service Fund increased by 4.61 percent or \$15k.

The fund balance of the Other Government Funds decreased by 8.49 percent or \$207k due to use of various funds to fund various capital projects.

General Fund Budgetary Highlights

General Fund actual revenues exceeded the final amended budget by 7.06 percent or \$698k primarily due to Property Taxes, Interest and Other Revenues. General Fund actual expenditures were under when compared to the final amended budget by 3.11 percent or \$344k, due primarily to savings Public Works and Planning.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

STRENGTHS AND RISKS

FY 2022-23 General Fund Reserve, Revenues, and Expenditures

General Purpose Fund Reserve Policy

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 percent of the General Purpose Fund operating expenditures. At the year ended June 30, 2023, the unassigned fund balance was \$5.35 million which represents 51 percent of the actual General Fund expenditures of \$10.50 million (*Combining Balance Sheets*, pages 82-83).

FY 2022-23 General Fund 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 Revenues, 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 2022-23, the 6.20 percent 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

	FY 2020-21	FY 2021-22	% Change FY20-21 to FY 21-22	FY 2022-23	% Change FY21-22 to FY22-23
Property Tax	\$5,012,329	\$5,165,367	3.05%	\$5,485,603	6.20%

Sales Taxes

Sales taxes are the second largest revenue source for the Town. The Town receives two types of sales taxes: 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.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

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 percent 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 streets, storm drains, 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 2022-23 experienced the ninth year of Measure K sales tax revenue with receipts reaching \$2.67 million, a 0.22 percent increase from the prior year.

Table 5. History of Sales Tax Revenues

	FY 2020-21	FY 2021-22	% Change FY20-21 to FY21-22	FY 2022-23	% Change FY21-22 to FY 22-23
Sales and Use Tax	\$1,153,003	\$1,285,130	11.46%	\$1,295,778	0.83%
1% Local Add-On Measure K	2,440,328	2,663,964	9.16%	2,669,905	0.22%
Total Sales Tax Revenue	\$3,593,331	\$3,949,094	9.90%	\$3,965,683	0.42%

Franchise Fees

Franchise fees are the Town's fourth largest revenue source. Franchise fees include those from RecycleSmart, Pacific Gas & Electric (PG&E) and Comcast Cable. Beginning in FY 2020-21, the Refuse Vehicle Impact Fee that is restricted for repair and maintenance of local streets and roads is reported separately in Fund 212.

Table 6. History of Franchise Fee Revenues

	FY 2020-21	FY 2021-22	% Change FY20-21 to FY21-22	FY 2022-23	% Change FY 21-22 to FY22-23
CCCSWA	\$349,751	\$359,514	2.79%	\$373,862	3.99%
PG&E	204,551	215,833	5.52%	251,137	16.36%
Comcast	280,679	296,408	5.60%	292,591	-1.29%
Total Franchise Fee Revenue	\$834,981	\$871,755	4.40%	\$917,590	5.26%

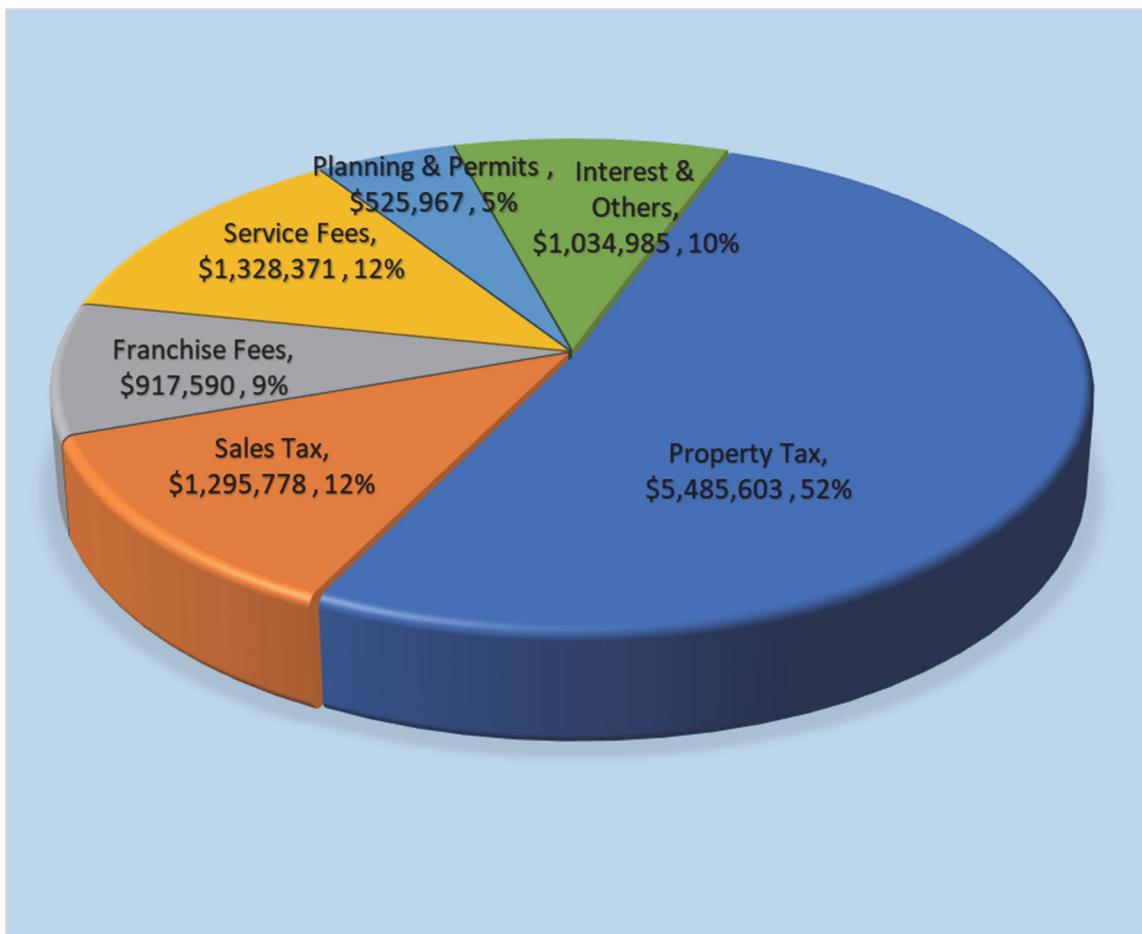
Other revenues used to support general operations based upon their respective restrictions include gas tax, NPDES (Clean Water Act - National Pollutant Discharge Elimination System) revenues, and Lighting Assessment District.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

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 pages 28-29).

Chart 1. FY 2022-23 General Fund Revenues (Total \$10,588,294)



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 1.00 percent 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 percent.

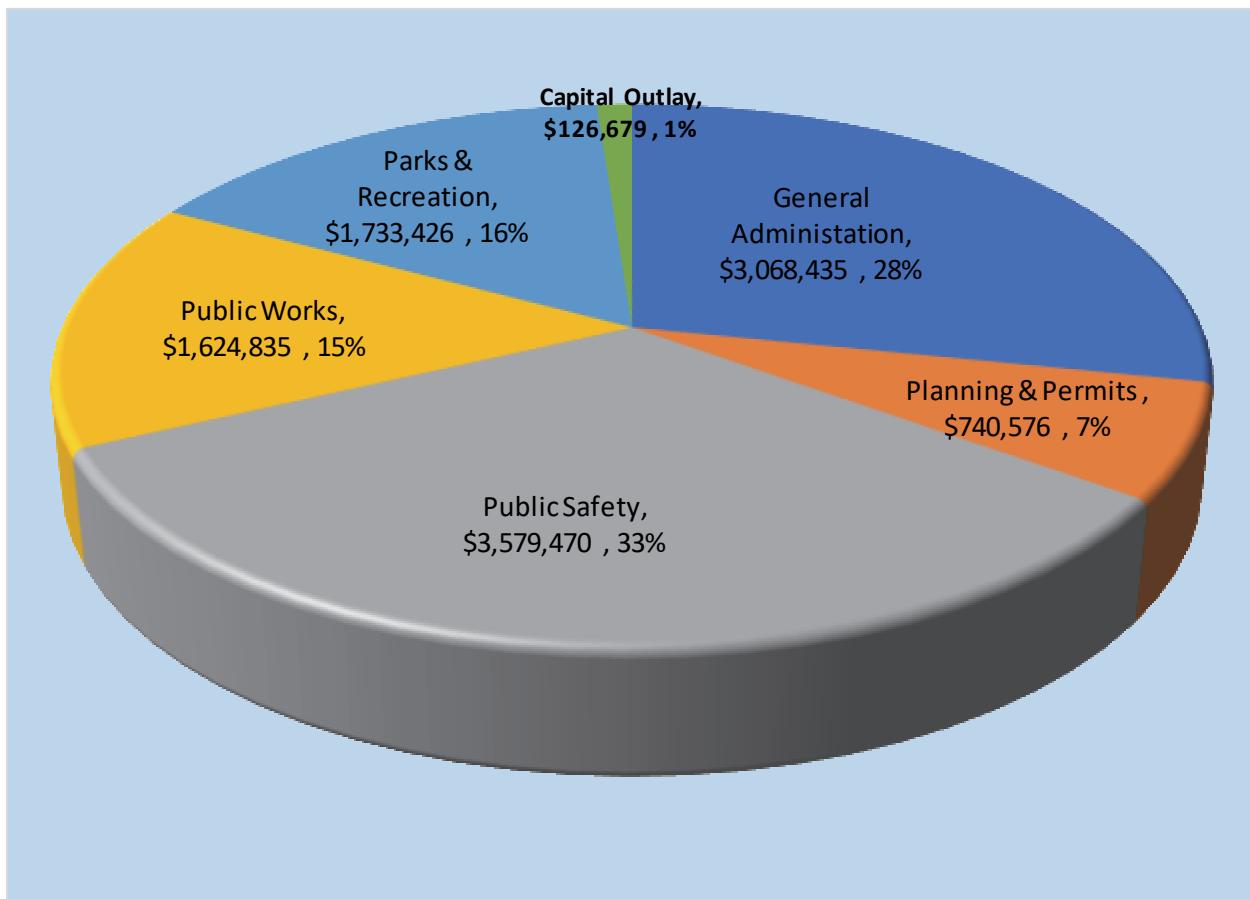
TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

FY 2022-23 General Fund Expenditures

The Town strives to keep its operating expenses low. 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 pages 28-29). 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 2022-23 General Fund Expenditures (\$10,873,421)



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.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

The following table shows the historical costs of services provided by Contra Costa County.

Table 7. Cost of Services Provided by Contra Costa County

Service Type	FY 2020-21	FY 2021-22	% Change FY20-21 to FY21-22	FY 2022-23	% Change FY21-22 to FY22-23
Animal Services	\$110,859	\$115,063	3.8%	\$134,055	16.5%
Police Dispatch	172,511	168,870	-2.1%	171,586	1.6%
Cal-ID	19,840	21,608	8.9%	24,161	11.8%
ARIES Maintenance (computer system)	8,770	8,770	0.0%	8,770	0.0%
Forensic Services	11,481	18,341	59.7%	17,826	-2.8%
Traffic Signal Maintenance	45,168	39,199	-13.2%	34,528	-11.9%
Total Expenditures	\$368,629	\$371,851	0.9%	\$390,926	5.1%

Capital Assets

The Town had a total capital outlay of \$7.47 million in the Governmental Funds (Statements of Revenues, Expenditures, and Changes in Fund Balances, pages 28-29).

Major capital projects during FY 2022-23 included the following:

Project Number	Project Name	Amount
CIP 022-401	Pavement Reconstruction	\$4,194,540
CIP 014-101	Canyon Bridge Replacement	\$663,133
CIP 020-501	Implementing the 6th Cycle RHNA	\$511,948
CIP 021-401	2021 Rubberized Cape Seal	\$464,690
CIP 021-301	Commons Park Restroom Replacement	\$307,924
CIP 021-205	Creeks & Drainage Design	\$272,661
CIP 021-206	Creeks & Drainage Admin	\$258,552
CIP 019-302	Commons Park Picnic Area	\$208,622

The Town's investment in capital assets as of June 30, 2023 totaled \$76.71 million as compared to \$71.66 million in FY 2021-22 (Basic Financial Statements, Note 5, page 52). This investment in capital assets includes land, buildings and improvements, roadways, storm drains, parks and recreation, and equipment and furniture.

The retirement of assets in FY 2022-23 included Springbrook software.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

Long-Term Debt

The Town's debt totals \$4.78 million as of June 30, 2023, compared to \$5.14 million in the prior year (Basic Financial Statements, Note 6, page 54). The debt is attributed to \$7.72 million Certificates of Participation issued in 2013 for Infrastructure Improvements, including streets and related infrastructure.

Table 8. Long Term Debt

Governmental Activities	Original Issue	Balance June 30, 2022	Retirements	Balance June 30, 2023	Current Portion
2013 Certificate of Participation	\$7,720,000	\$5,005,000	\$355,000	\$4,650,000	\$375,000
Add: Unamortized Bond Premium	259,947	142,974	12,997	129,977	
Total Debt	\$7,979,947	\$5,147,974	\$367,997	\$4,779,977	\$375,000

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 39-71 of this report.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

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, 2023. 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 Director
Administrative Services Department
329 Rheem Boulevard
Moraga, CA 94566

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments (Note 3)	\$18,165,608
Restricted cash and investments (Note 3)	3,263,990
Accounts receivable	3,457,923
Prepays	3,150
Total current assets	<u>24,890,671</u>
Noncurrent assets:	
Leases receivable (Note 7)	3,867,932
Capital assets (Note 5)	
Capital assets, not being depreciated	28,612,649
Capital assets, being depreciated, net of accumulated depreciation	<u>48,177,905</u>
Total capital assets, net	<u>76,790,554</u>
Total noncurrent assets	<u>80,658,486</u>
Total Assets	<u>105,549,157</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions (Note 9)	<u>4,290,436</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	1,513,464
Deposits payable	1,261,758
Unearned revenue	20,262
Accrued compensated absences - due within one year (Note 1G)	67,006
Subscription based liability - due within one year (Note 8)	42,167
Certificates of participation - due within one year (Note 6)	<u>375,000</u>
Total current liabilities	<u>3,279,657</u>
Noncurrent liabilities:	
Accrued compensated absences - due in more than one year (Note 1G)	268,025
Subscription based liability - due in more than one year (Note 8)	45,392
Certificates of participation - due in more than one year (Note 6)	4,404,977
Net pension liability (Note 9)	<u>9,249,452</u>
Total noncurrent liabilities	<u>13,967,846</u>
Total Liabilities	<u>17,247,503</u>
DEFERRED INFLOWS OF RESOURCES	
Related to leases (Note 7)	3,835,220
Related to pensions (Note 9)	<u>1,396,016</u>
Total Deferred Inflows of Resources	<u>5,231,236</u>
NET POSITION (Note 10)	
Net investment in capital assets	<u>71,923,018</u>
Restricted for:	
Pension costs	1,595,253
Capital projects	1,839,265
Debt service	347,370
Special revenue projects:	
Streets and roads	1,666,780
Public safety	89,811
Other projects	462,088
Unrestricted	<u>9,437,269</u>
Total Net Position	<u>\$87,360,854</u>

See accompanying notes to financial statements

TOWN OF MORAGA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

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	\$3,313,148	\$659,061	\$894,003		(\$1,760,084)
Planning	631,532	532,625	549,504		450,597
Public safety	2,836,278	111,755	355,755		(2,368,768)
Public works	3,499,822	443,211	618,788	\$4,583,510	2,145,687
Parks and recreation	1,727,601	778,403			(949,198)
Interest on long-term debt	228,053				(228,053)
Total	12,236,434	2,525,055	2,418,050	4,583,510	(2,709,819)
Total	\$12,236,434	\$2,525,055	\$2,418,050	\$4,583,510	(2,709,819)
General revenues:					
Taxes:					
Property tax					6,239,991
Sales tax					4,057,799
Franchise tax					917,590
Interest					680,309
Total general revenues					<u>11,895,689</u>
Change in Net Position					9,185,870
Net Position - Beginning					<u>78,174,984</u>
Net Position - Ending					<u>\$87,360,854</u>

See accompanying notes to financial statements

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TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

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 2023. 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.

MEASURE K LOCAL SPECIAL REVENUE FUND

This fund was established in FY 2020-21 to separately account for Measure K, the one-cent added local sales tax approved by the voters in 2012 for 20 years. The revenues have been earmarked for pavement management.

AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND

This fund was established in FY 2021-22 to separately account for federal grant funds received for specific purposes as designated under the American Rescue Plan Act.

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, 2023

	General Fund	Measure K Local Funding	American Rescue Plan Act Fund	Construction In Progress
ASSETS				
Cash and investments (Note 3)	\$8,814,854		\$445,553	\$4,772,282
Restricted cash and investments (Note 3)	2,921,167			
Accounts receivable	474,180	\$490,333		1,707,707
Prepays	3,150			
Lease receivable (Note 7)	3,867,932			
Due from other funds (Note 4)	605,387			
 Total Assets	 \$16,686,670	 \$490,333	 \$445,553	 \$6,479,989
LIABILITIES				
Accounts payable and accrued liabilities	\$331,289			\$1,161,136
Due to other funds (Note 4)		\$292,731		
Deposits payable	1,261,758			
Unearned revenue	4,412			15,850
 Total Liabilities	 1,597,459	 292,731		 1,176,986
DEFERRED INFLOWS OF RESOURCES				
Related to leases (Note 7)	3,835,220			
Unavailable revenue				613,865
 Total Deferred Inflows of Resources	 3,835,220			 613,865
FUND BALANCES (Note 8)				
Nonspendable	3,150			
Restricted	1,611,788		\$445,553	
Committed	4,286,024			4,689,138
Assigned		197,602		
Unassigned	5,353,029			
 Total Fund Balances	 11,253,991	 197,602	 445,553	 4,689,138
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$16,686,670	 \$490,333	 \$445,553	 \$6,479,989

See accompanying notes to financial statements

Other Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$2,333,378	\$4,547	\$1,794,994	\$18,165,608
	342,823		3,263,990
14,377		771,326	3,457,923
			3,150
			3,867,932
			605,387
\$2,347,755	\$347,370	\$2,566,320	\$29,363,990
		\$21,039	\$1,513,464
		312,656	605,387
			1,261,758
			20,262
		333,695	3,400,871
			3,835,220
			613,865
			4,449,085
			3,150
\$1,604,428	\$347,370	1,991,428	6,000,567
743,327			9,718,489
		241,197	438,799
			5,353,029
2,347,755	347,370	2,232,625	21,514,034
\$2,347,755	\$347,370	\$2,566,320	\$29,363,990

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TOWN OF MORAGA
RECONCILIATION OF THE
GOVERNMENTAL FUNDS - BALANCE SHEET
WITH THE
STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances - governmental funds \$21,514,034

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. 76,790,554

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 613,865

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	4,290,436
Compensated absences	(335,031)
Net pension liability	(9,249,452)
Subscription based liability	(87,559)
Certificates of participation	(4,779,977)
Deferred inflows of resources related to pensions	<u>(1,396,016)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$87,360,854

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, 2023

	<u>General Fund</u>	<u>Measure K Local Funding</u>	<u>American Rescue Plan Act Fund</u>	<u>Construction In Progress</u>
REVENUES				
Property taxes and assessments	\$3,091,491			
Property tax - in lieu	2,235,897			
Sales and use tax	1,295,778			
Sales tax - public safety				
Sales tax - 1% local add-on (Measure K)		\$2,669,905		
Franchise fees	917,590			
Real property transfer fees	158,215			
Motor vehicle license fees	17,704			
Planning and permits	525,967			
Interest	401,670	46,071	\$3,528	
Property rentals	120,813			
Parks and recreation	778,405			
Police services	111,755			
Public works services	438,211			
Intergovernmental	5,000		2,127,036	\$2,661,194
Fines, forfeitures and penalties				
Other revenues	489,798			
Total Revenues	10,588,294	2,715,976	2,130,564	2,661,194
EXPENDITURES				
Current operations:				
General administration	3,068,435		133,462	
Planning	740,576			
Public safety	3,579,470			
Public works	1,624,835		10,835	
Parks and recreation	1,733,426			
Debt service:				
Principal				
Interest				
Capital outlay	126,679			7,223,761
Total Expenditures	10,873,421		144,297	7,223,761
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(285,127)	2,715,976	1,986,267	(4,562,567)
OTHER FINANCING SOURCES (USES)				
Subscription asset	126,679			
Transfers in (Note 4)	1,753,500			8,238,968
Transfers out (Note 4)	(1,029,510)	(4,442,850)	(2,170,500)	
Total Other Financing Sources (Uses)	850,669	(4,442,850)	(2,170,500)	8,238,968
NET CHANGE IN FUND BALANCES	565,542	(1,726,874)	(184,233)	3,676,401
BEGINNING FUND BALANCES (DEFICITS)	10,688,449	1,924,476	629,786	1,012,737
ENDING FUND BALANCES	\$11,253,991	\$197,602	\$445,553	\$4,689,138

See accompanying notes to financial statements

Other Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
		\$912,603	\$4,004,094
			2,235,897
			1,295,778
		92,116	92,116
			2,669,905
			917,590
			158,215
			17,704
			525,967
\$32,002	\$11,519	64,706	559,496
			120,813
			778,405
			111,755
			438,211
15,000		2,133,701	6,941,931
		36,029	36,029
28,600			518,398
<u>75,602</u>	<u>11,519</u>	<u>3,239,155</u>	<u>21,422,304</u>
			3,201,897
			740,576
23,616			3,603,086
		199,140	1,834,810
		784	1,734,210
		355,000	355,000
		241,050	241,050
122,904			7,473,344
<u>146,520</u>	<u>596,050</u>	<u>199,924</u>	<u>19,183,973</u>
<u>(70,918)</u>	<u>(584,531)</u>	<u>3,039,231</u>	<u>2,238,331</u>
			126,679
985,356	599,850	47,784	11,625,458
<u>(688,464)</u>		<u>(3,294,134)</u>	<u>(11,625,458)</u>
<u>296,892</u>	<u>599,850</u>	<u>(3,246,350)</u>	<u>126,679</u>
225,974	15,319	(207,119)	2,365,010
2,121,781	332,051	2,439,744	19,149,024
<u>\$2,347,755</u>	<u>\$347,370</u>	<u>\$2,232,625</u>	<u>\$21,514,034</u>

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, 2023

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	\$2,365,010
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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	7,494,085
Net retirements are deducted from fund balance	(99,349)
Depreciation and amortization expense is deducted from fund balance	(2,267,589)

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.	355,000

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	32,705
Change in subscription asset	(87,559)
Net pension liability and deferred outflows/inflows of resources related to pensions	<u>1,380,570</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$9,185,870</u></u>
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See accompanying notes to financial statements

**TOWN OF MORAGA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	Original	Adjusted	
REVENUES			
Property taxes and assessments	\$2,971,644	\$2,971,644	\$3,091,491
Property tax - in lieu	2,180,264	2,180,264	2,235,897
Sales and use tax	1,322,413	1,322,413	1,295,778
Franchise fees	866,000	866,000	917,590
Real property transfer fees	240,000	240,000	158,215
Motor vehicle license fees		10,623	17,704
Planning and permits	601,500	601,500	525,967
Interest	54,088	153,367	401,670
Property rentals	99,279	99,279	120,813
Parks and recreation	704,230	743,750	778,405
Police services	65,700	85,700	111,755
Public works services	415,500	415,500	438,211
Intergovernmental			5,000
Other revenues	210,623	200,000	489,798
Total Revenues	<u>9,731,241</u>	<u>9,890,040</u>	<u>10,588,294</u>
			698,254
EXPENDITURES:			
Current operations:			
General government	2,892,809	2,964,309	3,068,435
Planning	843,731	918,731	740,576
Public safety	3,608,558	3,656,558	3,579,470
Public works	1,817,227	1,835,227	1,624,835
Parks and recreation	1,636,791	1,716,391	1,733,426
Total Expenditures	<u>10,799,116</u>	<u>11,091,216</u>	<u>10,746,742</u>
			344,474
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,067,875)</u>	<u>(1,201,176)</u>	<u>(158,448)</u>
			<u>1,042,728</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,630,000	3,368,319	1,753,500
Transfers out	(167,819)	(2,589,329)	(1,029,510)
Total Other Financing Sources (Uses)	<u>1,462,181</u>	<u>778,990</u>	<u>723,990</u>
			<u>(55,000)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$394,306</u></u>	<u><u>(\$422,186)</u></u>	<u><u>565,542</u></u>
			<u><u>\$987,728</u></u>
BEGINNING FUND BALANCE			<u><u>10,688,449</u></u>
ENDING FUND BALANCE			<u><u>\$11,253,991</u></u>

See accompanying notes to financial statements

TOWN OF MORAGA
MEASURE K LOCAL FUNDING
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Adjusted</u>	<u>Actual Amounts</u>	
REVENUES				
Sales tax - 1% local add-on (Measure K)	\$2,698,000	\$2,698,000	\$2,669,905	(\$28,095)
Interest			46,071	46,071
Total Revenues	2,698,000	2,698,000	2,715,976	17,976
EXPENDITURES:				
Current operations:				
General government	1,053,000	1,053,000		1,053,000
Total Expenditures	1,053,000	1,053,000		1,053,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	1,645,000	1,645,000	2,715,976	1,070,976
OTHER FINANCING SOURCES (USES)				
Transfers out		(4,442,850)	(4,442,850)	
Total Other Financing Sources (Uses)		(4,442,850)	(4,442,850)	
NET CHANGE IN FUND BALANCE	\$1,645,000	(\$2,797,850)	(1,726,874)	\$1,070,976
BEGINNING FUND BALANCE			1,924,476	
ENDING FUND BALANCE			\$197,602	

* Funds received by this fund are primarily transferred to other funds for capital projects eligible for Measure K funding. See Note 4.A. in the Notes to Basic Financial Statements for further details.

See accompanying notes to financial statements

TOWN OF MORAGA
AMERICAN RESCUE PLAN ACT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	Original	Adjusted	
REVENUES			
Intergovernmental	\$2,127,036	\$2,127,036	\$2,127,036
Interest			3,528
Total Revenues	2,127,036	2,127,036	2,130,564
EXPENDITURES:			
Current operations:			
General government	899,500	857,204	133,462
Public works	93,000	93,000	10,835
Total Expenditures	992,500	950,204	144,297
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,134,536	1,176,832	1,986,267
OTHER FINANCING SOURCES (USES)			
Transfers out		(2,170,500)	(2,170,500)
Total Other Financing Sources (Uses)		(2,170,500)	(2,170,500)
NET CHANGE IN FUND BALANCE	\$1,134,536	(\$993,668)	(184,233)
BEGINNING FUND BALANCE			629,786
ENDING FUND BALANCE			\$445,553

* Substantial portions of this fund are transferred to other funds for expenditures eligible under ARPA restrictions. See Note 4.A. in the Notes to Basic Financial Statements for further details.

See accompanying notes to financial statements

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TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

FUND FINANCIAL STATEMENTS
FIDUCIARY FUNDS

Custodial Funds report resources, not in a trust, that are held by the Town for other parties outside of the Town's reporting entity. Specific activities in the Custodial Funds include the contributions and expenses related to Commons Park and memorial benches, skatepark maintenance, and the Moraga Youth Involvement Committee.

TOWN OF MORAGA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash and investments (Note 3)	<u>\$237,593</u>
Total Assets	<u>237,593</u>
LIABILITIES	
Deposits payable	<u>3,090</u>
Total Liabilities	<u>3,090</u>
NET POSITION	
Restricted for:	
Held for community programs	<u>\$234,503</u>

See accompanying notes to financial statements

TOWN OF MORAGA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial Funds</u>
ADDITIONS:	
Community donations	\$233,532
Commons patio bricks	1,516
Other revenue	<u>967</u>
 Total Additions	 <u>236,015</u>
DEDUCTIONS:	
Contributions to others	233,320
Other expenses	<u>195</u>
 Total Deductions	 <u>233,515</u>
Change in Net Position	2,500
 BEGINNING NET POSITION	 <u>232,003</u>
 ENDING NET POSITION	 <u><u>\$234,503</u></u>

See accompanying notes to financial statements

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TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023

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 **Measure K Local Special Revenue Fund** was established in FY 2020-21 to separately account for Measure K, the one-cent added local sales tax approved by the voters in 2012 for 20 years.

The **American Rescue Plan Act Special Revenue Fund** was established in FY 2021-22 to separately account for federal grant funds received for specific purposes as designated under the American Rescue Plan Act.

The **Construction In Progress Fund** is a capital project 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 a custodial 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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

The Town reports the following fiduciary funds:

Custodial Funds is a clearing type fund for the collection of taxes or deposits held, on behalf of individuals, private organizations and other governments. Specific activities in the Custodial Funds include the contributions and expenses related to Commons Park and memorial benches, skatepark maintenance, and the Moraga Youth Involvement Committee. The financial activities of these funds are excluded from the Government-wide financial statements, and are presented in a separate Fiduciary Fund financial statements.

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 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, 2023

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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The activities of the compensated absences for the year ended June 30, 2023 were as follows:

Beginning balance	\$367,736
Additions	377,256
Payments	<u>(409,961)</u>
Ending Balance	<u><u>\$335,031</u></u>
Current Portion	<u><u>\$67,006</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. Leases

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The Town records leases exceeding \$25,000 at commencement of the lease.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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 assets 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 9.

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 assets or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category, unavailable revenue and leases, which arise 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 General Fund reports deferred inflows related to lease receivable. The Town also has deferred inflow of resources related to pensions on the statement of net position as discussed in Note 9. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

M. 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.

N. New Funds

During fiscal year ended June 30, 2023, the Town opened the Public Safety Grants and Art in Public Spaces Special Revenue Funds.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Subscription-Based Information Technology Arrangements (SBITAs) Accounting

A Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

At the commencement of a SBITA, the Town initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the Town determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments as follows:

- The Town uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the Town uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancelable period of the subscription.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with liabilities on the statement of net position. The Town has established a threshold of \$10,000 for SBITA's as of July 1, 2022. The Town had one contract that was applicable and recorded as of June 30, 2023. See more details in Note 8.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023

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. Classifications

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$19,760,861
Restricted cash and investments	1,668,737
Fiduciary Funds:	
Cash and investments	237,593
Total Cash and Investments	<u><u>\$21,667,191</u></u>

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand and in banks	\$12,888,100
Investments with fiscal agents	1,938,076
California Local Agency Investment Fund	6,841,015
Total Cash and Investments	<u><u>\$21,667,191</u></u>

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023, the Town's bank balance was \$2,700,965 and \$2,450,965 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, 2023

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	\$6,841,015	\$6,841,015
<i>Held by Fiscal Agents:</i>		
Money Market Fund	1,938,076	1,938,076
Total Investments	<u><u>\$8,779,091</u></u>	<u><u>8,779,091</u></u>
<i>Cash deposits in banks and petty cash</i>		12,888,100
Total Cash and Investments		<u><u>\$21,667,191</u></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, 2023

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, 2023 for each investment type:

Investment Type	Not rated	Total
<i>Not rated:</i>		
Money Market Fund	\$1,938,076	\$1,938,076
California Local Agency Investment Fund	<u>6,841,015</u>	<u>6,841,015</u>
Total Investments	<u><u>\$8,779,091</u></u>	<u><u>8,779,091</u></u>
<i>Cash deposits in banks and petty cash</i>		<u><u>12,888,100</u></u>
Total Cash and Investments		<u><u><u>\$21,667,191</u></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, 2023, the Town only had investments in LAIF and money market funds.

J. Investment in State Investment Pool

The Town is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Town reports its investment in LAIF at the amortized costs provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2023, these investments matured in an average of 260 days.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

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 2022-23 were as follows:

Transfer From	Transfer To	Amount Transferred
General Fund	Construction in Progress Fund	\$167,860 A
	Other Capital Projects Fund	857,000 C
	Other Governmental Funds	4,650 D
Measure K Local Funding	Construction in Progress Fund	3,843,000 A
	Debt Service Fund	599,850 B
American Rescue Plan Act Fund	General Fund	506,500 D
	Construction in Progress Fund	1,664,000 A
Other Capital Project Fund	General Fund	39,000 D
	Construction in Progress Fund	577,108 A
	Other Capital Projects Fund	72,356 C
Other Governmental Funds	General Fund	1,208,000 D
	Other Governmental Funds	43,134 D
	Construction in Progress Fund	1,987,000 A
	Other Capital Projects Fund	56,000 C
Total Interfund Transfers		<u><u>\$11,625,458</u></u>

- A. To fund capital projects: labor and materials
- B. To fund debt service payments
- C. To fund asset replacement
- D. 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, 2023

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. The Town's short-term interfund loans were as follows as of June 30, 2023:

Due From Other Funds	Due to Other Funds	Amount
General Fund	Measure K Local Funding	\$292,731
	Non-Major Governmental Funds	<u>312,656</u>
	Total	<u><u>\$605,387</u></u>

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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued)

A. Capital Assets Activities

The following table presents the capital assets activity for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Retirements & Transfers	Balance June 30, 2023
Governmental Activities				
Capital assets not being depreciated:				
Land and easements	\$10,680,212			\$10,680,212
Construction in progress	11,548,558	\$7,255,226	(\$871,347)	17,932,437
Total capital assets, not being depreciated	22,228,770	7,255,226	(871,347)	28,612,649
Depreciable capital assets:				
Building and improvements	8,678,046		43,356	8,721,402
Roadway and related	65,399,219		558,952	65,958,171
Storm drains	4,755,483		261,907	5,017,390
Parks and recreation	3,887,821			3,887,821
Equipment and furniture	2,038,680	112,180	(154,683)	1,996,177
Subscription based assets		126,679		126,679
Total capital assets, being depreciated	84,759,249	238,859	709,532	85,707,640
Accumulated depreciation and Amortization:				
Building and improvements	(2,534,462)	(173,583)		(2,708,045)
Roadway and related	(26,345,841)	(1,735,631)		(28,081,472)
Storm drains	(2,788,570)	(75,283)		(2,863,853)
Parks and recreation	(2,035,055)	(110,772)		(2,145,827)
Equipment and furniture	(1,620,684)	(130,094)	62,466	(1,688,312)
Subscription based assets		(42,226)		(42,226)
Total accumulated depreciation and amortization	(35,324,612)	(2,267,589)	62,466	(37,529,735)
Depreciable capital assets, net	49,434,637	(2,028,730)	771,998	48,177,905
Governmental capital assets, net	<u>\$71,663,407</u>	<u>\$5,226,496</u>	<u>(\$99,349)</u>	<u>\$76,790,554</u>

In fiscal year 2023, the Town implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which required the Town to record an intangible right-to-use subscription asset. As a result, a right-to-use subscription asset was recorded in the amount of \$126,679. The subscription asset is offset with a subscription liability as discussed in Note 8.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued)

B. 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	\$235,871
Planning	15,208
Public Safety:	
Police	47,727
Public Works	1,837,335
Parks and Recreation	131,448
	<hr/>
Total Governmental Activities	<u><u>\$2,267,589</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, 2022	Retirements	Balance June 30, 2023	Current Portion
2013 Certificates of Participation	\$7,720,000	\$5,005,000	(\$355,000)	\$4,650,000	\$375,000
Add: Unamortized Bond Premium	259,947	142,974	(12,997)	129,977	
Total Governmental Activity		<u><u>\$5,147,974</u></u>	<u><u>(\$367,997)</u></u>	<u><u>\$4,779,977</u></u>	<u><u>\$375,000</u></u>

B. 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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – LONG TERM DEBT (Continued)

C. 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
2024	\$375,000	\$223,300
2025	395,000	204,550
2026	410,000	188,750
2027	430,000	168,250
2028	450,000	146,750
2029-2033	2,590,000	396,513
Total	4,650,000	<u><u>\$1,328,113</u></u>
Unamortized Premium	129,977	
	<u><u>\$4,779,977</u></u>	

NOTE 7 – LEASES

The Town is a party to three lease agreements as the lessor that require recognition. The Town recognizes a lease receivable and a deferred inflow of resources in the General Fund and Government-Wide financial statements, as was in the applicable funds.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The Town uses its estimated incremental borrowing rate as the discount rate for leases, when an explicit rate is not available.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – LEASES (Continued)

A summary of lease activities for the year ended June 30, 2023 are as follows:

Governmental Activities:

Lessor	Original Lease Date	Expiration Date Including Options	Monthly Revenue as of June 30, 2023	Lease Receivable Balance at June 30, 2023	Deferred Inflow of Resources at June 30, 2023
Moraga Country Club	9/30/87	3/31/40	\$6,968	\$1,517,928	\$1,471,401
Growing Light Montessori School of Moraga	7/1/80	6/30/26	2,668	99,558	93,638
Z Golf Food & Beverage Services	11/1/21	10/31/31	20,300	<u>2,250,446</u>	<u>2,270,181</u>
Totals Reported in General Fund				<u><u>\$3,867,932</u></u>	<u><u>\$3,835,220</u></u>

Moraga Country Club Homeowners' Association

In September 1987, the Town of Moraga agreed to sublease 60 acres of property adjacent to a golf course, that was leased from the State of California, to the Moraga Country Club Homeowners' Association (Association). The initial term of the lease was twenty years. The property was subsequently acquired by the Town from the State, and the lease agreement between the Town and the Association was amended three times in 1991, 1994 and 2014, respectively. The latest amendment dated December 10, 2014, extended the term of the land lease for an additional twenty-five years commencing April 1, 2015 and expiring March 31, 2040. The rent for the initial year of the first extended term was set at \$63,250 to be paid in monthly installments, and would increase every year by a cost of living increase.

Growing Light Montessori School of Moraga

In September 1981, the Town entered into a ground lease with an individual operating a preschool for real property located at 1455 St. Mary's Road in Moraga. In October 2021, the lease was assigned to the Growing Light Montessori School of Moraga, who assumed the terms of the original lease and subsequent amendments. The current lease will expire on June 30, 2026. The monthly rent as of June 30, 2023 is \$2,668, increasing 3% annually on July 1st.

Hacienda de Las Flores

In July 2021, the Town entered into a lease agreement with Z Golf Food & Beverage Services, LLC to lease real property and improvements commonly known as the Hacienda de Las Flores, commencing November 1, 2021, with an initial expiration date of October 31, 2031. The lessee has the right to extend two 5-year additional terms. Rent of \$60,000 is to be paid to the Town quarterly, for a total of \$240,000 in the first year, with 1.5% increases each subsequent year.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – LEASES (Continued)

The future lease payments to be received as of June 30, 2023 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 334,061	\$ 32,835
2025	347,903	30,000
2026	362,194	27,047
2027	341,569	24,002
2028	355,668	20,870
2029-2033	1,445,513	56,766
2034-2038	499,235	19,603
2039-2040	<u>181,789</u>	<u>1,489</u>
Total	<u>\$ 3,867,932</u>	<u>\$ 212,612</u>

NOTE 8 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A summary of subscription-based information technology arrangements (SBITA) transactions for the fiscal year ended June 30, 2023, are as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Current Portion</u>
	<u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>	
Springbrook	<u>126,679</u>	<u>(\$39,120)</u>	<u>87,559</u>	<u>42,167</u>	
Total	<u>126,679</u>	<u>(\$39,120)</u>	<u>87,559</u>	<u>42,167</u>	

In July 2022, the Town extended its contract for financial software services for three additional years. An initial subscription liability was recorded in the amount of \$126,679 during fiscal year 2023, at the time the subscriptions was placed into service.

As of June 30, 2023, the value of the subscription liability was \$87,559. The Town is required to make monthly principal and interest payments ranging from \$1,089 to \$45,392 throughout the life of the subscription. The subscriptions have an interest rate of 2.4%. As part of the subscriptions, the Town has recorded an intangible right to use subscription asset and amortization as discussed in Note 5.

The future subscription and interest subscription payments as of June 30, 2023, follows:

<u>For the Year</u>			
<u>Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 42,167	\$ 2,101	\$ 44,268
2025	45,392	1,089	46,481
Totals	<u>\$ 87,559</u>	<u>\$ 3,190</u>	<u>\$ 90,749</u>

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – 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 Town 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).

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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION PLAN (Continued)

A. General Information (Continued)

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or 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	10.320%	7.470%
	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%	13.00%
Required employer contribution rates	18.170%	12.780%

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 \$645,220 in fiscal year 2023.

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.

For the year ended June 30, 2023, the contributions recognized as part of pension expense for the Plan were as follows.

	Miscellaneous	Safety	Total
Contributions - employer	\$553,519	\$533,818	\$1,087,337

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION PLAN (Continued)

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, 2023, 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	\$5,210,381
Safety	4,039,071
Total Net Pension Liability	\$9,249,452

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, 2022, 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, 2021 rolled forward to June 30, 2022 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 General Fund has been primarily used to liquidate pension liabilities. The Town's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2021	0.14667%	0.05657%
Proportion - June 30, 2022	0.11135%	0.05878%
Change - Increase (Decrease)	<u>0.00035</u>	<u>(0.00220%)</u>

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION PLAN (Continued)

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

For the year ended June 30, 2023, the Town recognized pension expense of \$1,380,571. At June 30, 2023, 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	\$553,519	
Differences between actual and expected experience	104,635	(\$70,080)
Changes in assumptions	533,912	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	38,845	(747,173)
Net differences between projected and actual earnings on plan investments	954,403	
Total Miscellaneous	\$2,185,314	(\$817,253)
Safety	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$533,818	
Differences between actual and expected experience	167,162	(\$43,861)
Changes in assumptions	407,261	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	359,055	(534,902)
Net differences between projected and actual earnings on plan investments	637,826	
Total Safety	\$2,105,122	(\$578,763)
Grand Total	\$4,290,436	(\$1,396,016)

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION PLAN (Continued)

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

\$1,087,337 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, 2024. 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	Annual
June 30	Amortization
2024	\$349,856
2025	329,614
2026	154,786
2027	972,827
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Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by entry age and service
Investment Rate of Return	6.90% (1)
Mortality Rate Table	Derived using CalPERS' membership data for all funds (2)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% 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 generational mortality improvements using Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the November 2021 experience study report (based on CalPERS demographic data from 2001 to 2019) that can be found on the CalPERS website.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION PLAN (Continued)

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

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 6.90%. 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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

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 (1)	Assumed asset allocation	Real return (1),(2)
Global Equity - Cap weighted	30.0%	4.54%
Global Equity - Non-Cap weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021 Asset Liability Management study

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (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	5.90%	5.90%
Net Pension Liability	\$7,685,554	\$6,068,042
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$5,210,381	\$4,039,071
1% Increase	7.90%	7.90%
Net Pension Liability	\$3,173,928	\$2,380,845

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

Reduction of CalPERS Discount Rate - On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense, but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions are reflected in the CalPERS GASB 68 accounting valuation reports for the June 30, 2022 measurement date.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION PLAN (Continued)

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 Mission Square (formerly known as ICMA-RC) and are not available to the Town's general creditors. Accordingly, the Town does not report the assets in the financial statements.

As established by the plan, any Town employee can contribute to the plan. During fiscal year 2023, the employees contributed \$340,649 to the plan.

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 2023, the Town and its employees made \$22,897 contributions to the plan.

Contributions to the plan are held by a Trust, administered by Mission Square, 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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – 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, 2023, the breakout of this calculation is reflected as follows:

Total Capital Assets at June 30, 2023	\$76,790,554
 Related Debt at June 30, 2023:	
Certificates of Participation (COP)	(4,779,977)
Subscription based liability	<u>(87,559)</u>
Net Investment in Capital Assets	<u><u>\$71,923,018</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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balance (Continued)

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

Committed fund balances are established, modified and rescinded by resolution of the Town Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

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

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balance (Continued)

Detailed classifications of the Town's Fund Balances, as of June 30, 2023, are as follows:

	General Fund	Measure K Local Funding	American Rescue Act Fund	Construction In Progress	Other Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
Nonspendable:								
Prepaid items	\$3,150							\$3,150
Total Nonspendable	3,150							3,150
Restricted for:								
Streets and roads						\$1,666,780	1,666,780	
Public safety						89,811	89,811	
Future projects						234,837	234,837	
Capital projects					\$1,604,428		1,604,428	
ARPA designated expenditures		\$445,553					445,553	
Deposits	16,535						16,535	
Pension costs	1,595,253						1,595,253	
Debt service					\$347,370		347,370	
Total Restricted	1,611,788	445,553		1,604,428	347,370	1,991,428	6,000,567	
Committed to:								
Future projects								
(Palos Developer Fees)	4,286,024						4,286,024	
Capital projects				\$4,689,138			4,689,138	
Asset replacements					743,327		743,327	
Total Committed	4,286,024		4,689,138	743,327			9,718,489	
Assigned								
Capital projects *		\$197,602					241,197	438,799
Total Assigned		197,602					241,197	438,799
Unassigned								
Fund balance deficits								
Residual fund balance	5,353,029						5,353,029	
Total Unassigned	5,353,029							5,353,029
Total fund balances	\$11,253,991	\$197,602	\$445,553	\$4,689,138	\$2,347,755	\$347,370	\$2,232,625	\$21,514,034

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).

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – 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	250,000
Boiler and machinery	75,000,000	10,000
Government crime	5,000,000	2,500
General liability	29,000,000	10,000
Employment liability	2,000,000	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	500,000	10,000

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
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 12 – 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 2023:

SOURCES	
Sales Tax from Measure K	\$2,669,905
Gas Tax	826,742
Garbage Vehicle Impact Fee	879,003
Other Revenue	3,405
Interest Income	<u>78,147</u>
 Total Sources	 <u>4,457,202</u>
USES	
Construction	3,828,797
Construction Management	336,935
Project Management	238,129
Design Services	<u>260,318</u>
 Total Uses	 <u>4,664,179</u>
INTERFUND	
Transfer In	5,518,000
Transfer Out	<u>(5,518,000)</u>
	<u>0</u>
OTHER FINANCING USES	
Principal payment on the bonds	(355,000)
Interest payment on the bonds	<u>(241,050)</u>
 Total Other Financing Sources (Uses)	 <u>(596,050)</u>
NET CHANGE IN PROGRAM BALANCE	389,073
 BEGINNING PROGRAM BALANCE	 <u>4,737,811</u>
 ENDING PROGRAM BALANCE	 <u>\$5,126,884</u>

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

NOTE 13 – 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 14 – 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.

Encumbrances

The Town utilized an encumbrance system during fiscal year 2023 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, 2023, that will be carried over to fiscal year 2024:

General Fund	\$1,954,377
Construction in Progress Fund	2,969,258
Non-major Governmental Funds	<u>4,650</u>
Total	<u><u>\$4,928,285</u></u>

Developer Fees

In 2007 the Town was the recipient of a Golf Course Fee as part of the settlement agreement related to the Palos Colorados Project. The Town received the remaining principal of the Golf Course Fee of \$2,250,000 in November 2021. The related Golf Course Fee interest receivable as of November 2021 was \$1,541,563, which the Town expects to collect over the next few years. \$14,500,000 of the remaining General Plan Fee portion of the settlement will be paid to the Town when and if development occurs.

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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	<u>2014</u>	<u>2015</u>	<u>2016</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.05809%	0.04235%	0.06040%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$3,614,505	\$3,840,323	\$5,226,347
Plan's Covered Payroll*	\$3,183,341	\$3,044,571	\$3,214,375
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	113.54%	126.14%	162.59%
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%

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

2017	2018	2019	2020	2021	2022
0.06208%	0.06367%	0.06884%	0.07162%	0.08821%	0.08008%
\$6,156,875	\$6,135,349	\$7,053,906	\$7,792,118	\$4,770,439	\$9,249,452
\$3,467,455	\$3,357,567	\$3,924,854	\$3,919,586	\$4,167,504	\$4,240,201
177.56%	182.73%	179.72%	198.80%	114.47%	218.14%
76%	77%	76%	74%	84%	72%

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	2015	2016	2017
Actuarially determined contribution	\$413,526	\$314,989	\$308,628
Contributions in relation to the actuarially determined contributions	<u>413,526</u>	<u>314,989</u>	<u>308,628</u>
Contribution deficiency (excess)	<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
Contributions as a percentage of covered payroll	13.58%	9.80%	8.90%

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

REQUIRED SUPPLEMENTARY INFORMATION

2018	2019	2020	2021	2022	2023
\$274,211	\$280,636	\$333,366	\$849,609	\$390,289	\$442,116
274,211	280,636	333,366	849,609	390,289	442,116
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,357,567	\$3,924,854	\$3,919,586	\$4,167,504	\$4,240,201	\$4,926,959
8.17%	7.15%	8.51%	20.39%	9.20%	8.97%

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SUPPLEMENTAL INFORMATION

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TOWN OF MORAGA
Supplemental Information
For the Year Ended June 30, 2023

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.

The **Deposits Fund** accounts for park facility rental deposits, planning deposits and public works performance bonds. Deposits are drawn upon if the Town provides services related to the deposits. Any remaining deposits are returned to the residents or contractors once events or projects are completed.

**TOWN OF MORAGA
GENERAL FUND
COMBINING BALANCE SHEETS
JUNE 30, 2023**

	<u>General Purpose</u>	<u>Developer Fees</u>	<u>Deposits</u>	<u>Total</u>
ASSETS				
Cash and investments	\$4,528,830	\$4,286,024	\$1,325,914	\$8,814,854
Restricted cash	1,595,253			2,921,167
Accounts receivable	474,180			474,180
Due from other funds	605,387			605,387
Prepays	3,150			3,150
Lease receivable	3,867,932			3,867,932
 Total Assets	 <u>\$11,074,732</u>	 <u>\$4,286,024</u>	 <u>\$1,325,914</u>	 <u>\$16,686,670</u>
LIABILITIES				
Accounts payable and accrued expenses	\$283,668		\$79,167	\$362,835
Deferred revenue	4,412			4,412
Deposits payable	3,150		1,230,212	1,230,212
 Total Liabilities	 <u>288,080</u>	 <u></u>	 <u>1,309,379</u>	 <u>1,597,459</u>
DEFERRED INFLOWS OF RESOURCES				
Related to leases	3,835,220			3,835,220
FUND BALANCES				
Nonspendable	3,150			3,150
Restricted	1,595,253		16,535	1,611,788
Committed		\$4,286,024		4,286,024
Unassigned	5,353,029			5,353,029
 Total Fund Balances	 <u>6,951,432</u>	 <u>4,286,024</u>	 <u>16,535</u>	 <u>11,253,991</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$11,074,732</u>	 <u>\$4,286,024</u>	 <u>\$1,325,914</u>	 <u>\$16,686,670</u>

TOWN OF MORAGA
GENERAL FUND
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Purpose</u>	<u>Developer Fees</u>	<u>Deposits</u>	<u>Total</u>
REVENUES				
Property taxes and assessments	\$3,091,491			\$3,091,491
Property tax - in lieu	2,235,897			2,235,897
Sales and use tax	1,295,778			1,295,778
Franchise fees	917,590			917,590
Real property transfer fees	158,215			158,215
Motor vehicle license fees	17,704			17,704
Planning and permits	525,967			525,967
Interest	401,670			401,670
Property rentals	120,813			120,813
Parks and recreation	778,405			778,405
Police services	111,755			111,755
Public works services	438,211			438,211
Intergovernmental	5,000			5,000
Other revenues	199,790	\$290,008		489,798
Total Revenues	10,298,286	290,008		10,588,294
EXPENDITURES				
Current operations:				
General administration	2,818,435	250,000		3,068,435
Planning	740,576			740,576
Public safety	3,579,470			3,579,470
Public works	1,624,835			1,624,835
Parks and recreation	1,733,426			1,733,426
Total Expenditures	10,496,742	250,000		10,746,742
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(198,456)	40,008		(158,448)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,753,500			1,753,500
Transfers out	(762,650)	(266,860)		(1,029,510)
Total Other Financing Sources (Uses)	990,850	(266,860)		723,990
NET CHANGE IN FUND BALANCES	792,394	(226,852)		565,542
BEGINNING FUND BALANCES	6,159,038	4,512,876	\$16,535	10,688,449
ENDING FUND BALANCES	\$6,951,432	\$4,286,024	\$16,535	\$11,253,991

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TOWN OF MORAGA
Supplemental Information
For the Year Ended June 30, 2022

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. During the year ended June 30, 2023, the Town closed the Local Transportation Impact Fee Fund.

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, 2023

	<u>Asset Replacement</u>	<u>Comcast Grant Unrestricted</u>	<u>Comcast PEG Restricted</u>	<u>Public Safety Impact Fees</u>
ASSETS				
Cash and investments	\$743,327		\$452,717	\$95,189
Accounts receivable			6,888	804
 Total Assets	<u>\$743,327</u>	<u></u>	<u>\$459,605</u>	<u>\$95,993</u>
FUND BALANCE				
Restricted			\$459,605	\$95,993
Committed	\$743,327			
 Total Fund Balances	<u>743,327</u>	<u></u>	<u>459,605</u>	<u>95,993</u>
 Total Liabilities and Fund Balances	<u><u>\$743,327</u></u>	<u><u></u></u>	<u><u>\$459,605</u></u>	<u><u>\$95,993</u></u>

Local Transportation Impact Fees	Storm Drain Impact Fees	General Government Facilities Impact Fees	Park Development Impact Fees	LFFA	Total Capital Projects Fund
	\$161,894 1,616	\$331,224 1,614	\$61,865 1,598	\$487,162 1,857	\$2,333,378 14,377
	<u><u>\$163,510</u></u>	<u><u>\$332,838</u></u>	<u><u>\$63,463</u></u>	<u><u>\$489,019</u></u>	<u><u>\$2,347,755</u></u>
	\$163,510	\$332,838	\$63,463	\$489,019	\$1,604,428 743,327
	<u><u>163,510</u></u>	<u><u>332,838</u></u>	<u><u>63,463</u></u>	<u><u>489,019</u></u>	<u><u>2,347,755</u></u>
	<u><u>\$163,510</u></u>	<u><u>\$332,838</u></u>	<u><u>\$63,463</u></u>	<u><u>\$489,019</u></u>	<u><u>\$2,347,755</u></u>

TOWN OF MORAGA
OTHER CAPITAL PROJECTS FUND
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Asset Replacement</u>	<u>Comcast Grant Unrestricted</u>	<u>Comcast PEG Restricted</u>	<u>Public Safety Impact Fees</u>
REVENUES				
Intergovernmental	\$15,000			
Interest				\$2,611
Other revenue		\$28,600		
Total Revenues	<u>15,000</u>		<u>28,600</u>	<u>2,611</u>
EXPENDITURES				
Public safety				23,616
Capital outlay	122,904			
Total Expenditures	<u>122,904</u>			<u>23,616</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(107,904)</u>		<u>28,600</u>	<u>(21,005)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	953,453			
Transfers (out)	(144,000)	(\$15,453)	(25,000)	(51,000)
Total Other Financing Sources (Uses)	<u>809,453</u>	<u>(15,453)</u>	<u>(25,000)</u>	<u>(51,000)</u>
NET CHANGE IN FUND BALANCES	<u>701,549</u>	<u>(15,453)</u>	<u>3,600</u>	<u>(72,005)</u>
BEGINNING FUND BALANCES	<u>41,778</u>	<u>15,453</u>	<u>456,005</u>	<u>167,998</u>
ENDING FUND BALANCES	<u>\$743,327</u>	<u>15,453</u>	<u>456,005</u>	<u>95,993</u>

Local Transportation Impact Fees	Storm Drain Impact Fees	General Government Facilities Impact Fees	Park Development Impact Fees	LFFA	Total Capital Projects Funds
	\$7,520	\$7,074	\$4,546	\$10,251	\$15,000 32,002 28,600
	<u>7,520</u>	<u>7,074</u>	<u>4,546</u>	<u>10,251</u>	<u>75,602</u>
					23,616 122,904
					<u>146,520</u>
	<u>7,520</u>	<u>7,074</u>	<u>4,546</u>	<u>10,251</u>	<u>(70,918)</u>
(\$31,903)	(229,000)	(50,000)	(142,108)	31,903	985,356 (688,464)
<u>(31,903)</u>	<u>(229,000)</u>	<u>(50,000)</u>	<u>(142,108)</u>	<u>31,903</u>	<u>296,892</u>
(31,903)	(221,480)	(42,926)	(137,562)	42,154	225,974
<u>31,903</u>	<u>384,990</u>	<u>375,764</u>	<u>201,025</u>	<u>446,865</u>	<u>2,121,781</u>
	<u>\$163,510</u>	<u>\$332,838</u>	<u>\$63,463</u>	<u>\$489,019</u>	<u>\$2,347,755</u>

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TOWN OF MORAGA
Supplemental Information
For the Year Ended June 30, 2022

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.

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.

TOWN OF MORAGA
Supplemental Information
For the Year Ended June 30, 2022

Refuse Vehicle Impact Fees – This Fund was established in FY 2020/21 to separately account for the Refuse Vehicle Impact Fee (through RecycleSmart). This revenue is restricted for repair and maintenance of local streets and roads. The receipt from the Refuse Vehicle Impact Fee were previously deposited to the General Fund and then transferred out to the Town's Pavement Management Program (Fund 711).

Public Safety Grants – In accordance with the State Budget Act and the California Healthcare, research and Prevention Tobacco Tax Act of 2016 (Act), as added by Proposition 56, in 2021 the Town was awarded a three-year \$470,000 Tobacco grant to fund a police officer to enforce tobacco-related laws and provide tobacco-related education and outreach designed to reduce the use of tobacco-related products by juveniles.

Art in Public Spaces – This fund was established by the Town Council Resolution No. 91-2015 to dedicate funding for Art in Public Spaces. This account may be credited annually, with any funds allocated by the Town Council through the budgetary process and monies received through donations or grants or otherwise obtained.

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TOWN OF MORAGA
 OTHER GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEETS
 JUNE 30, 2023

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District	COPS/AVA	Traffic Safety
ASSETS						
Cash and investments		\$86,877	\$290,176	\$562,383	\$18,645	\$28,973
Accounts receivable	\$107,599	472,883	1,611	1,614	798	7,664
Total Assets	\$107,599	\$559,760	\$291,787	\$563,997	\$19,443	\$36,637
LIABILITIES						
Accounts payable				\$20,255		
Due to other funds	\$97,789					
Total Liabilities	97,789			20,255		
FUND BALANCE						
Restricted	9,810	\$559,760	\$291,787	543,742	\$19,443	\$36,637
Committed						
Total Fund Balances (Deficits)	9,810	559,760	291,787	543,742	19,443	36,637
Total Liabilities and Fund Balances	\$107,599	\$559,760	\$291,787	\$563,997	\$19,443	\$36,637

NPDES	Asset Forfeiture	Public Safety Sales Tax	Street Lighting	Pavement Management Program	Refuse Vehicle Impact Fee	Public Safety Grants	Art in Public Spaces	Total Nonmajor Governmental Funds
\$77,368	\$6,398	\$7,093 22,785	\$215,266 1,601	\$239,597 1,600	\$334,936 1,665	\$74,138	\$4,650	\$1,794,994 771,326
\$77,368	\$6,398	\$29,878	\$216,867	\$241,197	\$336,601	\$74,138	\$4,650	\$2,566,320
 \$138,184	 138,184	 138,184	 138,184	 138,184	 138,184	 138,184	 138,184	 138,184
 (60,816)	 6,398	 29,878	 \$216,867	 \$241,197	 \$336,601	 (2,545)	 3,866	 1,991,428 241,197
 (60,816)	 6,398	 29,878	 216,867	 241,197	 336,601	 (2,545)	 3,866	 2,232,625
\$77,368	\$6,398	\$29,878	\$216,867	\$241,197	\$336,601	\$74,138	\$4,650	\$2,566,320

TOWN OF MORAGA
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District	COPS/AVA	Traffic Safety
REVENUES						
Taxes and assessment	\$441,274			\$199,871		
Sales tax - public safety						
Intergovernmental	385,468	\$549,504			\$165,271	
Interest	5,380	7,881	\$7,090	10,219	2,139	\$83
Fines, forfeitures and penalties						36,029
Total Revenues	832,122	557,385	7,090	210,090	167,410	36,112
EXPENDITURES						
Current operations:						
General government				199,140		
Public works						
Parks and recreation						
Total Expenditures				199,140		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	832,122	557,385	7,090	10,950	167,410	36,112
OTHER FINANCING SOURCES (USES)						
Transfers in				43,134		
Transfers (out)	(879,000)	(288,000)	(44,000)	(10,000)	(214,000)	(40,000)
Total Other Financing Sources (Uses)	(879,000)	(288,000)	(44,000)	33,134	(214,000)	(40,000)
NET CHANGE IN FUND BALANCES	(46,878)	269,385	(36,910)	44,084	(46,590)	(3,888)
BEGINNING FUND BALANCES	56,688	290,375	328,697	499,658	66,033	40,525
ENDING FUND BALANCES (DEFICITS)	\$9,810	\$559,760	\$291,787	\$543,742	\$19,443	\$36,637

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, 2023

	Gasoline Tax			Transportation Measure J		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Variance with Final Budget		
				Final Budget	Actual Amounts	Positive (Negative)
REVENUES						
Taxes and assessment	\$495,759	\$441,274	(\$54,485)			
Sales tax - public safety						
Intergovernmental	383,000	385,468	2,468	\$395,600	\$549,504	\$153,904
Interest	1,200	5,380	4,180		7,881	7,881
Parks and recreation						
Fines, forfeitures and penalties						
Total Revenues	879,959	832,122	(47,837)	395,600	557,385	161,785
EXPENDITURES						
Current operations:						
General government	331,000		331,000	427,000		427,000
Public works						
Parks and recreation						
Total Expenditures	331,000		331,000	427,000		427,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	548,959	832,122	283,163	(31,400)	557,385	588,785
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(879,000)	(879,000)		(288,000)	(288,000)	
Total Other Financing Sources (Uses)	(879,000)	(879,000)		(288,000)	(288,000)	
NET CHANGE IN FUND BALANCES	(\$330,041)	(46,878)	\$283,163	(\$319,400)	269,385	\$588,785
BEGINNING FUND BALANCES (DEFICITS)		56,688			290,375	
ENDING FUND BALANCES (DEFICITS)		\$9,810			\$559,760	

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)
			\$198,449	\$199,871	\$1,422			
\$7,090	\$7,090			10,219	10,219	\$160,000	\$165,271	\$5,271
							2,139	2,139
7,090	7,090		198,449	210,090	11,641	160,000	167,410	7,410
\$61,000	61,000		225,695	199,140	26,555			
61,000	61,000		225,695	199,140	26,555			
(61,000)	7,090	68,090	(27,246)	10,950	38,196	160,000	167,410	7,410
(44,000)	(44,000)		(43,134) (10,000)	43,134 (10,000)	86,268	(214,000)	(214,000)	
(44,000)	(44,000)		(53,134)	33,134	86,268	(214,000)	(214,000)	
<u>(\$105,000)</u>	<u>(36,910)</u>	<u>\$68,090</u>	<u>(\$80,380)</u>	<u>44,084</u>	<u>\$124,464</u>	<u>(\$54,000)</u>	<u>(46,590)</u>	<u>\$7,410</u>
			328,697	499,658			66,033	
			<u>\$291,787</u>	<u>\$543,742</u>			<u>\$19,443</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, 2023

	Traffic Safety			NPDES		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Fiscal Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes and assessment				\$242,000	\$226,411	(\$15,589)
Sales tax - public safety						
Intergovernmental						
Interest		\$83	\$83		25	25
Parks and recreation						
Fines, forfeitures and penalties	\$30,000	36,029	6,029			
Total Revenues	30,000	36,112	6,112	242,000	226,436	(15,564)
EXPENDITURES						
Current operations:						
General government						
Public works						
Parks and recreation						
Total Expenditures	30,000	36,112	6,112	242,000	226,436	(15,564)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	30,000	36,112	6,112	242,000	226,436	(15,564)
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(40,000)	(40,000)		(242,000)	(242,000)	
Total Other Financing Sources (Uses)	(40,000)	(40,000)		(242,000)	(242,000)	
NET CHANGE IN FUND BALANCES	(\$10,000)	(3,888)	\$6,112		(15,564)	(\$15,564)
BEGINNING FUND BALANCES (DEFICITS)		40,525			(45,252)	
ENDING FUND BALANCES (DEFICITS)		\$36,637			(\$60,816)	

Asset Forfeiture			Public Safety Sales Tax			Street Lighting		
Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
			\$85,000	\$92,116	\$7,116	\$40,000	\$45,047	\$5,047
\$48	\$48			282	282		4,863	4,863
48	48		85,000	92,398	7,398	40,000	49,910	9,910
48	48		85,000	92,398	7,398	40,000	49,910	9,910
			(85,000)	(85,000)		(43,134)	(43,134)	
			(85,000)	(85,000)		(43,134)	(43,134)	
48	\$48		7,398	\$7,398	(\$3,134)	6,776	\$9,910	
6,350			22,480			210,091		
<u>\$6,398</u>			<u>\$29,878</u>			<u>\$216,867</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, 2023

	Pavement Management Program			Refuse Vehicle Impact fees		
			Variance with Final Budget			Variance with Final Budget
	Final Budget	Actual Amounts	Positive (Negative)	Final Budget	Actual Amounts	Positive (Negative)
REVENUES						
Taxes and assessment						
Sales tax - public safety						
Intergovernmental						
Interest						
Parks and recreation						
Fines, forfeitures and penalties						
 Total Revenues	 4,812	 4,812	 842,000	 900,887	 58,887	
EXPENDITURES						
Current operations:						
General government						
Public works						
Parks and recreation						
 Total Expenditures	 4,812	 4,812	 842,000	 900,887	 58,887	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
 OTHER FINANCING SOURCES (USES)	 4,812	 4,812	 842,000	 900,887	 58,887	
Transfers in						
Transfers (out)						
 Total Other Financing Sources (Uses)	 4,812	 4,812	 842,000	 900,887	 58,887	
 NET CHANGE IN FUND BALANCES	 4,812	 4,812	 (\$450,000)	 (391,113)	 \$58,887	
 BEGINNING FUND BALANCES (DEFICITS)	 236,385					
 ENDING FUND BALANCES (DEFICITS)	 \$241,197					

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**TOWN OF MORAGA
STATISTICAL SECTION**

This part of the Town's Annual Comprehensive 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 Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years
2. Assessed Value of Property by Use Code, Townwide - Last Nine Fiscal Years
3. Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years
4. Principal Property Tax Payers - Last Fiscal 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 - Last Fiscal 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 - Last Ten Fiscal Years
2. Principal Employers - Last Fiscal Year and Two Years Ago

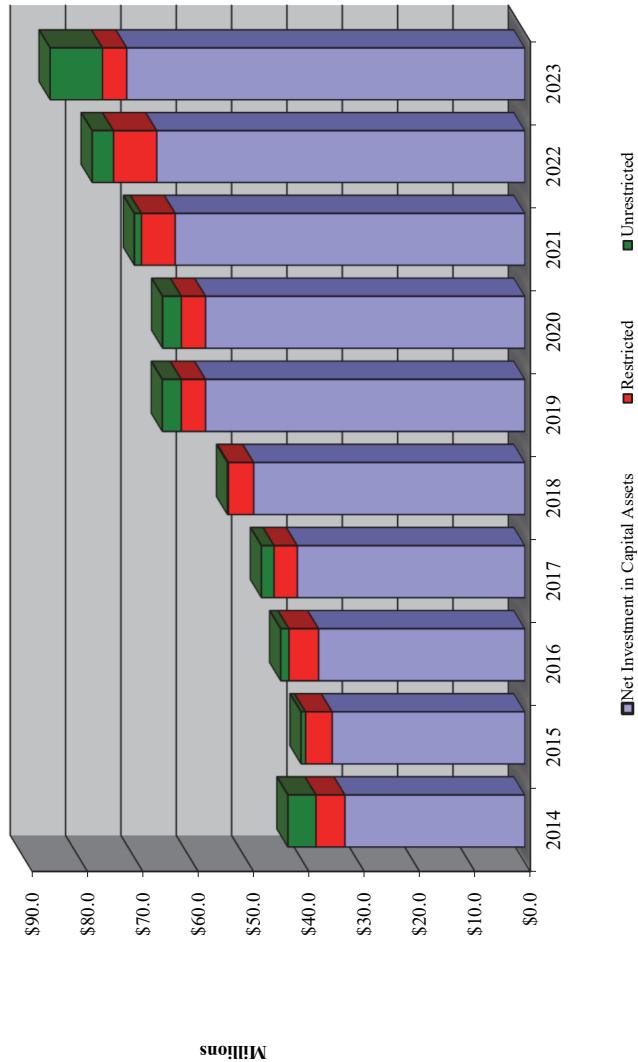
Operating Information

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 Fiscal Years
2. Operating Indicators by Function - Last Ten Fiscal Years
3. Capital Asset Statistics by Function - Last Ten Fiscal Years

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



Governmental activities:							
Net investment							
in capital assets							
Restricted							
Unrestricted							
Total governmental activities							
net position							

Source: *Town of Moraga: Basic Financial Statements*

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

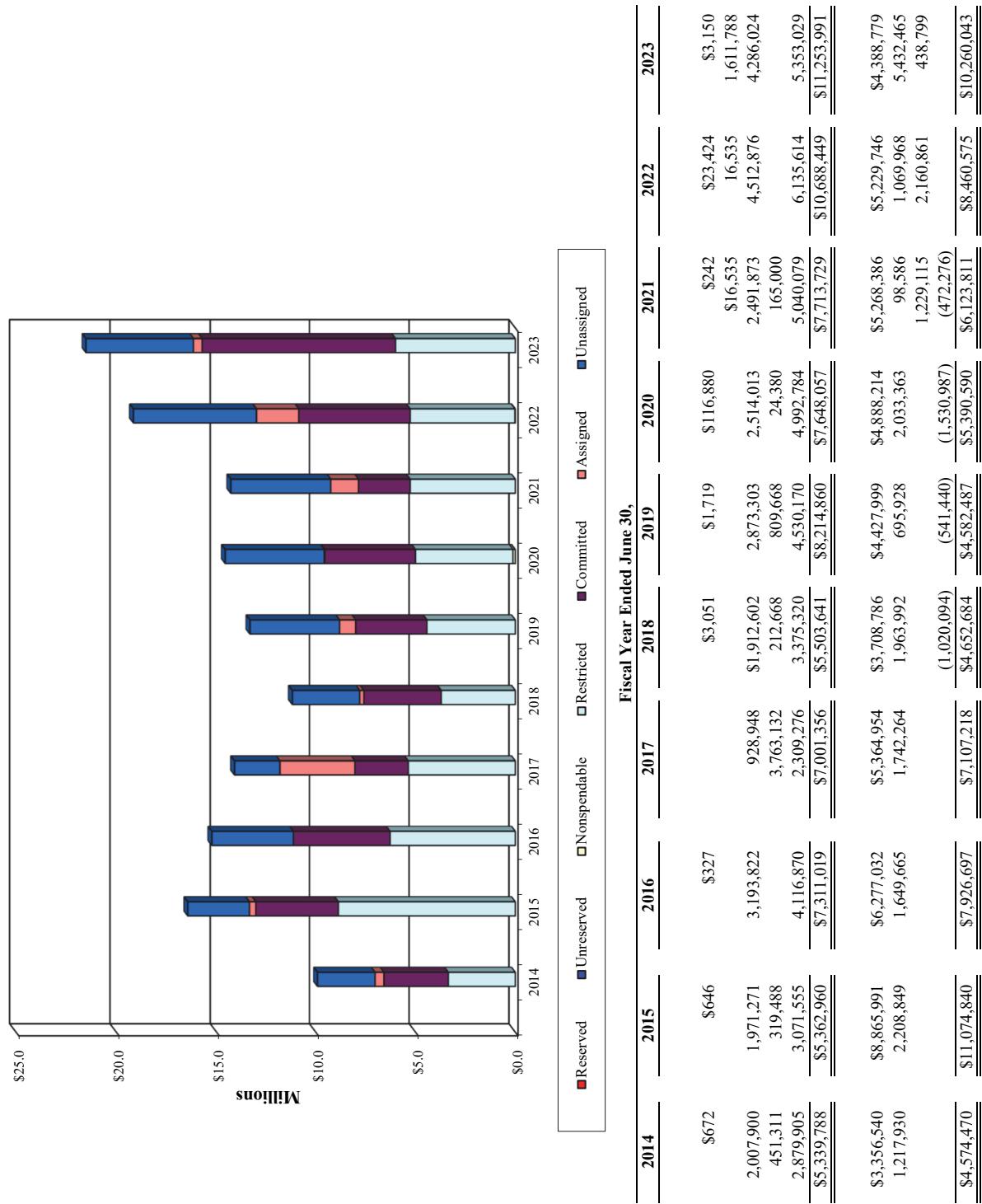
	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General administration	\$1,601,401	\$1,546,125	\$2,026,707	\$2,032,953
Planning	\$666,363	720,899	705,286	841,860
Public safety	2,551,912	2,546,827	3,329,382	2,976,211
Public works	1,962,949	2,056,010	2,273,923	2,481,231
Parks and recreation	1,568,294	1,339,255	1,545,628	1,517,572
Interest and long-term debt	250,457	368,686	360,963	349,969
Total Governmental activities expenses	8,601,376	8,577,802	10,241,889	10,199,796
Total Primary Government Expenses	8,601,376	8,577,802	10,241,889	10,199,796
Program Revenues				
Governmental activities:				
Charges for services:				
General administration	\$103,967	\$199,703	\$243,025	\$274,488
Planning	477,559	528,548	535,714	476,409
Public safety	113,396	92,100	83,766	69,027
Public works	228,063	452,795	253,065	584,804
Parks and recreation	366,240	357,278	287,884	436,948
Operating Grants and Contributions	1,586,631	1,386,015	3,569,566	1,173,070
Capital Grants and Contributions	1,306,480	422,684	1,050,101	2,978,412
Total Governmental activities program revenues	4,182,336	3,439,123	6,023,121	5,993,158
Net Revenues / (Expenses)				
Governmental activities	(4,419,040)	(5,138,679)	(4,218,768)	(4,206,638)
Total Primary Government Net Expense	(4,419,040)	(5,138,679)	(4,218,768)	(4,206,638)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property tax	\$3,204,386	\$3,467,233	\$3,673,444	\$3,888,623
Sales tax	2,494,796	2,755,146	2,698,602	2,715,945
Franchise tax	823,301	955,183	1,007,135	1,023,529
Motor vehicle in-lieu				
Gas tax				
Assessment				
Interest and use of property	25,954	36,101	66,919	66,161
Other			343,695	
Total Governmental activities	6,548,437	7,213,663	7,789,795	7,694,258
Change in Net Position				
Governmental activities	2,129,397	2,074,984	3,571,027	3,487,620
Total Primary Government Change in Net Position	\$2,129,397	\$2,074,984	\$3,571,027	\$3,487,620

Fiscal Year Ended June 30

2018	2019	2020	2021	2022	2023
\$2,297,903	\$2,252,928	\$2,817,369	\$2,825,163	\$3,030,241	\$3,313,148
615,531	635,537	855,304	688,562	777,618	631,532
2,902,846	2,871,971	3,606,434	3,229,627	3,830,814	2,836,278
2,459,023	2,846,105	3,278,173	3,198,868	3,957,682	3,499,822
1,360,153	1,451,004	1,653,945	1,527,039	1,754,878	1,727,601
338,241	323,272	308,171	292,572	241,853	228,053
<u>9,973,697</u>	<u>10,380,817</u>	<u>12,519,396</u>	<u>11,761,831</u>	<u>13,593,086</u>	<u>12,236,434</u>
<u>\$9,973,697</u>	<u>\$10,380,817</u>	<u>\$12,519,396</u>	<u>\$11,761,831</u>	<u>\$13,593,086</u>	<u>\$12,236,434</u>
\$221,143	\$213,827	\$306,087	\$461,538	\$482,986	\$659,061
812,217	454,244	480,145	515,217	600,562	532,625
71,631	88,024	55,535	50,337	70,127	111,755
570,987	382,365	354,416	393,586	422,751	443,211
381,256	362,251	421,936	499,750	608,328	778,403
5,457,409	5,442,037	6,134,177	1,942,601	2,066,595	2,418,050
503,124	136,933	375,722	2,740,338	6,033,911	4,583,510
<u>8,017,767</u>	<u>7,079,681</u>	<u>8,128,018</u>	<u>6,603,367</u>	<u>10,285,260</u>	<u>9,526,615</u>
(1,955,930)	(3,301,136)	(4,391,378)	(5,158,464)	(3,307,826)	(2,709,819)
<u>(\$1,955,930)</u>	<u>(\$3,301,136)</u>	<u>(\$4,391,378)</u>	<u>(\$5,158,464)</u>	<u>(\$3,307,826)</u>	<u>(\$2,709,819)</u>
\$4,130,507	\$4,680,092	\$5,350,049	\$5,588,458	\$5,827,476	\$6,239,991
2,795,331	3,113,516	3,107,449	3,677,440	4,043,356	4,057,799
1,079,525	1,252,102	1,521,963	834,981	871,755	917,590
88,195	124,066	266,663	138,986	192,697	680,309
<u>8,093,558</u>	<u>9,169,776</u>	<u>10,246,124</u>	<u>10,239,865</u>	<u>10,935,284</u>	<u>11,895,689</u>
6,137,628	5,868,640	5,854,746	5,081,401	7,627,458	9,185,870
<u>\$6,137,628</u>	<u>\$5,868,640</u>	<u>\$5,854,746</u>	<u>\$5,081,401</u>	<u>\$7,627,458</u>	<u>\$9,185,870</u>

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



(a) 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)

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Revenues				
Property taxes and assessments	\$2,805,223	\$2,862,344	\$2,916,958	\$3,001,995
Property taxes - in lieu (motor vehicle)	1,342,531	1,448,086	1,533,346	1,622,029
Sales taxes	807,904	855,442	930,860	1,072,512
Sales & use tax - in lieu	255,268	253,333	201,338	
Sales tax - 1% local add-on	1,492,885	1,709,913	1,629,441	1,709,325
Franchise fees	823,301	955,183	1,007,135	1,023,530
Real property transfer fees	137,329	149,620	157,140	155,746
Motor vehicle license fees		6,772	6,644	7,398
Planning and permits	477,559	528,548	535,714	476,409
Parks and recreation	362,751	367,478	561,284	457,350
Police services	81,506	72,379	83,766	69,026
Public works services	219,098	255,857	333,965	231,808
Intergovernmental	1,715,536	848,208	745,120	1,990,524
Fines, forfeitures and penalties	31,102	35,500	32,408	47,615
Interest	25,959	36,100	66,920	66,146
Property rentals	29,060	41,285	89,867	92,653
Other revenues	123,761	226,738	3,081,010	589,364
Total Revenues	10,730,773	10,652,786	13,912,916	12,613,430
Expenditures				
Current operations:				
General administration	1,475,191	1,440,996	1,610,798	1,676,824
Planning	628,706	720,128	550,689	686,417
Police	2,450,233	2,493,681	2,537,267	2,564,426
Public works	1,085,423	1,079,345	1,067,553	1,213,060
Parks and recreation	1,125,559	1,146,108	1,187,549	1,220,187
Debt service:				
Principal	366,452	344,926	355,375	365,842
Interest	263,454	381,683	373,960	362,966
Capital outlay	4,901,833	6,170,890	5,101,145	7,287,905
Total Expenditures	12,296,851	13,777,757	12,784,336	15,377,627
Revenues over (under) expenditures	(1,566,078)	(3,124,971)	1,128,580	(2,764,197)
Other Financing Sources (Uses)				
Transfers in	6,515,328	7,410,024	5,365,999	5,114,321
Transfers (out)	(6,515,328)	(7,410,024)	(5,365,999)	(5,114,321)
Proceeds from loan / debt issuance	7,979,947			
Total Other Financing Sources (Uses)	7,979,947	0	0	0
Net Change in Fund Balance	\$6,413,869	(\$3,124,971)	\$1,128,580	(\$2,764,197)
Debt service as a percentage of noncapital expenditures	1.9%	8.0%	9.3%	9.2%

Source: Town of Moraga: Basic Financial Statements

Fiscal Year Ended June 30

2018	2019	2020	2021	2022	2023
\$3,181,741	\$3,285,156	\$3,440,576	\$3,582,193	\$3,741,016	\$4,004,094
1,712,049	1,811,813	1,909,473	2,006,265	2,086,460	2,235,897
1,098,280	1,220,022	1,108,728	1,237,112	1,379,392	1,387,894
1,766,158	1,965,304	1,998,721	2,440,328	2,663,964	2,669,905
1,079,526	1,252,102	1,521,963	834,981	871,755	917,590
191,523	145,553	159,559	283,269	302,425	158,215
9,365	8,156	13,406	12,429	19,431	17,704
812,218	427,719	418,252	514,939	599,684	525,967
613,817	362,254	557,868	499,750	608,327	778,405
71,631	88,023	72,973	50,337	70,128	111,755
221,741	322,141	354,417	393,586	364,298	438,211
5,162,434	3,842,903	4,867,848	6,438,549	5,953,009	6,941,931
41,688	40,328	32,475	21,998	25,374	36,029
88,194	124,062	166,535	39,880	73,639	559,496
95,851	99,277	100,130	99,106	119,058	120,813
619,048	276,302	490,374	209,290	2,467,402	518,398
16,765,264	15,271,115	17,213,298	18,664,012	21,345,362	21,422,304
2,191,396	2,044,802	2,521,018	2,542,246	2,748,297	3,201,897
554,658	617,689	760,404	653,360	676,692	740,576
2,706,935	2,805,252	3,016,816	3,030,934	3,231,081	3,603,086
1,257,506	1,589,154	1,622,055	1,637,962	1,784,367	1,834,810
1,158,078	1,304,221	1,421,420	1,357,792	1,530,762	1,734,210
381,321	375,000	390,000	1,245,000	345,000	355,000
351,238	336,269	321,168	305,569	254,850	241,050
9,731,814	2,679,406	8,738,446	6,097,565	5,462,829	7,473,344
18,332,946	11,751,793	18,791,327	16,870,428	16,033,878	19,183,973
(1,567,682)	3,519,322	(1,578,029)	1,793,584	5,311,484	2,238,331
5,673,699	5,723,806	5,415,525	6,041,418	7,138,461	11,625,458
(5,673,699)	(5,723,806)	(5,415,525)	(6,041,418)	(7,138,461)	(11,625,458)
0	0	0	0	0	0
(\$1,567,682)	\$3,519,322	(\$1,578,029)	\$1,793,584	\$5,311,484	\$2,238,331

7.9% 7.8% 7.0% 14.4% 5.6% 5.1%

Town of Moraga

Assessed Value and Estimated Actual Value of Taxable Property Last Ten 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 Value (2)
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	2.205881
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	2.106347
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
2020-21	4,471,323,704	117,453,317	9,309,888	343,427,969	21,332,231	266,306,530	4,696,540,579	1.092200	6,722,163,499	1.431301
2021-22	4,667,510,410	119,323,796	9,396,051	340,730,586	21,012,256	272,412,354	4,885,560,745	1.097900	10,767,038,162	2.203849
2022-23	5,014,784,887	121,089,073	9,578,363	343,403,296	23,857,373	274,819,848	5,237,893,144	1.091800	13,693,237,873	2.614264

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

*Other value includes unitary amount of \$209,994

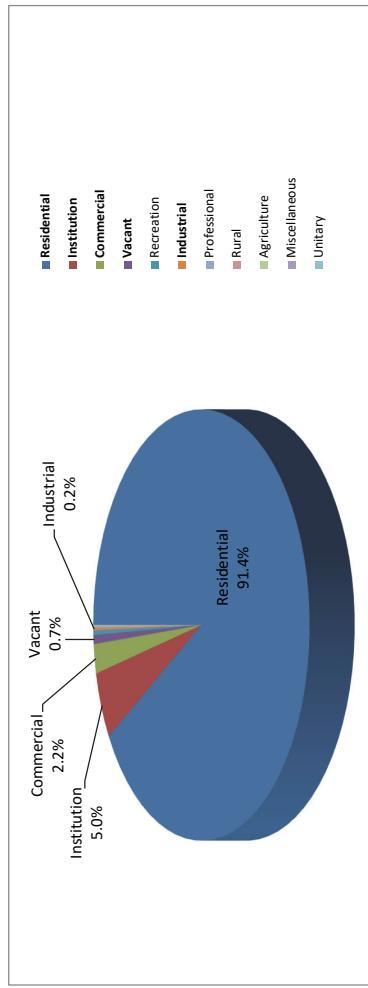
(1.) Total tax rate is represented by TRA 15-002.

(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 Nine Fiscal Years

Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Residential	\$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	\$4,471,323,704	\$4,667,510,410	\$5,014,784,887
Institution	214,305,204	143,503,641	234,248,426	240,107,445	184,977,401	255,492,713	263,942,279	267,786,192	275,051,429	275,348,452
Commercial	95,650,441	97,325,035	101,893,597	104,795,692	105,160,237	110,735,016	112,829,167	117,453,317	119,323,796	121,089,073
Vacant	41,360,919	42,401,862	55,391,943	69,413,408	65,179,598	65,628,242	48,909,262	46,034,727	36,475,742	36,581,257
Recreation	21,677,212	21,768,661	16,725,492	17,647,225	17,938,305	18,203,687	18,482,002	19,115,198	18,558,386	18,900,656
Industrial	8,265,752	8,300,379	10,267,743	8,643,428	8,800,562	8,967,631	9,136,909	9,309,888	9,396,051	9,578,363
Professional	3,325,726	3,313,765	3,761,444	3,818,802	4,237,495	4,748,861	4,843,835	4,996,621	5,093,154	5,035,177
Rural	2,096,956	3,284,442	3,350,060	3,401,144	3,300,255	3,366,256	3,433,578	3,502,244	3,538,523	2,965,669
Agriculture	770,981	775,085	791,024	804,142	820,849	836,808	965,297	985,278	996,714	3,173,493
Miscellaneous	450,476	768,870	784,230	796,602	812,532	828,772	845,345	862,249	871,178	888,598
Unitary	116,479	123,791	123,791	123,791	123,791	145,460	145,460	145,460	145,460	209,954
Gross Secured Value	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	4,941,514,878	5,136,960,843	5,488,855,619
Unsecured Exemptions	21,586,880	20,244,706	19,911,343	20,181,060	20,247,588	19,800,159	19,568,271	21,332,231	21,012,256	23,857,373
Net Assessed Value	\$3,131,002,935	\$3,280,430,188	\$3,581,316,597	\$3,790,771,853	\$4,003,027,807	\$4,238,323,316	\$4,468,404,420	\$4,696,540,579	\$4,885,560,745	\$5,237,893,144



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

Use code categories are based on Contra Costa County Assessor's data

Town of Moraga

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Basic City and County Levy										
TOWN OF MORAGA	0.052732	0.052732	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	0.947268	0.947268
TOTAL 1% BREAKOUT	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
BART	0.007500	0.004500	0.002600	0.003800	0.008400	0.007000	0.012000	0.013900	0.006000	0.014000
EAST BAY REG PK BD	0.007800	0.008500	0.006700	0.003200	0.002100	0.009400	0.001400	0.002000	0.005800	
ACALANES UNION	0.036100	0.035000	0.033200	0.032300	0.032500	0.032300	0.032600	0.032700	0.033600	0.032500
MORAGA ELEM BON	0.026400	0.024300	0.022900	0.022400	0.048300	0.044800	0.045200	0.028100	0.038700	0.023300
COMMUNITY COLLEGE	0.013300	0.025200	0.022000	0.012000	0.011400	0.011000	0.018800	0.016100	0.017600	0.016200
TOTAL OVERRIDE RATE	0.091100	0.097500	0.087400	0.077900	0.102700	0.097200	0.118000	0.092200	0.097900	0.091800
TOTAL TAX RATE	1.091100	1.097500	1.087400	1.077900	1.102700	1.097200	1.118000	1.092200	1.097900	1.091800

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

Rates are not adjusted for ERAF.

TRA 15-002 is represented for this report.

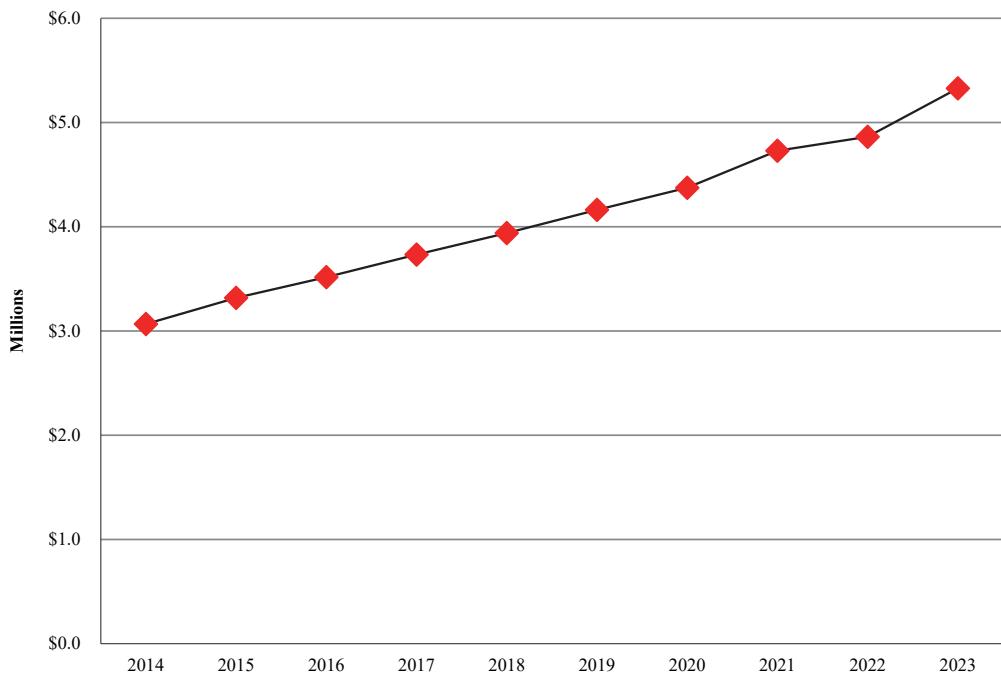
Town of Moraga

Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2022-23		2013-14	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
PWRP-Moraga LP	39,499,993	0.75%		
Russell J Bruzzone Inc	27,004,002	0.52%	21,515,958	0.69%
ASC Moraga LLC	13,924,829	0.27%	12,000,000	0.38%
Vanguard Apartments LLC	12,591,224	0.24%	3,775,633	0.12%
Gage Investment Properties LLC	9,902,060	0.19%		
Markets Angelos	9,311,045	0.18%	6,570,000	0.21%
Bigbury Company N V	9,099,900	0.17%	7,842,279	0.25%
Moraga Country Club Hoa	8,799,804	0.17%		
Moraga Royale LLC	8,290,685	0.16%		
Vio At Moraga LLC	7,188,469	0.14%		
Saiidnia Eztollah	6,074,100	0.12%		
Jaber Philip J Tre	5,960,214	0.11%	5,136,344	0.16%
Comcast Of California I Inc	5,880,970	0.11%		
KN Productions Inc	5,858,395	0.11%	5,048,596	0.16%
Logos Property Investment W	5,583,090	0.11%		
Vrionis Michael G & Maria Tre	4,488,289	0.09%	3,867,877	0.12%
Bruner Barbara M Tre	4,468,280	0.09%		
Kelleher Sheri	4,294,400	0.08%		
Moraga Creekside LLC	4,263,323	0.08%	3,686,440	0.12%
348 Rheem Boulevard LLC	4,225,136	0.08%		
Gage Deborah S Tre	4,137,578	0.08%	3,565,646	0.11%
Zimring Dov & Jennifer Tre	3,971,000	0.08%		
2157 Donald Dr Assoc LLC	3,913,536	0.07%		
Chino Promenade III Inc	3,895,436	0.07%		
Kimball Andrew E & Rachel S	3,855,334	0.07%		
PK I Rheem Valley LP			37,875,751	1.21%
Moraga Enterprise Inc.			9,157,148	0.29%
Gage George Tre			8,399,989	0.27%
GKHB Royale Investments LP			7,603,769	0.24%
Moraga Town Of			7,148,368	0.23%
Moraga Builders Corp			4,988,310	0.16%
Roman Catholic Bishop Oakland			4,831,418	0.15%
Moraga Cc Holdings LLC			3,746,849	0.12%
AAAAA Rent A Space Moraga Ltd.			3,344,786	0.11%
Beeri Giora			3,191,948	0.10%
Wang Judy			3,132,667	0.10%
Puri Mahesh K Minoo			3,042,000	0.10%
Bonardi Michael P Deborah J			2,696,000	0.09%
Gerold Charles M Adriana Tre			2,531,062	0.08%
Doyle Patrick K Tre			2,524,958	0.08%
Total Top 25 Taxpayers	216,481,092	4.13%	177,223,796	5.66%
Total Taxable Value	5,237,683,150	100.00%	3,130,886,456	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	Percent of Total Tax Collections to Tax Levy	
		(a)	(b)
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	4,162,058	100%	
2020	4,374,049	100%	
2021	4,729,061	100%	
2022	4,862,942	100%	
2023	5,327,388	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, 2021**

	Rate
California State Tax	6.00%
Contra Costa County Tax	0.25%
Town of Moraga Tax	1.00% (b)
Bay Area Rapid Transit (BART)	0.50%
Contra Costa Transportation Authority (CCTA)	0.50%
County of Contra Costa Transactions and Use Tax (CCTU)	0.50%
Town of Moraga Local Transaction and Use Tax (a)	1.00%
Total	<hr/> 9.75%

(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

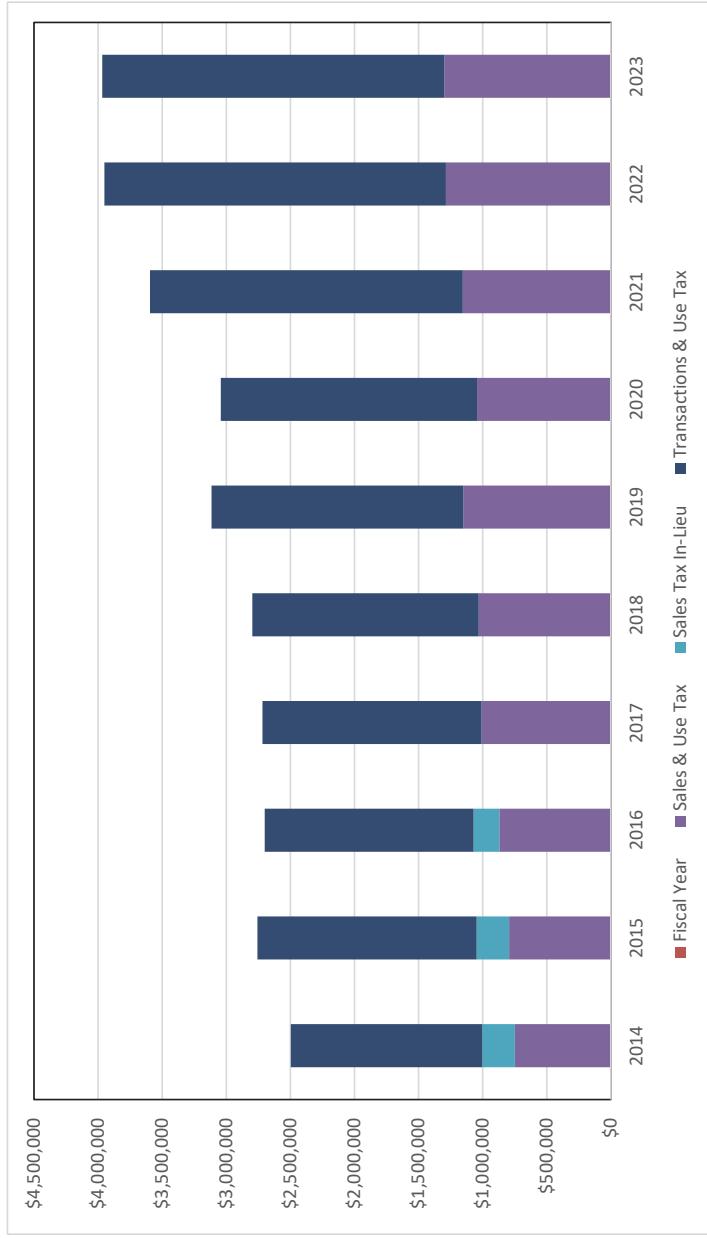
Town of Moraga

Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

Taxpayer	Business Type	Taxpayer	Business Type
2022-23		2013-14	
7-Eleven Food Stores	Food Markets	7-Eleven Food Stores	Food Markets
Arco AM/PM Mini Marts	Service Stations	Arco AM/PM Mini Marts	Service Stations
Canyon Club Brewery	Food Processing Eqp	Asia Palace Restaurant	Restaurants
Chevron Service Stations	Service Stations	Blue Cat	Health & Government
CVS Pharmacy	Drug Stores	Chevron Service Stations	Service Stations
Dollar Tree Stores	Department Stores	CVS Pharmacy	Drug Stores
Dover Saddlery	Recreation Products	Dollar Tree Stores	Department Stores
Wedgewood Weddings	Restaurants	Homegoods	Furniture/Appliance
Homegoods	Furniture/Appliance	Homegoods	Restaurants
Kimberley Harrison Interiors	Miscellaneous Retail	Jack In The Box Restaurants	Restaurants
Moraga Auto Care & Service	Auto Parts/Repair	La Penne Pizza Pub & Pizza	Restaurants
Moraga Country Club	Miscellaneous Retail	Lamorinda Gasoline & Auto Repa	Service Stations
Moraga Hardware & Lumber	Auto Parts/Retail	Mc Caulou Department Store	Department Stores
Moraga Service Center	Service Stations	Moraga Auto Care & Service	Auto Parts/Repair
Moraga Star Service Stations	Service Stations	Moraga Country Club	Restaurants
Moraga Wines & Spirits	Service Stations	Moraga Hardware & Lumber	Bldg. Matis-Retail
Nations Giant Hamburgers	Service Stations	Moraga Star Service Stations	Service Stations
Outdoor Supply Hardware	Service Stations	Moraga Wines & Spirits	Liquor Stores
Pumping Essentials	Restaurants	Nations Giant Hamburgers	Restaurants
Safeway Stores	Bldg. Matis-Retail	Orchard Supply Hardware	Bldg. Matis-Retail
Sodexo America	Light Industry	Proforma Element3	Business Services
Sushi Fighter	Food Markets	Safeway Stores	Food Markets
Taco Bell	Restaurants	Saint Mary's College Bookstore	Miscellaneous Retail
TJ Maxx	Apparel Stores	Sodexho Marriott Management	Restaurants
Valero Service Stations	Service Stations	TJ Maxx	Apparel Stores
		Tuesday Morning	Miscellaneous Retail

Source: MuniServices, LLC / Avenu Insights & Analytics

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



(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*

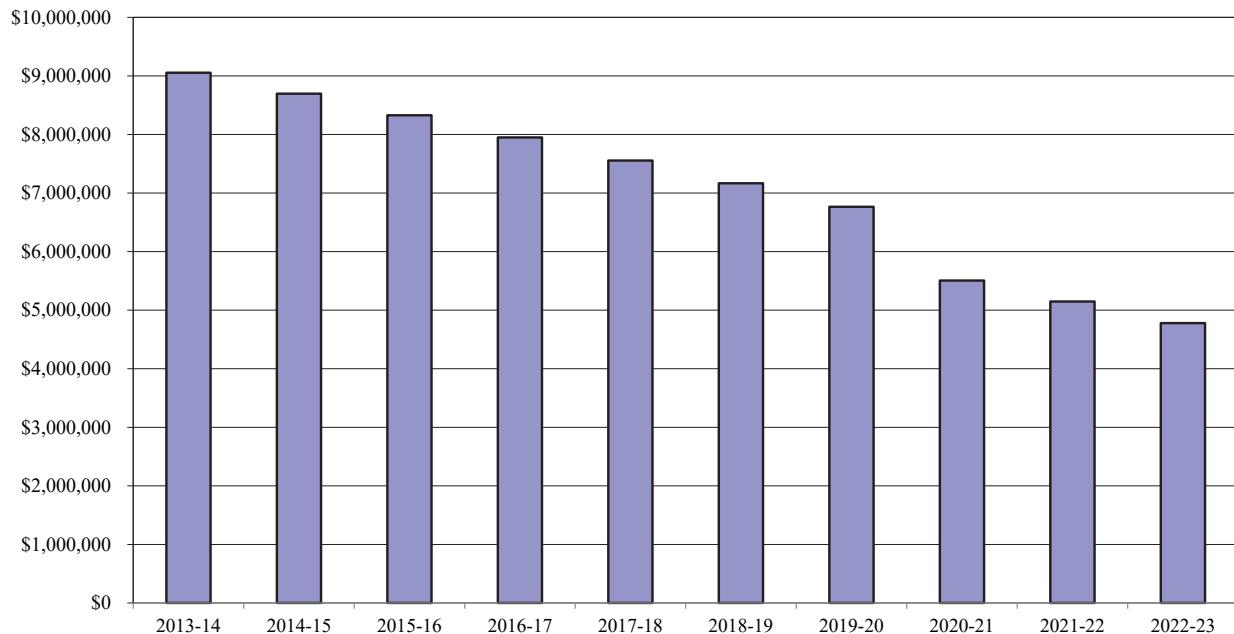
TOWN OF MORAGA
TAXABLE RETAIL SALES
(Dollars in Thousands)

Year	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2014 (a)	214	\$83,425	306	\$92,997
2015 (a)	211	80,531	335	90,281
2016 (a)	210	78,532	340	88,058
2017 (a)	207	78,332	333	90,380
2018 (a)	202	82,664	347	97,946
2019 (a)	192	79,379	343	92,499
2020 (a)	188	69,443	343	80,657
2021 (a)	188	86,297	329	97,652
2022 (a)	199	95,575	349	107,939

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

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

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



Fiscal Year	Governmental Activities			Percentage of Personal Income (a)	Per Capita (a)
	Certificates of Participation	Notes and Loans Payable	Total Governmental Activities		
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
2020-21	5,505,971	0	5,505,971	0.40%	327.35
2021-22	5,147,974	0	5,147,974	0.32%	300.96
2022-23	4,779,977	0	4,779,977	0.26%	282.96

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

Source: *Town of Moraga: Basic Financial Statements*

TOWN OF MORAGA

2022-23 Assessed Valuation: \$5,261,442,550

	Total Debt 6/30/23	% Applicable (1)	Town's Share of Debt 6/30/23
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit District	\$2,484,285,000	0.552%	\$13,713,253
Contra Costa Community College District	649,015,000	2.092	13,577,394
Acalanes Union High School District	131,369,470	11.771	15,463,500
Moraga School District	28,200,000	97.886	27,603,852
Orinda Union School District	86,285,000	0.239	206,221
East Bay Regional Park District	175,955,000	0.874	<u>1,537,847</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$72,102,067
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Contra Costa County General Fund Obligations	\$193,515,000	2.085%	\$ 4,034,788
Moraga School District General Fund Obligations	6,961,673	97.886	6,814,503
Orinda Union School District General Fund Obligations	2,365,000	0.239	5,652
Town of Moraga Certificates of Participation	4,792,947	100.	4,792,974 (2)
Moraga-Orinda Fire Protection District General Fund Obligations	2,350,000	36.810	<u>865,035</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$16,512,952
Less: Contra Costa County Obligations supported by revenue funds			<u>1,061,877</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$15,451,075
TOTAL DIRECT DEBT			\$4,792,974
TOTAL GROSS OVERLAPPING DEBT			\$83,822,045
TOTAL NET OVERLAPPING DEBT			\$82,760,168
GROSS COMBINED TOTAL DEBT			\$88,615,019 (3)
NET COMBINED TOTAL DEBT			\$87,553,142

- (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) Includes 6/30/22 unamortized premium of \$142,974.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.37%
Total Direct Debt (\$4,792,974).....	0.09%
Gross Combined Total Debt	1.68%
Net Combined Total Debt.....	1.66%

Source: Avenu Insights & Analytics
California Municipal Statistics, Inc.

TOWN OF MORAGA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2023

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$5,237,893,144</u>
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$196,420,993</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>\$196,420,993</u>
--------------------------	----------------------

- (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 Ten Fiscal Years

Fiscal Year	Population		Per Capita		Public School		County		City		County Population
	(1)	Personal Income	Personal Income (2)	Median Age	Enrollment (3)	Unemployment Rate (%) (4)	Unemployment Rate (%) (4)				
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
2020-21	16,820	1,367,263,487	81,288	43.2	1,769	8.9	5.2				1,153,854
2021-22	17,105	1,597,078,969	93,369	42.2	1,724	2.7	2.5				1,156,555
2022-23	16,893	1,839,740,780	108,906	41.4	1,735	3.7	3.4				1,147,653

Source: MuniServices, LLC / Avenu Insights & Analytics

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau.
- 3.) Student Enrollment reflects the total number of students enrolled in the Moraga School District only. Any other school districts within the City are not accounted for in this statistic.
- 4.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

Town of Moraga

Principal Employers
Last Fiscal Year and Three Year Ago

Business Name	2022-23		2019-20	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
St. Mary's College of California*	1,000	14.08%	824	11.61%
Moraga Unified School District*	310	4.37%		
Moraga Country Club	189	2.66%	67	0.94%
Bright Star Care Home Care	175	2.46%	170	2.39%
Safeway	124	1.75%	118	1.66%
Campolindo High School*	99	1.39%	91	1.28%
Aegis Living Moraga	70	0.99%	63	0.89%
Moraga Post Acute	59	0.83%	59	0.83%
TJ Maxx	55	0.77%	42	0.59%
Moraga Gardens Farm	39	0.55%	50	0.70%
Outdoor Supply Hardware			47	0.66%
 Total Top Employers	 2,120	 29.86%	 1,531	 21.56%
 Total Labor Force (1)	 7,100		 7,100	

Source: MuniServices, LLC / Avenu Insights & Analytics

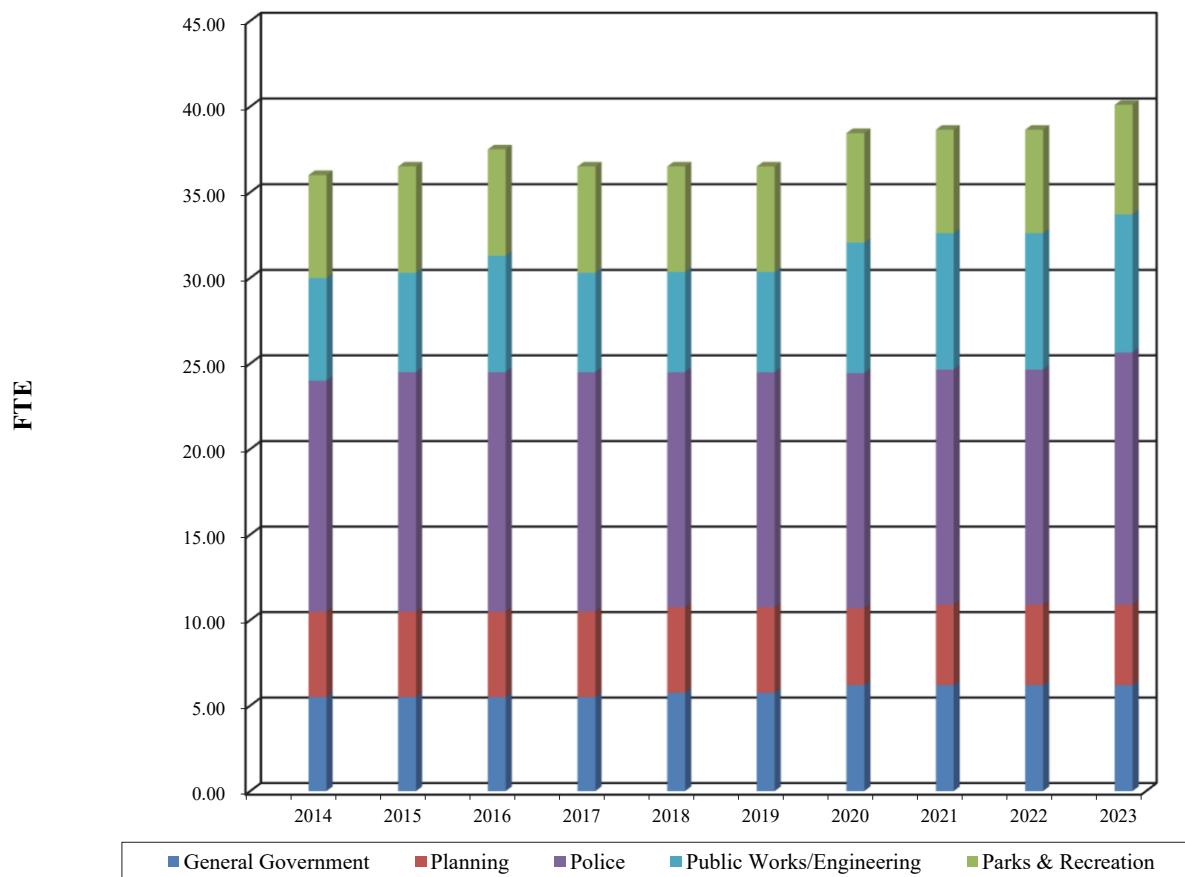
Source: 2019-20 Fiscal Year Comprehensive Annual Financial Report

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

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

(1) Total City 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Crime by type:										
Homicide	0	0	0	0	1	0	0	0	0	0
Forcible Rape	4	1	1	1	2	0	0	2	1	2
Robbery	0	0	2	2	2	2	0	0	2	3
Assault	30	19	20	14	14	5	9	14	34	19
Burglary	39	33	41	24	12	19	10	17	38	37
Larceny	90	104	136	95	72	36	64	66	101	78
Motor Vehicle Theft	21	12	24	24	8	4	8	6	8	20
Total crime by type	193	169	224	160	111	66	91	105	184	159
Public Works										
Potholes repaired (square miles)	140	140	140	140	140	140	121	121	104	100
Street Sweeping (miles)	104	108	104	104	112	112	112	112	112	112
Volume of material removed (cubic yards)	65	80	75	75	80	80	90	80	80	70
Storm Drains:										
Catch basins cleaned	15	16	18	15	18	18	19	15	16	16
Volume of material removed (cubic yards)	10	8	10	10	11	11	12	9	10	10
Community Facilities										
Parks and recreation class offerings	(b)	162	176	165	165	119	137	166	102	166
Parks and recreation class participants	(b)	2,046	2,214	1,843	1,713	1,135	1,611	2,073	963	2,299

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

(a) 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	(b)	2	2	2	2	2	2	2	2	2
Public Works										
Streets (miles of)	56	56	56	56	56	56	56	56	56	56
Street lights	976	976	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054
Traffic signals	(c)	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Storm drains pipes (miles of)	30	45	45	45	45	45	45	45	45	45
Storm drainage inlets	1,824	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350
High Visibility Crosswalks	2	2	2	2	2	2	2	2	2	2
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

(a) FY 2012-13 was the Town's first ACFR 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