



Town of Moraga

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024**

Town of Moraga, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



Prepared by the Administrative Services Department

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Town of Moraga

December 2, 2024

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 Fiscal Year 2023-24 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, 2024. 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 issuance.

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 Town's financial position and results of operations.

The Town's financial statements were audited by Maze & Associates, a full-service independent and certified public accounting firm based in Pleasant Hill, California. The purpose of the independent audit is to provide reasonable assurance that the Town's financial statements are free of material misstatement. This 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 and the Basic Financial Statements.

Town Profile

The Town of Moraga is located in Contra Costa County, approximately 22 miles east of San Francisco. The Town encompasses an area of approximately 9.5 square miles. It was originally part of the Rancho Laguna de Los Palos Colorados, granted in 1835 by the Mexican government to cousins Joaquin Moraga and Juan Bernal for military services rendered. The Town has a population of approximately 16,700.

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TRANSMITTAL LETTER

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 approximately 3,000 undergraduate and graduate students. In 2024, Saint Mary's College of California ranked #6 in Regional Universities West by U.S. News and World Report. The Town's one public high school, Campolindo High School, is ranked #257 in the nation and #32 in California. Town residents enjoy award-winning elementary and middle schools, access to open space, walking trails, an array of recreational opportunities, and diverse employment opportunities throughout the San Francisco Bay Area.

Form of Government

The Town of Moraga was incorporated as a General Law City, as the City of the Town of Moraga, on November 12, 1974. The November 1974 election resulted in 59% of the 6,216 voters favoring incorporation. The Town operates under a Council-Manager Form of Government and is governed by a Town Council of five community members elected at-large. Each Councilmember position has a term of four years. Council elections are held biennially in November of even-numbered years, with the number of open seats to be filled alternating between two and three seats each election cycle. The position of Mayor is filled by one of the members of the Council who is selected annually to serve in that position for one year by the full Town Council.

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

The Town Council established the Audit and Finance Committee (AFC) to consider and make recommendations on matters relating to finance, budget, and audits. This Committee is comprised of two members of the Town Council and three Council-appointed citizens, one of whom serves as Town Treasurer. Staff provides the Town Council and AFC with reports, such as the ACFR and biennial budget, and specifically requested financial analysis.

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TRANSMITTAL LETTER

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), 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). RecycleSmart provides solid waste and residential recycling services. Contra Costa County provides library services within the Town owned and maintained library building.

Economic Condition and Outlook

With most of the impacts from the lingering COVID-19 Pandemic in the rearview mirror, the Town of Moraga has shifted to the “new normal” in terms of how the economy works and how municipal services are provided to the community. The Town has returned to holding in-person meetings and engaging in face-to-face meetings with residents and local businesses. At the same time, telecommuting and the use of virtual meeting formats continue to be deployed when it is more effective and economical to do so. The Town Council adopted a biennial budget that supports Townwide goals and priorities, ensures adequate reserve levels, contains operating costs to the extent possible, and continues to fund infrastructure rehabilitation and maintenance.

Property Tax

Property tax revenue is the single largest source of revenue for the Town, comprising approximately 51% of all General Fund revenues. Property taxes have remained relatively stable even during the historic upswings and downturns in the economy. 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, property tax increases on any given property are limited to no more than 2% of assessed value per year if a property is not sold. Property taxes continued to grow in FY2023-24, with revenues coming in about 4% higher than the prior fiscal year.

The Town receives among the lowest proportional share of property tax dollars paid of any municipality in Contra Costa County, approximately 5.2% of every property tax dollar paid by its property owners. 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 a share of property tax revenue would need to agree to reduce their proportional shares and the state legislature would need to approve the changes.

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TRANSMITTAL LETTER

Sales Tax

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 (Measure K), sales tax proceeds have increased significantly as a percentage of total revenue for the Town. 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 2023-24, Bradley-Burn's 1% Sales Tax receipts totaled \$1.3 million, while the local sales tax receipts totaled just over \$2.6 million. The Town's Sales Tax revenues have remained relatively flat since 2022, with sales tax staying relatively flat in FY2023-24 compared to the prior year. This is in part due to the following factors:

- Price (inflation) becoming a bigger concern for consumers Statewide
- Federal Fund's interest rate increases throughout 2023
- Supply chain issues continued to disrupt sales
- Business challenges include finding and retaining employees, with food service, hospitality, and retail trade most impacted.

FY 2023-24 Year End Results

For FY 2023-24, the Town's General Funds ended the year with a net decrease in fund balance of \$111,972. This is primarily due to the transfer out of the Town's Section 115 Pension Trust from the General Fund to an Internal Service Fund. The unassigned funds (revenues in excess of expenditures, after transfers and encumbrances) reflected in Note 10 total \$8,293,284. Factors contributing to this are explained as follows:

- Revenues came in higher than budget by \$330,489, primarily due to interest income exceeding budget by \$365,000. This was due to a favorable interest rate environment.
- Expenditures came in lower than budget by \$832,627, with expenditure savings resulting from vacancies and operations and maintenance expenditure savings.

With an unassigned General Fund balance of \$8.3 million, the Town exceeds the 50% General Fund Reserve Policy, which requires the Town to maintain a General Fund unassigned fund balance of 50% of General Fund operating expenditures. Per the Town's Reserve Policy, adopted in 2015, any year-end unassigned fund balance over the reserve requirement will be transferred to the Asset Replacement Fund.

In summary, the Town continues to see growth in some revenue areas. However, inflationary costs warrants cautious optimism. The increase in expenditures over time may begin to outpace revenues as pension costs continue to rise over the next several years.

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Pension (CalPERS) Liability

Pension costs remain one of the Town's most significant cost drivers and financial challenges. Since 2012, CalPERS continued to adjust its funding methodology in an attempt to stabilize its pension portfolio, primarily around the assumed rate of return and demographic assumptions (including life expectancy). Changes to these assumptions have a direct impact on employer costs.

The Town's net pension liability increased in FY 2023-24 from \$9.25 million to \$10 million (Note 9 to the Financial Statements). This increase was primarily due to a lower than anticipated return on investments in FY 2022-23 of approximately 5.8% compared to the expected discount rate of 6.8%, which affected the valuations as of June 30, 2023, and are reflected in the actuarial reports issued June 30, 2024. While the Town makes all required contributions, including payments on the unfunded liability, assumption changes and investment returns on plan assets also impact the Town's liability.

In October 2022, the Town Council established an IRS Section 115 Irrevocable Pension Trust with an initial contribution of \$1.5 million. The market value of the Pension Trust was \$1.69 million as of June 30, 2024. Investments in the Trust will be used by the Town in future years to help mitigate the impact of projected pension contribution increases.

Town Goals & Priorities

The Town Council establishes goals and priorities on an annual basis. On February 22, 2023, the Town Council adopted the Town Council and Community Goals and Priorities for 2023.

1. 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.
2. Maintain fiscal discipline, position the Town for long-term fiscal sustainability, and efficiently sustain core operations of the Town and services to our residents.
3. Complete the second year of the 2022-2024 "Worst Streets First" Pavement Reconstruction Project.
4. Continue the Storm Drain Operations and Maintenance Program and complete 2021-2023 storm drain capital improvement projects.
5. Support high-quality police and emergency response services, including securing energy alternatives for emergencies, and coordinate with MOFD on fire safety and planning.
6. 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.
7. 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.

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8. Work with the Moraga Chamber of Commerce, Saint Mary's College, and our local school districts to enhance Moraga's business and education climate.
9. Continue outreach to the public and provide opportunities for input from all segments of the community.
10. Continue to work with Wedgewood to enhance the Hacienda and address the impacts of operations on the neighborhood.
11. Onboard the new Town Manager with minimum disruption to staff and to operations, and collaboratively streamline Town Council meetings.
12. 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 in the Town's Facility Energy Generation Study.
13. Conduct a Town Council/Town Manager session focused on effectiveness and organizational competency.
14. Initiate the process of amending the Townwide Noise Ordinance.

Town Accomplishments

Over Fiscal Year 2023-24, the Town accomplished the following notable achievements:

- In December 2023, the Town received a AAA rating from Standards and Poor.
- The Town refinanced the 2013 Certificates of Participation to realize lower interest rates on Town issued debt.
- The Administrative Services Department received the Government Finance Officers Association Budget Award for the FY 2023-24 and FY2024-25 Biennial Budget Book.
- In September 2023, the State approved the Town's Housing Element.
- Parks and Recreation coordinated with community groups, non-profits, and Saint Mary's College to complete community service projects.
- In partnership with the community, the Town planned for the Town's 50th Anniversary of incorporation and related celebratory events.
- The Planning Department held over 30 community meetings as part of the process to update the Town's General Plan.
- The Public Works Department initiated construction on the Town's "Worst-First" pavement management project, funded by Measure K, designed to rehabilitate all residential streets with a Pavement Condition Index of under 50.

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TRANSMITTAL LETTER

Financial Policies and Practices

Budgetary Policy and Control

The Town's biennial budget 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 biennial budget before July 1 of each budget cycle.

As of July 1, 2023, the Town moved to a Biennial Budget. 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.

Internal Controls

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

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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 (GAAP). This is supported by the independent auditor's "clean" report of the Town's financial statements for the year ended June 30, 2024.

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 budget development process.

As part of the budget process, the Town Council reviews and approves a Long-Term Financial Plan that serves as a strategic tool to manage the Town's financial resources. 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.

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, 2023. 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.

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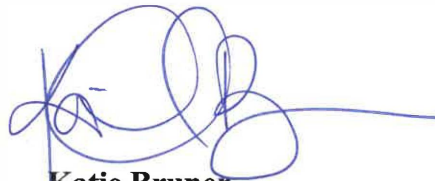
Acknowledgments

The preparation of this Annual Comprehensive Financial Report was made possible by the year-round and dedicated efforts of the entire Administrative Services Department working in conjunction with Maze & Associates, the Town's independent auditors. Special thanks are extended to Sylvia Wells, Senior Accountant, Donna Sullivan, Administrative Services Technician, and Steven Thomason, Accounting Technician, 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 in planning and conducting the financial operations of the Town responsibly and prudently.

Respectfully submitted,



Scott Mitnick
Town Manager



Katie Bruner
Administrative Services Director



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

TOWN COUNCIL

Teresa Onoda, Mayor
Steve Woehleke, Vice-Mayor
Renata Sos, Councilmember
David Shapiro, Councilmember
Kerry Hillis, Councilmember

AUDIT AND FINANCE COMMITTEE

Bob Kennedy, Town Treasurer/Chair
Amy McLellan, Committee Member
Minshu Liu, Committee Member
Teresa Onoda, Mayor
Steve Woehleke, Vice-Mayor

TOWN MANAGER

Scott Mitnick

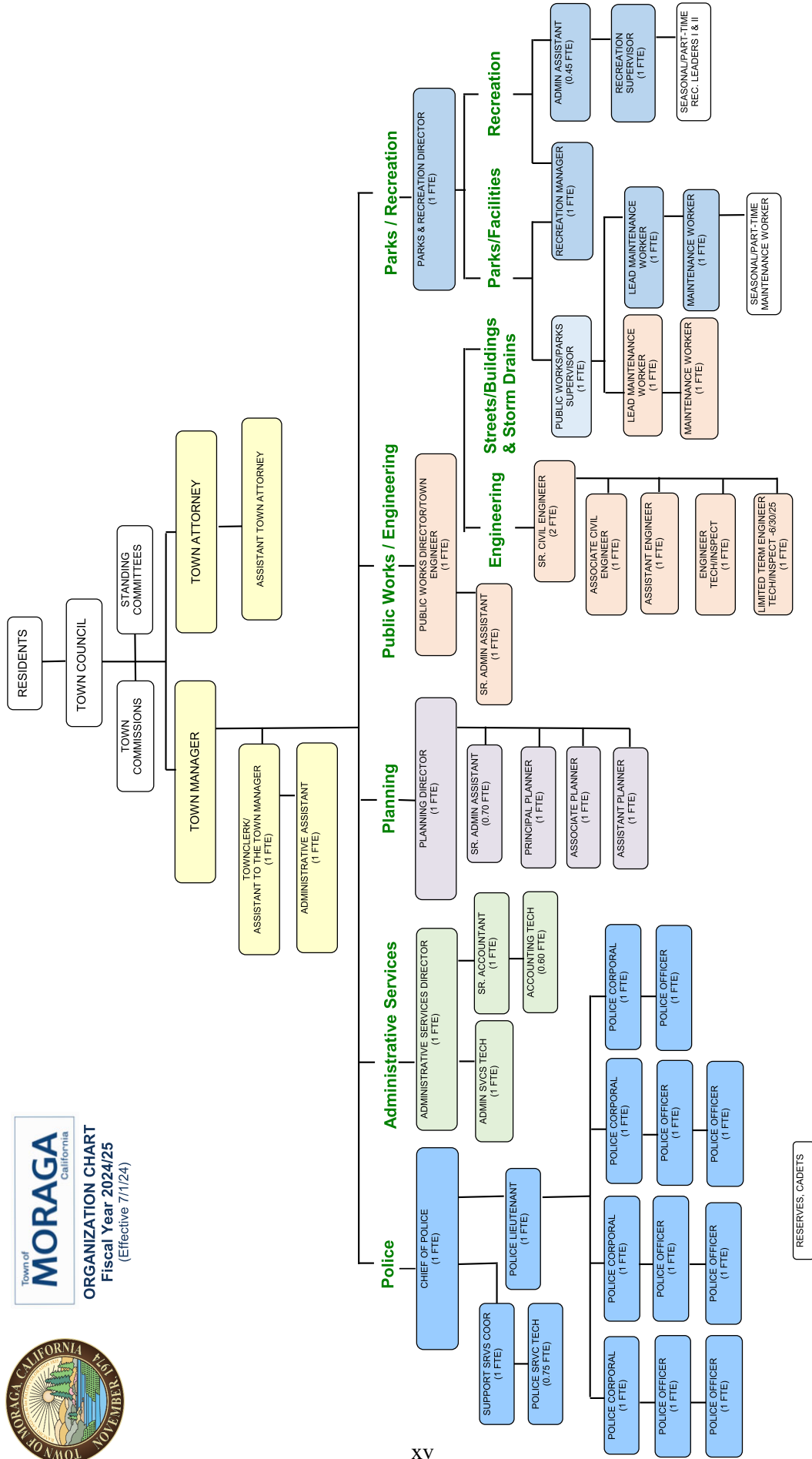
DEPARTMENT DIRECTORS

Afshan Hamid, Planning Director
Katie Bruner, Administrative Services Director
Jon King, Chief of Police
Mackenzie Brady, Parks and Recreation Director
Shawn Knapp, Public Works Director/Town Engineer
Amy Heavener, Town Clerk



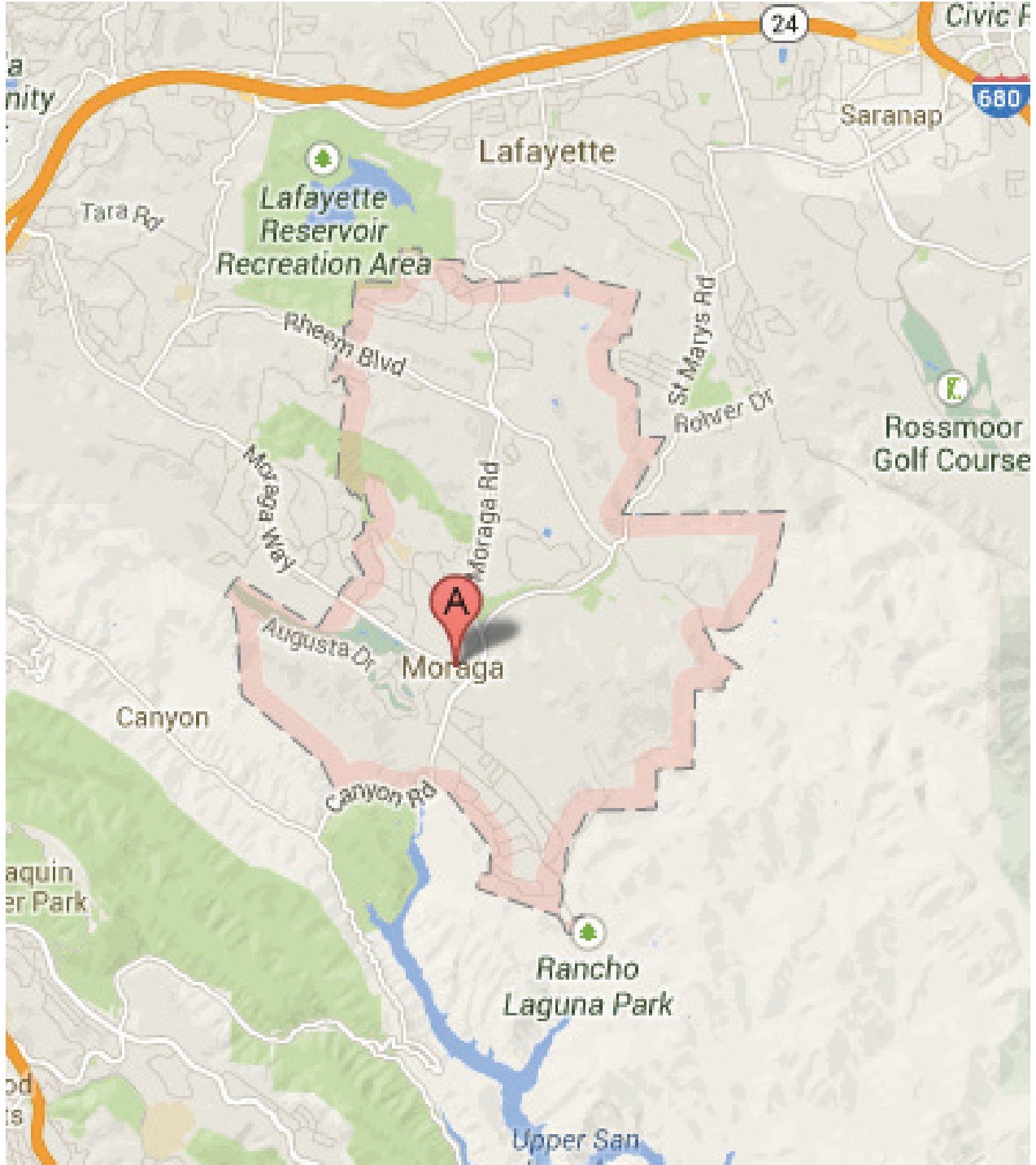
Town of MORAGA
California

ORGANIZATION CHART
Fiscal Year 2024/25
(Effective 7/1/24)



Town of Moraga
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

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, 2023

Christopher P. Morill

Executive Director/CEO

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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, 2024, 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, 2024, 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.

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 2, 2024, 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.

A handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California
December 2, 2024

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Fiscal Year Ended June 30, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

As management of the Town of Moraga (Town), we offer readers this narrative overview of the Town's financial statements for the fiscal year ended June 30, 2024. 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.

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,
- Required Supplementary Information, 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.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

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.

The *Statement of Activities* presents the Town’s revenue and incurred expenses for the year ended June 30, 2024. 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.

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, Proprietary, 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.

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 41-71 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information, such as the budgetary comparison information on the Town’s General Fund and each of the Town’s special revenue funds. The schedule of changes in the Town’s proportion of net-pension liability, and schedules of the Town’s pension contributions to each plan are also included in this section. This information is intended to furnish additional detail to support the basic financial statements.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

Highlights for the fiscal year ended June 30, 2024 are noted as follows:

1. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of Fiscal Year (FY) 2023-24 with a Total Net Position of \$90.99 million (*Statement of Net Position, page 20*). Of this amount, \$11.25 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 \$22.76 million (*Governmental Funds – Balance Sheet, pages 24-25*), consisting of the components detailed in Table 1:

Table 1.
Governmental Funds Balance FY2023-24

Non-spendable	\$46,482
Restricted	5,127,246
Committed	6,540,498
Assigned	2,755,954
Unassigned (Reserve)	8,289,255
Total Fund Balance at June 30, 2024	\$22,759,435

3. The Town's General Fund has a combined Total Fund Balance of \$11.14 million (*General Fund Combining Balance Sheets, page 82*), of which \$8.34 million is General Purpose and \$2.78 million is Palos Colorados Developer Fees 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.

Government-Wide Activities

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, 2024. As noted earlier, the Town's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$90.99 million. This compares to a net position of \$87.36 million in the prior year ended June 30, 2023, an increase of \$3.63 million, or 4.16%. This increase is attributed to the Town's change in assets and primarily due to the timing of expenditures related to capital projects.

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 FY 2023-24. Table 2 provides a summary of the Town's net position at June 30, 2024, compared to the prior year.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Table 2.
Statement of Net Position, FY 2022-23 Compared to FY 2023-24

	FY 2022-23	FY 2023-24	% Change
Assets			
Capital Assets	\$76,790,554	\$77,453,349	0.86%
Other Assets	28,758,603	30,774,746	7.01%
Total Assets	105,549,157	108,228,095	2.54%
Deferred Outflow of Resources			
Related to Pensions	4,290,436	4,201,842	-2.06%
Total Deferred Outflow	4,290,436	4,201,842	-2.06%
Liabilities			
Current Liabilities	3,279,657	2,666,489	-18.70%
Noncurrent Liabilities	13,967,846	14,481,985	3.68%
Total Liabilities	17,247,503	17,148,474	-0.57%
Deferred Inflow of Resources			
Related to Leases	3,835,220	3,527,698	-8.02%
Related to Pensions	1,396,016	757,086	-45.77%
Total Deferred Inflow	5,231,236	4,284,784	-18.09%
Net Position			
Invested in Capital	71,923,018	72,922,208	1.39%
Restricted	6,000,567	6,822,097	13.69%
Unrestricted	9,437,269	11,252,374	19.23%
Total Net Position	\$87,360,854	\$90,996,679	4.16%

Of the Town's Total Net Position, 80% or \$72.92 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 7.5% or \$6.82 million of the net position is restricted for capital projects, debt service and special revenue projects, and 12% or \$11.25 million of the Town's net position is unrestricted.

The governmental activities total liabilities of \$17.15 million represent outstanding obligations for operations, capital projects, deposits held for development projects, long-term debt and net pension liability. A portion of the governmental activities net position represents resources that are subject to restrictions on how they may be used. Total liabilities decreased by about \$99,000 or less than 1% from FY 2022-23 compared to FY 2023-24.

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, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Statement of Activities

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). Table 3 is information from the *Statement of Activities* presented in an alternative format and comparing the Town's activities at the end of FY 2023-24 with that of prior year.

Table 3.
Statement of Activities FY 2022-23 Compared to FY 2023-24

	FY 2022-23	FY 2023-24	% Change
Program Revenues:			
Charges for Services	\$2,525,055	\$2,896,454	14.71%
Operating Grants and Contributions	2,418,050	2,210,181	-8.60%
Capital Grants and Contributions	4,583,510	975,495	-78.72%
Total Program Revenues	9,526,615	6,082,130	-36.16%
General Revenues:			
Property Taxes	6,239,991	6,504,022	4.23%
Sales Taxes	4,057,799	4,042,457	-0.38%
Franchise Fees	917,590	953,909	3.96%
Interest	680,309	1,096,121	61.12%
Other			
Total General Revenues	11,895,689	12,596,509	5.89%
Total Revenues	21,422,304	18,678,639	-12.81%
Program Expenses:			
General Administration	3,313,148	3,536,993	6.76%
Planning	631,532	891,736	41.20%
Public Safety	2,836,278	3,677,948	29.68%
Public Works	3,499,822	4,686,815	33.92%
Parks and Recreation	1,727,601	2,154,818	24.73%
Interest on Long Term Debt	228,053	94,504	-58.56%
Total Expenses	12,236,434	15,042,814	22.93%
Change in Net Position	9,185,870	3,635,825	-60.42%
Net Position, Beginning of the Year	78,174,984	87,360,854	11.75%
Net Position, End of the Year	\$87,360,854	\$90,996,679	4.16%

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

When compared to the previous year, overall total revenues decreased by \$2.74 million or approximately 13%. A significant portion of the decrease is in Program Revenues and is primarily due to the final receipt of American Rescue Plan Act (ARPA) funds in the prior fiscal year. Additionally, one-time capital grants and grant revenue can fluctuate from year to year depending on the timing of grant funded projects. Total General Revenues increased by 5.9% from the prior year. Significant changes in General Revenues compared to prior years include:

- Charges for services, which includes planning and public works fees, as well as fees charged for recreational programs increased by \$371,000 or approximately 15%,
- Property taxes increased by about \$265,000 or 4%, due to increases in assessed property values, and
- Interest revenues increased by approximately \$400,000 or 61%, due to favorable interest rates on the Town's bank accounts.

Expenditures

Overall expenses as shown in the Statement of Activities increased by 23% or \$2.81 million. Public Safety and Public Works had the largest increases in expenditures. Increases in expenditures are due to Departments being fully staffed during FY 2023-24, an increase in insurance premiums, and expenditures related to the update of the Town's General Plan. Additionally, interest on long term debt decreased by \$133,549 (59%) due to the refinancing of the Town's 2013 Certificates of Participation in December 2023.

Fund Financial Statements and Financial Analysis

Fund Financial Statements provide more information about the Town's finances by fund group. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental, proprietary, or fiduciary. 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

Governmental Funds include the General Fund group, which is comprised of the Town's discretionary resources (e.g., property taxes, sales and use taxes, franchise fees) and functions as the general operating fund. The General Fund group includes the General Purpose Fund, One-Time Developer Fee Fund (i.e., Palos Colorados funds) and Deposit Funds.

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.
- **Construction in Progress Fund** – established to capture all capital project expenditures and corresponding revenues.
- **Debt Service Funds** – accounts for the proceeds from and the annual debt service payments for the 2013 and 2023 Certificates of Participation.

TOWN OF MORAGA
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MANAGEMENT DISCUSSION AND ANALYSIS

- **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, Art in Public Spaces, ARPA, Grants, and Advance Planning Fees 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, 2024, the Town's Governmental Fund types included combined ending fund balance of \$22.76 million. Of that total, 22.5% or \$5.13 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), 28.7% or \$6.54 million is committed (i.e., constrained by formal action of the Town Council), and 12.11% or \$2.76 million is classified as assigned as of June 30, 2024.

The Town's unassigned General Purpose Fund balance is \$8.29 million of the total combined fund balance. This amount represents 75% of the actual General Fund expenditures of \$11.09 million for the year ended June 30, 2024, exceeding the required reserve of 50% of the General Purpose Fund operating expenditures.

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 2023-24 actual revenue and expenditure activity. A summary of net changes by fund group is shown in Table 4.

Table 4.
Summary of Net Changes to Fund Balance by Fund Group

Fund Balance	General Fund	Measure K Local Funding	Construction in Progress	Debt Service	Other Gov't Funds	Total Gov't Funds
Beginning Fund Balance	\$ 11,253,991	\$ 197,602	\$ 4,689,138	\$ 347,370	\$ 5,025,933	\$ 21,514,034
Ending Fund Balance	11,142,019	2,755,954	3,084,297	29,429	5,747,736	22,759,435
Net Change	\$ (111,972)	\$ 2,558,352	\$ (1,604,841)	\$ (317,941)	\$ 721,803	\$ 1,245,401

TOWN OF MORAGA
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MANAGEMENT DISCUSSION AND ANALYSIS

The total fund balance of the Town increased by \$1.25 million or 6%. The increase can be attributed in part to an increase in Measure K funds.

The Measure K Fund was accounted for separately beginning in FY 2020-21 to better track the one-cent added local sales tax. The increase in the fund balance is due to the timing of capital project expenditures for projects that are planned and in progress, but not yet fully expended.

The balance of the Construction in Progress Fund decreased by 34% or \$1.6 million. The decrease in the fund balance was primarily due to the timing of capital project expenditures.

The fund balance of the Debt Service Fund decreased by 92% or \$318k due to the refinancing of the 2013 Certificates of Participation in December 2023.

The fund balance of the Other Government Funds increased by 14% or about \$722,000 due to increases in Gas Tax, Measure J, and Refuse Vehicle Impact Fee funds.

Proprietary Funds

The Town's single Proprietary Fund is an Internal Service Fund used to account for funds deposited into an irrevocable trust for the purpose of funding pension costs. While the Town established its Section 115 Pension Trust in December 2022, this fund was established in FY 2023-24. As of June 30, 2024, this fund had an ending net position of \$1,694,851. The entire net position is classified as restricted, as the funds can only be used for pension costs.

General Fund Budgetary Highlights

General Fund actual revenues exceeded the final amended budget by about \$330,000 (3%) primarily due to Interest, Property Taxes, and Public Works services. General Fund expenditures were under budget when compared to the final amended budget by about \$832,000 (7%) due primarily to savings in General Government, Public Works, and Public Safety.

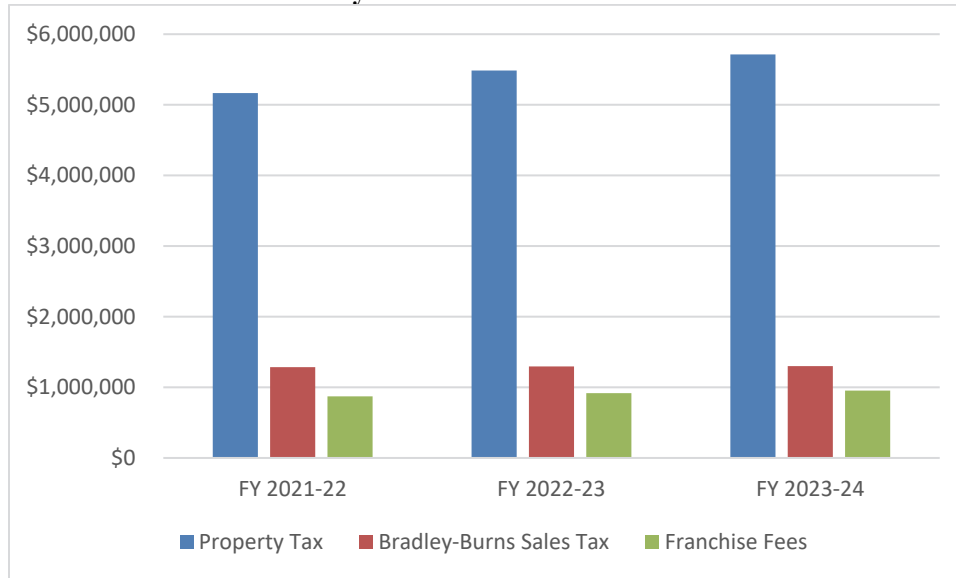
FY 2023-24 General Fund Revenues

The Town's general operations depend heavily on property taxes, sales taxes, and franchise fees. The chart below shows the history of Property Tax, Sales Tax and Franchise Fees for the Town's General Fund.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Chart 1.
History of General Fund Revenues



Property Taxes

Historically, property tax revenues remain stable with a slight increase annually. Table 5 provides a three-year history of the Town's property tax revenue receipts. Property tax revenues include ad valorem, homeowner's property tax relief, and real property transfer taxes. For FY 2023-24, the 4% increase is attributed to an increase in property assessed valuations and real estate transfer taxes that are dependent upon real estate sales activity.

Table 5.
History of Property Tax Revenues

	FY 2021-22	FY 2022-23	% Change FY22 to FY23	FY 2023-24	% Change FY23 to FY24
Property Tax	\$5,165,367	\$5,485,603	6.20%	\$5,712,517	4.14%

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. Table 6 provides a three-year history of the Town's Bradley Burns sales tax revenue.

TOWN OF MORAGA
Annual Comprehensive Financial Report
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MANAGEMENT DISCUSSION AND ANALYSIS

Table 6.
History of Sales Tax Revenues

	FY2021-22	FY 2022-23	% Change FY22 to FY23	FY 2023-24	% Change FY23 to FY24
Sales and Use Tax	\$1,285,130	\$1,295,778	0.83%	\$1,300,382	0.36%

The Town's Measure K one-cent transactions and use tax is accounted for in a separate fund, outside of the General Fund.

Franchise Fees

Franchise fees are the Town's third largest revenue source. Franchise fees include those from Central Contra Costa Solid Waste Authority (also known as RecycleSmart), Pacific Gas & Electric (PG&E) and Comcast Cable. Table 7 provides a three-year history of the Town's franchise fees by source.

Table 7.
History of Franchise Fee Revenues

	FY 2021-22	FY 2022-23	% Change FY22 to FY23	FY 2023-24	% Change FY23 to FY24
RecycleSmart	\$359,514	\$373,862	3.99%	\$396,583	6.08%
PG&E	215,833	251,137	16.36%	273,475	8.89%
Comcast	296,408	292,591	-1.29%	283,852	-2.99%
Total Franchise Fee Revenue	\$871,755	\$917,590	5.26%	\$953,910	3.96%

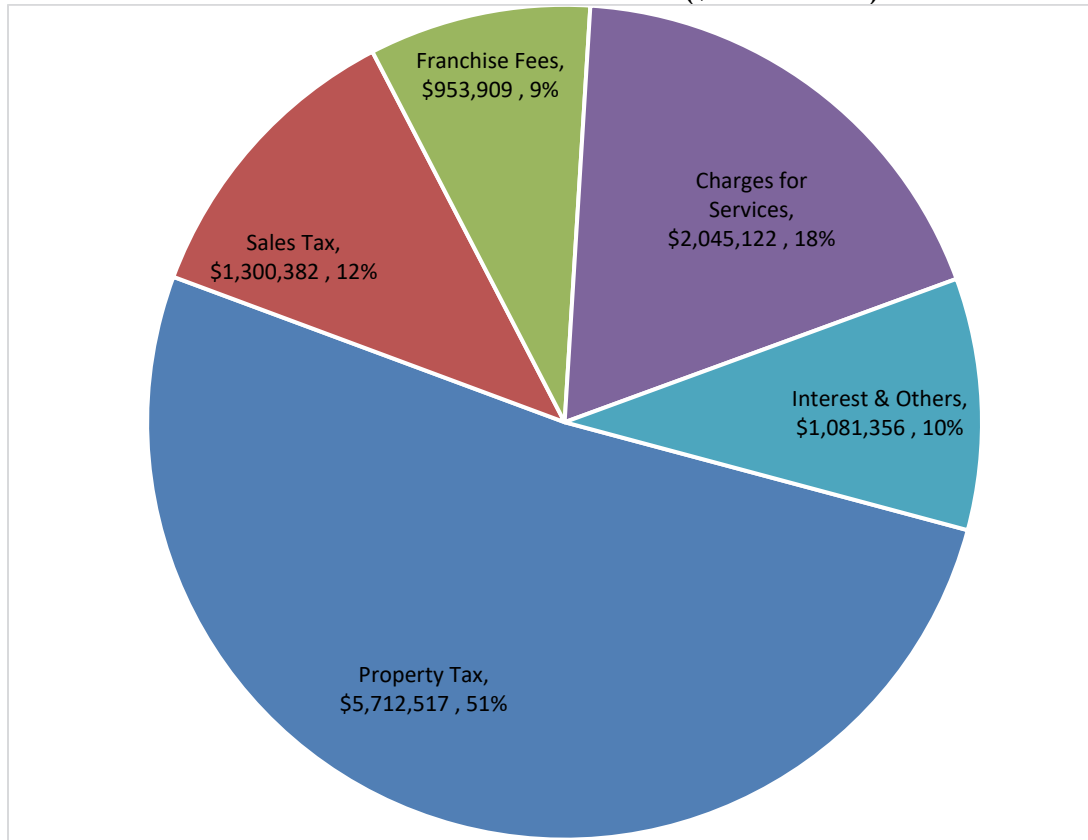
Other revenues and sources used to support general operations include charges for services for planning and public works projects and user charges for parks and recreation programs. Transfers-in, based upon their respective restrictions include gas tax, NPDES (Clean Water Act – National Pollutant Discharge Elimination System) funds, and various Public Safety funds and grants.

Specific to the General Fund, Chart 2 illustrates the major revenues sources (using figures from the *Statement of Revenues, Expenditures and Changes in Fund Balances* on pages 28-29).

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Chart 2.
FY 2023-24 General Fund Revenues (\$11.09 million)



The Town proactively addresses issues that it has some measure of control over; however, external factors exist over which the Town has little or no control. While the Town relies heavily on property tax for ongoing operations, it receives a much lower portion of property tax as compared to other communities. Most homeowners may know that Proposition 13, passed by California voters in 1978, fixed the property tax rate at 1% of the assessed value of a home, plus any assessment bond approved by popular vote. Proposition 13 also froze how the property tax dollars are distributed among all the benefactors including the Town government, Moraga-Orinda Fire District, schools, Central Contra Costa Solid Waste Authority, East Bay Municipal Utility District, East Bay Regional Park District, BART and Contra Costa County. The distribution of property tax dollars set under Prop. 13 was based on what existed in 1976. At that time, the Town was a young “minimal government” jurisdiction, 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 5.2%.

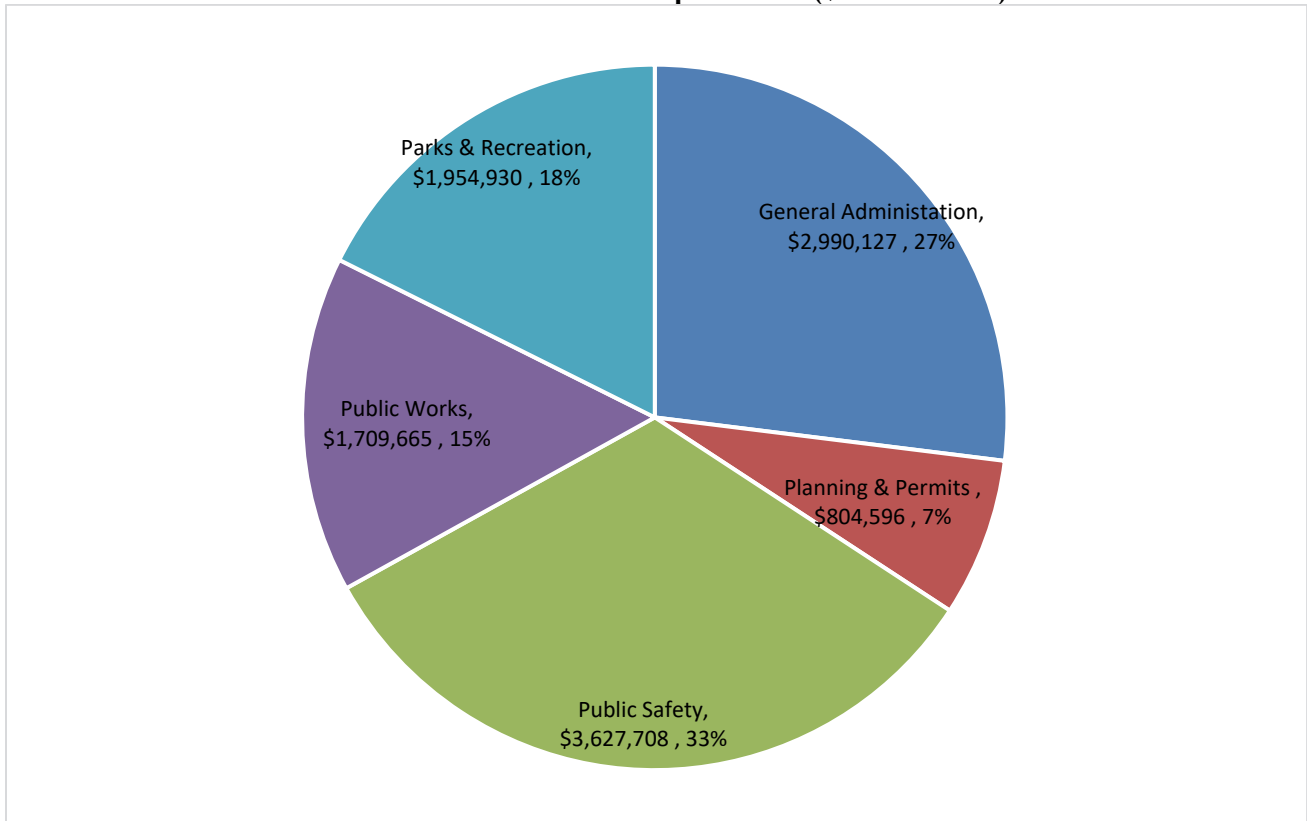
FY 2023-24 General Fund Expenditures

The Town strives to keep its operating expenses low. Chart 3 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 insurance premiums, and contracted services for legal and information technology.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Chart 3.
FY 2023-24 General Fund Expenditures (\$11.09 million)



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. Table 8, shows the historical costs of services provided by Contra Costa County.

TOWN OF MORAGA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Table 8.
Cost of Services Provided by Contra Costa County

Service Type	FY 2021-22	FY 2022-23	% Change FY22 to FY23	FY 2023-24	% Change FY23 to FY24
Animal Services	\$115,063	\$134,055	16.5%	\$151,250	12.8%
Police Dispatch	168,870	171,586	1.6%	165,197	-3.7%
Cal-ID	21,608	24,161	11.8%	26,561	9.9%
ARIES Maintenance (computer system)	8,770	8,770	0.0%	9,770	11.4%
Forensic Services	18,341	17,826	-2.8%	16,246	-8.9%
Traffic Signal Maintenance	39,199	34,528	-11.9%	38,392	11.2%
Total Expenditures	\$371,851	\$390,926	5.1%	\$407,416	4.2%

Capital Assets & Long-Term Debt

Capital Assets

The Town had a total capital outlay of \$3.78 million in the Governmental Funds (Statements of Revenues, Expenditures, and Changes in Fund Balances, pages 28-29). Table 9 details the major capital projects during FY 2023-24.

Table 9.
FY 2023-24 Major Capital Projects

Project Number	Project Name	Amount
023-401	2023 Pavement Rehabilitation P	\$844,781
022-401	Pavement Reconstruction	\$733,262
014-101	Canyon Bridge Replacement	\$630,889
021-301	Commons Park Restroom Replacement	\$235,462
019-302	Commons Park Picnic Area	\$166,090
023-412	Smart Signals - Community	\$160,284

The Town's investment in capital assets as of June 30, 2024 totaled \$77.45 million as compared to \$76.79 million in FY 2022-23 (Basic Financial Statements, Note 5, page 55). This investment in capital assets includes land, buildings and improvements, roadways, storm drains, parks and recreation, and equipment and furniture.

TOWN OF MORAGA
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MANAGEMENT DISCUSSION AND ANALYSIS

Long-Term Debt

The Town's debt totals \$4.49 million as of June 30, 2024, compared to \$4.78 million in the prior year (Basic Financial Statements, Note 6, page 56). The debt is attributed to \$3.97 million Certificates of Participation issued in 2023 for Infrastructure Improvements, including streets and related infrastructure.

Table 10.
Long Term Debt

Governmental Activities	Original Issue	Balance June 30, 2023	Retirements	Balance June 30, 2024	Current Portion
2013 Certificate of Participation	\$ 7,720,000	\$ 4,650,000	\$ 4,650,000	\$ -	\$ -
Add: Unamortized Bond Premium	259,947	129,977	129,977	-	
Total Debt	\$7,979,947	\$4,779,977	\$4,779,977	\$0	\$0

Governmental Activities	Original Issue	Balance June 30, 2023	Retirements	Balance June 30, 2024	Current Portion
2023 Certificate of Participation	\$ 3,970,000	\$ -	\$ -	\$ 3,970,000	\$360,000
Add: Unamortized Bond Premium	542,898	-	27,149	515,749	
Total Debt	\$4,512,898	\$0	\$27,149	\$4,485,749	\$360,000

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, 2024. 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

<p style="text-align: center;">TOWN OF MORAGA Basic Financial Statements For the Year Ended June 30, 2024</p>
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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, 2024

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments (Note 3)	\$21,568,643
Restricted cash and investments (Note 3)	2,856,904
Accounts receivable	2,765,136
Prepays	46,482
Total current assets	<u>27,237,165</u>
Noncurrent assets:	
Leases receivable (Note 7)	3,537,581
Capital assets (Note 5)	
Capital assets, not being depreciated	31,100,578
Capital assets, being depreciated, net of accumulated depreciation	46,352,771
Total capital assets, net	<u>77,453,349</u>
Total noncurrent assets	<u>80,990,930</u>
Total Assets	<u>108,228,095</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions (Note 9)	<u>4,201,842</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	1,028,123
Deposits payable	1,134,924
Unearned revenue	15,850
Accrued compensated absences - due within one year (Note 1G)	82,200
Subscription based liability - due within one year (Note 8)	45,392
Certificates of participation - due within one year (Note 6)	360,000
Total current liabilities	<u>2,666,489</u>
Noncurrent liabilities:	
Accrued compensated absences - due in more than one year (Note 1G)	328,799
Certificates of participation - due in more than one year (Note 6)	4,125,749
Net pension liability (Note 9)	10,027,437
Total noncurrent liabilities	<u>14,481,985</u>
Total Liabilities	<u>17,148,474</u>
DEFERRED INFLOWS OF RESOURCES	
Related to leases (Note 7)	3,527,698
Related to pensions (Note 9)	757,086
Total Deferred Inflows of Resources	<u>4,284,784</u>
NET POSITION (Note 10)	
Net investment in capital assets	72,922,208
Restricted for:	
Pension costs	1,694,851
Capital projects	1,764,274
Debt service	29,429
Special revenue projects:	
Streets and roads	3,200,064
Public safety	116,959
Other projects	16,520
Unrestricted	<u>11,252,374</u>
Total Net Position	<u><u>\$90,996,679</u></u>

See accompanying notes to financial statements

TOWN OF MORAGA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					Governmental Activities
General administration	\$3,536,993	\$368,286	\$879,003		(\$2,289,704)
Planning	891,736	543,524	509,519		161,307
Public safety	3,677,948	66,646	375,937		(3,235,365)
Public works	4,686,815	948,816	445,722	\$975,495	(2,316,782)
Parks and recreation	2,154,818	969,182			(1,185,636)
Interest on long-term debt	94,504				(94,504)
Total	15,042,814	2,896,454	2,210,181	975,495	(8,960,684)
Total	<u>\$15,042,814</u>	<u>\$2,896,454</u>	<u>\$2,210,181</u>	<u>\$975,495</u>	<u>(8,960,684)</u>
General revenues:					
Taxes:					
Property tax					6,504,022
Sales tax					4,042,457
Franchise tax					953,909
Interest					<u>1,096,121</u>
Total General Revenues					<u>12,596,509</u>
Change in Net Position					3,635,825
Net Position - Beginning					<u>87,360,854</u>
Net Position - Ending					<u>\$90,996,679</u>

See accompanying notes to financial statements

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<p>TOWN OF MORAGA Basic Financial Statements For the Year Ended June 30, 2024</p>
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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 2024. 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 FUNDING SPECIAL REVENUE FUND

This fund was established 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.

CONSTRUCTION IN PROGRESS

The Construction In Progress Fund is a fund used to capture all capital project expenditures and corresponding revenues.

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, 2024

	General Fund	Measure K Local Funding	Construction In Progress	Debt Service Fund
ASSETS				
Cash and investments (Note 3)	\$10,769,096	\$2,293,915	\$3,345,949	
Restricted cash and investments (Note 3)	1,132,624			\$29,429
Accounts receivable	463,349	462,039	1,068,082	
Prepays	46,482			
Lease receivable (Note 7)	3,537,581			
Due from other funds (Note 4)	139,334			
Total Assets	<u>\$16,088,466</u>	<u>\$2,755,954</u>	<u>\$4,414,031</u>	<u>\$29,429</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$283,825		\$700,019	
Due to other funds (Note 4)				
Deposits payable	1,134,924			
Unearned revenue			15,850	
Total Liabilities	<u>1,418,749</u>		<u>715,869</u>	
DEFERRED INFLOWS OF RESOURCES				
Related to leases (Note 7)	3,527,698			
Unavailable revenue			613,865	
Total Deferred Inflows of Resources	<u>3,527,698</u>		<u>613,865</u>	
FUND BALANCES (Note 8)				
Nonspendable	46,482			
Restricted	16,520			\$29,429
Committed	2,785,733		3,084,297	
Assigned		\$2,755,954		
Unassigned	8,293,284			
Total Fund Balances	<u>11,142,019</u>	<u>2,755,954</u>	<u>3,084,297</u>	<u>29,429</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$16,088,466</u>	<u>\$2,755,954</u>	<u>\$4,414,031</u>	<u>\$29,429</u>

See accompanying notes to financial statements

Other Governmental Funds	Total Governmental Funds
\$5,159,683	\$21,568,643
	1,162,053
771,666	2,765,136
	46,482
	3,537,581
	139,334
<u>\$5,931,349</u>	<u>\$29,219,229</u>
\$44,279	\$1,028,123
139,334	139,334
	1,134,924
	15,850
<u>183,613</u>	<u>2,318,231</u>
	3,527,698
	613,865
	<u>4,141,563</u>
	46,482
5,081,297	5,127,246
670,468	6,540,498
	2,755,954
(4,029)	8,289,255
<u>5,747,736</u>	<u>22,759,435</u>
<u>\$5,931,349</u>	<u>\$29,219,229</u>

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TOWN OF MORAGA
RECONCILIATION OF THE
GOVERNMENTAL FUNDS - BALANCE SHEET
WITH THE
STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balances - governmental funds	\$22,759,435
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS TRANSACTIONS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	77,453,349
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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
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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	4,201,842
Compensated absences	(410,999)
Net pension liability	(10,027,437)
Subscription based liability	(45,392)
Certificates of participation	(4,485,749)
Deferred inflows of resources related to pensions	(757,086)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position

1,694,851

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$90,996,679

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, 2024

	General Fund	Measure K Local Funding	(Formerly Major) American Rescue Plan Act Fund	Construction In Progress
REVENUES				
Property taxes and assessments	\$3,220,316			
Property tax - in lieu	2,358,520			
Sales and use tax	1,300,382			
Sales tax - public safety				
Sales tax - 1% local add-on (Measure K)		\$2,652,000		
Franchise fees	953,909			
Real property transfer fees	133,681			
Motor vehicle license fees	21,335			
Planning and permits	498,978			
Interest	718,436	83,516		
Property rentals	121,770			
Parks and recreation	969,184			
Police services	66,645			
Public works services	507,203			
Intergovernmental	8,168			\$1,144,868
Fines, forfeitures and penalties				
Other revenues	214,774			
Total Revenues	11,093,301	2,735,516		1,144,868
EXPENDITURES				
Current operations:				
General administration	2,990,127			
Planning	804,611			
Public safety	3,627,708			
Public works	1,709,665			
Parks and recreation	1,954,930			
Debt service:				
Principal				
Interest				
Capital outlay				3,746,178
Total Expenditures	11,087,041			3,746,178
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,260	2,735,516		(2,601,310)
OTHER FINANCING SOURCES (USES)				
Debt issuance proceeds				
Transfers in (Note 4)	1,576,910			1,981,979
Transfers out (Note 4)	(1,695,142)	(177,164)		(985,510)
Total Other Financing Sources (Uses)	(118,232)	(177,164)		996,469
NET CHANGE IN FUND BALANCES	(111,972)	2,558,352		(1,604,841)
BEGINNING FUND BALANCES, as previously reported	11,253,991	197,602	\$445,553	4,689,138
Adjustment - change from major fund to nonmajor fund			(445,553)	
BEGINNING FUND BALANCES, as adjusted	11,253,991	197,602		4,689,138
ENDING FUND BALANCES	\$11,142,019	\$2,755,954		\$3,084,297

See accompanying notes to financial statements

(Formerly Major) Other Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
		\$925,186	\$4,145,502
			2,358,520
			1,300,382
		90,075	90,075
			2,652,000
			953,909
			133,681
			21,335
		\$32,045	531,023
	\$29,876	145,635	977,463
			121,770
			969,184
			66,645
			507,203
		2,427,933	3,580,969
		33,783	33,783
		\$34,230	249,004
	29,876	3,688,887	18,692,448
	136,249	65,492	3,191,868
		32,237	836,848
		8,655	3,636,363
		233,771	1,943,436
		17,559	1,972,489
	4,650,000		4,650,000
	251,630		251,630
		36,282	3,782,460
	5,037,879	393,996	20,265,094
	(5,008,003)	3,294,891	(1,572,646)
	4,512,898		4,512,898
	177,164	840,610	4,576,663
		(3,413,698)	(6,271,514)
	4,690,062	(2,573,088)	2,818,047
	(317,941)	721,803	1,245,401
\$2,347,755	347,370	2,232,625	21,514,034
(2,347,755)		2,793,308	
	347,370	5,025,933	21,514,034
	\$29,429	\$5,747,736	\$22,759,435

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, 2024

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$1,245,401
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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	3,626,654
Net retirements are deducted from fund balance	(699,096)
Depreciation and amortization expense is deducted from fund balance	(2,264,763)

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.	157,126
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	4,650,000
Debt issuance proceeds	(4,512,898)

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	(75,968)
Change in subscription asset	42,167
Net pension liability and deferred outflows/inflows of resources related to pensions	(227,649)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position

1,694,851

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$3,635,825

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Adjusted		
REVENUES				
Property taxes and assessments	\$3,091,178	\$3,176,179	\$3,220,316	\$44,137
Property tax - in lieu	2,303,100	2,303,100	2,358,520	55,420
Sales and use tax	1,335,637	1,335,637	1,300,382	(35,255)
Franchise fees	932,200	932,200	953,909	21,709
Real property transfer fees	200,000	200,000	133,681	(66,319)
Motor vehicle license fees	18,200	18,200	21,335	3,135
Planning and permits	601,000	597,000	498,978	(98,022)
Interest	250,000	350,000	718,436	368,436
Property rentals	100,000	100,000	121,770	21,770
Parks and recreation	861,970	1,043,546	969,184	(74,362)
Police services	92,350	92,350	66,645	(25,705)
Public works services	435,600	430,600	507,203	76,603
Intergovernmental		5,000	8,168	3,168
Other revenues	200,000	179,000	214,774	35,774
Total Revenues	10,421,235	10,762,812	11,093,301	330,489
EXPENDITURES:				
Current operations:				
General government	3,379,834	3,379,835	2,990,127	389,708
Planning	862,654	862,654	804,611	58,043
Public safety	3,830,319	3,830,318	3,627,708	202,610
Public works	1,953,864	1,953,864	1,709,665	244,199
Parks and recreation	1,781,578	1,892,997	1,954,930	(61,933)
Total Expenditures	11,808,249	11,919,668	11,087,041	832,627
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,387,014)	(1,156,856)	6,260	1,163,116
OTHER FINANCING SOURCES (USES)				
Transfers in	1,572,450	2,012,069	1,576,910	(435,159)
Transfers out	(114,619)	(114,619)	(1,695,142)	(1,580,523)
Total Other Financing Sources (Uses)	1,457,831	1,897,450	(118,232)	(2,015,682)
NET CHANGE IN FUND BALANCE	\$70,817	\$740,594	(111,972)	(\$852,566)
BEGINNING FUND BALANCE			11,253,991	
ENDING FUND BALANCE			\$11,142,019	

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Adjusted	Actual Amounts	
REVENUES				
Sales tax - 1% local add-on (Measure K)	\$2,605,000	\$2,605,000	\$2,652,000	\$47,000
Interest			83,516	83,516
Total Revenues	2,605,000	2,605,000	2,735,516	130,516
EXPENDITURES:				
Current operations:				
General government	1,096,000			
Total Expenditures	1,096,000			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,509,000	2,605,000	2,735,516	130,516
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,504,000)	(2,504,000)	(177,164)	2,326,836
Total Other Financing Sources (Uses)	(2,504,000)	(2,504,000)	(177,164)	2,326,836
NET CHANGE IN FUND BALANCE	<u>(\$995,000)</u>	<u>\$101,000</u>	2,558,352	<u>\$2,457,352</u>
BEGINNING FUND BALANCE			197,602	
ENDING FUND BALANCE			<u>\$2,755,954</u>	

* 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

<p>TOWN OF MORAGA Basic Financial Statements For the Year Ended June 30, 2024</p>
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PROPRIETARY FUNDS

Proprietary funds account for Town operations financed and operated in a manner similar to a private business enterprise. The Town only has one Internal Service Fund, used to account for funds deposited into an irrevocable trust for the purpose of funding pension costs.

TOWN OF MORAGA
 PROPRIETARY FUND - INTERNAL SERVICE
 STATEMENT OF NET POSITION
 JUNE 30, 2024

	Governmental Activities
	<u>Internal Service Fund - Section 115 Pension Trust</u>
ASSETS	
Restricted cash and investments (Note 3)	<u>\$1,694,851</u>
Total Assets	<u>1,694,851</u>
NET POSITION	
Restricted for pension benefits	<u><u>\$1,694,851</u></u>
See accompanying notes to financial statements	

TOWN OF MORAGA
 PROPRIETARY FUND - INTERNAL SERVICE
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities
	Internal Service Fund - Section 115 Pension Trust
NONOPERATING REVENUES	
Transfers in from other funds	\$1,694,851
Total Other Financing Sources (Uses)	1,694,851
BEGINNING NET POSITION	
ENDING NET POSITION	\$1,694,851

See accompanying notes to financial statements

TOWN OF MORAGA
PROPRIETARY FUND - INTERNAL SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM NONCAPITAL FINANCING
ACTIVITIES:

Interfund receipts	<u>\$1,694,851</u>
Cash flows from noncapital financing activities	1,694,851
Net increase in cash and cash equivalents	<u>1,694,851</u>
Cash and investments, beginning of year	<u> </u>
Cash and investments, end of year	<u><u>\$1,694,851</u></u>

See accompanying notes to financial statements

<p>TOWN OF MORAGA Basic Financial Statements For the Year Ended June 30, 2024</p>
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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, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash and investments (Note 3)	<u>\$245,203</u>
Total Assets	<u>245,203</u>
LIABILITIES	
Deposits payable	<u>3,086</u>
Total Liabilities	<u>3,086</u>
NET POSITION	
Restricted for:	
Held for community programs	<u><u>\$242,117</u></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, 2024

	<u>Custodial Funds</u>
ADDITIONS:	
Community donations	\$139,086
Commons patio bricks	12,077
Other revenue	<u>269</u>
Total Additions	<u>151,432</u>
DEDUCTIONS:	
Contributions to others	139,086
Other expenses	<u>4,732</u>
Total Deductions	<u>143,818</u>
Change in Net Position	7,614
BEGINNING NET POSITION	<u>234,503</u>
ENDING NET POSITION	<u><u>\$242,117</u></u>

See accompanying notes to financial statements

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TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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.

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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

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 Funding 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 **Construction In Progress Fund** is a capital project fund used to capture all capital project expenditures and corresponding revenues.

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.

In addition, the Town reports the following funds:

Proprietary Fund Type - Internal Service Funds are used to account for the financing of goods or services provided by one department of the Town to other departments. The Town has one Internal Service Fund, the Section 115 Pension Trust Fund, used to accumulate funding for future pension costs.

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 in the government-wide statements.

The Town reports the following fiduciary funds:

Custodial Funds is a clearing type funds 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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

The government-wide, propriety fund and fiduciary 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, 2024

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, if historical cost is 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 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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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 is liquidated primarily by the General Fund.

The activities of the compensated absences for the year ended June 30, 2024 were as follows:

Beginning balance	\$335,031
Additions	396,901
Payments	<u>(320,933)</u>
Ending Balance	<u><u>\$410,999</u></u>
 Current Portion	 <u><u>\$82,200</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, 2024

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 and Recategorized Funds*

During fiscal year ended June 30, 2024, the Town opened the Grants and Advance Planning Fees Special Revenue Funds, as well as the Section 115 Pension Trust Internal Service Fund. The Town also recategorized funds previously reported as Other Capital Projects Fund as Special Revenue Funds, under Other Governmental Funds.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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 noncancellable 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 was required to be recorded as of June 30, 2024. See more details in Note 8.

P. New Accounting Principles

In June 2022, GASB issued Statement No. 100, *Accounting for Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement is effective for reporting periods beginning after June 15, 2023, or the fiscal year 2023-24. The implementation of this Statement did not have a material impact on the financial statements, but required certain presentation changes for funds previously considered major funds and are now nonmajor funds.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING (Continued)

C. Excess of Expenditures over Appropriations

The following Special Revenue funds incurred expenditures in excess of appropriations:

Art in Public Spaces	\$3,750
Grants	32,237
Comcast PEG Restricted	492

Sufficient resources were available in each fund to fund these excesses.

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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Classifications

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$21,568,643
Restricted cash and investments	2,856,904
Fiduciary Funds:	
Cash and investments	245,203
Total Cash and Investments	<u><u>\$24,670,750</u></u>

Cash and investments as of June 30, 2024 consist of the following:

Cash on hand and in banks	\$15,844,604
Investments with fiscal agents	1,724,280
California Local Agency Investment Fund	7,101,866
Total Cash and Investments	<u><u>\$24,670,750</u></u>

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, 2024, the Town's bank balance was \$1,061,334 and \$811,334 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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Investments Authorized by the California Government Code and the Town of Moraga's Investment Policy (Continued)

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.

F. Section 115 Pension Trust

In December 2022, the Town Council authorized the establishment of a Section 115 Pension Trust with the Public Agency Retirement Services (PARS). The trust is an irrevocable trust, and is used to set aside funds for future pension contributions. During fiscal year ended June 30, 2024, the Town transferred \$1,520,225 from the PARS trust account to open an irrevocable trust with Charles Schwab. As of June 30, 2024, the PARS and Charles Schwab trusts held \$174,626 and \$1,520,225, respectively, for a total balance of \$1,694,851.

G. Interest Rate Risk

Interest rate risk is the risk that changes in economic markets will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. Interest Rate Risk (Continued)

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

Investment Type	12 months or less	Total
<i>Cash and Investments in City Treasury:</i>		
California Local Agency Investment Fund	\$7,101,866	\$7,101,866
<i>Held by Fiscal Agents:</i>		
Money Market Fund	1,724,280	1,724,280
Total Investments	<u>\$8,826,146</u>	8,826,146
<i>Cash deposits in banks and petty cash</i>		<u>15,844,604</u>
Total Cash and Investments		<u>\$24,670,750</u>

H. 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, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS (Continued)

I. 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, 2024 for each investment type:

Investment Type	Not rated	Total
<i>Not rated:</i>		
Money Market Fund	\$1,724,280	\$1,724,280
California Local Agency Investment Fund	7,101,866	7,101,866
Total Investments	\$8,826,146	8,826,146
<i>Cash deposits in banks and petty cash</i>		15,844,604
Total Cash and Investments		\$24,670,750

J. 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, 2024, the Town only had investments in LAIF and money market funds.

K. 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, 2024, these investments matured in an average of 217 days.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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 2023-24 were as follows:

Transfer From	Transfer To	Amount Transferred
General Fund	Construction in Progress Fund	\$291 A
	Internal Service Fund	1,694,851 D
Measure K Local Funding	Debt Service Fund	177,164 B
Construction in Progress Fund	General Fund	190,000 D
	Other Governmental Funds	141,000 C
	Other Governmental Funds	654,510 A
Other Governmental Funds	General Fund	1,386,910 D
	Other Governmental Funds	45,100 D
	Construction in Progress Fund	1,981,688 A
Total Interfund Transfers		<u>\$6,271,514</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, pension and labor costs, purchase of equipment and storm drain maintenance

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024:

Due From Other Funds	Due to Other Funds	Amount
General Fund	Non-Major Governmental Funds	\$139,334
	Total	\$139,334

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.

A. Capital Assets Activities

The following table presents the capital assets activity for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Retirements & Transfers	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated:				
Land and easements	\$10,680,212			\$10,680,212
Construction in progress	17,932,437	\$3,527,709	(\$1,039,780)	20,420,366
Total capital assets, not being depreciated	28,612,649	3,527,709	(1,039,780)	31,100,578
Depreciable capital assets:				
Building and improvements	8,721,402		210,645	8,932,047
Roadway and related	65,958,171		55,973	66,014,144
Storm drains	5,017,390			5,017,390
Parks and recreation	3,887,821	98,945	66,192	4,052,958
Equipment and furniture	1,996,177		7,874	2,004,051
Subscription based assets	126,679			126,679
Total capital assets, being depreciated	85,707,640	98,945	340,684	86,147,269
Accumulated depreciation and Amortization:				
Building and improvements	(2,708,045)	(197,757)		(2,905,802)
Roadway and related	(28,081,472)	(1,708,711)		(29,790,183)
Storm drains	(2,863,853)	(73,976)		(2,937,829)
Parks and recreation	(2,145,827)	(125,514)		(2,271,341)
Equipment and furniture	(1,688,312)	(116,579)		(1,804,891)
Subscription based assets	(42,226)	(42,226)		(84,452)
Total accumulated depreciation and amortization	(37,529,735)	(2,264,763)		(39,794,498)
Depreciable capital assets, net	48,177,905	(2,165,818)	340,684	46,352,771
Governmental capital assets, net	\$76,790,554	\$1,361,891	(\$699,096)	\$77,453,349

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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	\$258,168
Planning	13,251
Public Safety:	
Police	41,585
Public Works	1,808,230
Parks and Recreation	<u>143,529</u>
Total Governmental Activities	<u><u>\$2,264,763</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, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
2013 Certificates of Participation	\$7,720,000	\$4,650,000		(\$4,650,000)		
Add: Unamortized Bond Premium	259,947	129,977		(129,977)		
2023 Certificates of Participation	3,970,000		\$3,970,000		\$3,970,000	\$360,000
Add: Unamortized Bond Premium	542,898		<u>542,898</u>	<u>(27,149)</u>	<u>515,749</u>	
Total Governmental Activity		<u><u>\$4,779,977</u></u>	<u><u>\$4,512,898</u></u>	<u><u>(\$4,807,126)</u></u>	<u><u>\$4,485,749</u></u>	<u><u>\$360,000</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. In January 2024, the 2013 Certificates of Participation were fully repaid with the proceeds from the 2023 Certificates of Participation.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – LONG TERM DEBT (Continued)

C. 2023 Certificates of Participation – Infrastructure Improvements

Certificates of Participation were issued and delivered pursuant to a trust agreement dated December 1, 2023 by and among the Town, the Public Property Financing Corporation of California, and Wilmington Trust, North America (the Trustee) for the purposes of financing improvements to the Town's infrastructure including streets and storm drains and to pay off the 2013 Certificates of Participation. Principal is payable annually on May 1. Interest is payable semiannually on May 1 and November 1. Interest on the Certificates of Participation is 5.0% with a final maturity in 2033.

D. Debt Service Requirements

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

Year ending June 30	Principal	Interest
2025	\$360,000	\$198,500
2026	380,000	180,500
2027	395,000	161,500
2028	415,000	141,750
2029	440,000	121,000
2030-2033	1,980,000	253,250
Total	3,970,000	\$1,056,500
Unamortized Premium	515,749	
	<u>\$4,485,749</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:

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – LEASES (Continued)

- 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.

A summary of lease activities for the year ended June 30, 2024 are as follows:

Governmental Activities:

Lessor	Original Lease Date	Expiration Date Including Options	Monthly Revenue as of June 30, 2024	Lease Receivable Balance at June 30, 2024	Deferred Inflow of Resources at June 30, 2024
Moraga Country Club	9/30/87	3/31/40	\$7,133	\$1,448,901	\$1,383,556
Growing Light Montessori School of Moraga	7/1/80	6/30/26	2,741	67,492	62,425
Z Golf Food & Beverage Services	11/1/21	10/31/31	20,605	2,021,188	2,081,717
Totals Reported in General Fund				<u>\$3,537,581</u>	<u>\$3,527,698</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. Monthly rent as of June 30, 2024 is \$7,133 and increases annually by CPI.

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, 2024 is \$2,741, and increase annually by CPI.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – LEASES (Continued)

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.

The future lease payments to be received as of June 30, 2024 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 347,903	\$ 30,000
2026	362,194	27,047
2027	341,569	24,002
2028	355,668	20,870
2029	370,225	17,610
2030-2034	1,173,449	44,867
2035-2039	503,747	15,092
2039-2040	82,826	291
Total	<u>\$ 3,537,581</u>	<u>\$ 179,779</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 June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Current Portion</u>
Springbrook	\$87,559		(\$42,167)	\$45,392	\$45,392
Total	<u>\$87,559</u>		<u>(\$42,167)</u>	<u>\$45,392</u>	<u>\$45,392</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, 2024, the value of the subscription liability was \$45,392. 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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS
(Continued)

The future subscription and interest subscription payments as of June 30, 2024, follows:

For the Year Ended June 30	Principal	Interest	Total
2025	\$45,392	\$1,089	\$46,481
Totals	\$45,392	\$1,089	\$46,481

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, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION PLAN (Continued)

A. General Information (Continued)

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On of after January 1, 2013
Hire date		
Benefit formula	2.0% @ Age 55	2.0% @ Age 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7%	7.75%
Required employer contribution rates	11.840%	7.680%
	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%	13.75%
Required employer contribution rates	19.950%	13.540%

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 \$630,190 in fiscal year 2024.

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, 2024, the contributions recognized as part of pension expense for the Plan were as follows.

	Miscellaneous	Safety	Total
Contributions - employer	\$586,137	\$574,106	\$1,160,243

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024, 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	\$5,629,746
Safety	4,397,691
Total Net Pension Liability	<u>\$10,027,437</u>

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, 2023, 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, 2022 rolled forward to June 30, 2023 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, 2022 and 2023 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2022	0.11135%	0.05878%
Proportion - June 30, 2023	0.11259%	0.05883%
Change - Increase (Decrease)	<u>0.00124%</u>	<u>0.00005%</u>

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024, the Town recognized pension expense of \$227,649. At June 30, 2024, 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	\$586,137	
Differences between actual and expected experience	287,598	(\$44,613)
Changes in assumptions	339,893	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	42,508	(411,087)
Net differences between projected and actual earnings on plan investments	911,507	
Total Miscellaneous	<u>\$2,167,643</u>	<u>(\$455,700)</u>
Safety	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$574,106	
Differences between actual and expected experience	322,872	(\$27,641)
Changes in assumptions	256,655	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	278,743	(273,745)
Net differences between projected and actual earnings on plan investments	601,823	
Total Safety	<u>\$2,034,199</u>	<u>(\$301,386)</u>
Grand Total	<u>\$4,201,842</u>	<u>(\$757,086)</u>

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION PLAN (Continued)

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

\$1,160,243 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2025	\$606,054
2026	429,399
2027	1,206,105
2028	42,955
	\$2,284,513

Actuarial Assumptions – For the measurement period ended June 30, 2023, the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2022 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
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 probabilities of mortality are based on the 2021 CalPERS Experience Study for period from 2001-2019. Pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024

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:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	5.90%	5.90%
Net Pension Liability	\$8,232,712	\$6,512,867
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$5,629,746	\$4,397,691
1% Increase	7.90%	7.90%
Net Pension Liability	\$3,487,281	\$2,668,384

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

C. Deferred Compensation Plan

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

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. The funds have been placed in a trust administered by 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 2024, the employees contributed \$277,242 to the plan.

TOWN OF MORAGA
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For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – PENSION PLAN (Continued)

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 2024, the Town and its employees made \$46,940 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.

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, 2024, the breakout of this calculation is reflected as follows:

Total Capital Assets at June 30, 2024	\$77,453,349
Related Debt at June 30, 2024:	
Certificates of Participation (COP)	(4,485,749)
Subscription based liability	(45,392)
	<hr/>
Net Investment in Capital Assets	<u><u>\$72,922,208</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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balance

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

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

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

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

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

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

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024, are as follows:

	General Fund	Measure K Local Funding	Construction In Progress	Debt Service Fund	Other Governmental Funds	Total
Nonspendable:						
Prepaid items	\$46,482					\$46,482
Total Nonspendable	46,482					46,482
Restricted for:						
Streets and roads					\$3,200,064	3,200,064
Public safety					116,959	116,959
Future projects					169,853	169,853
Capital projects					1,594,421	1,594,421
Deposits	16,520					16,520
Debt service				\$29,429		29,429
Total Restricted	16,520			29,429	5,081,297	5,127,246
Committed to:						
Future projects						
(Palos Developer Fees)	2,785,733					2,785,733
Capital projects			\$3,084,297		48,828	3,133,125
Asset replacements					621,640	621,640
Total Committed	2,785,733		3,084,297		670,468	6,540,498
Assigned						
Capital projects		\$2,755,954				2,755,954
Total Assigned		2,755,954				2,755,954
Unassigned						
Fund balance deficits					(4,029)	(4,029)
Residual fund balance	8,293,284					8,293,284
Total Unassigned	8,293,284				(4,029)	8,289,255
Total fund balances	\$11,142,019	\$2,755,954	\$3,084,297	\$29,429	\$5,747,736	\$22,759,435

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).

D. Fund Deficit

As of June 30, 2024, the Grants Special Revenue Fund had a deficit fund balance of \$4,029. The Town expects grant reimbursements to cover the deficit.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2024

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	34,500,000	10,000
Employment liability	2,000,000	50,000
Workers' compensation	50,000,000	500,000
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, 2024

NOTES TO FINANCIAL STATEMENTS

NOTE 12 – 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 13 – 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 2024 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, 2024, that will be carried over to fiscal year 2025:

General Fund	\$17,600
Construction in Progress Fund	6,004,266
Non-major Governmental Funds	<u>170,636</u>
Total	<u><u>\$6,192,502</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	2014	2015	2016
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.

REQUIRED SUPPLEMENTARY INFORMATION

2017	2018	2019	2020	2021	2022	2023
0.06208%	0.06367%	0.06884%	0.07162%	0.08821%	0.08008%	0.08038%
\$6,156,875	\$6,135,349	\$7,053,906	\$7,792,118	\$4,770,439	\$9,249,452	\$10,027,437
\$3,467,455	\$3,357,567	\$3,924,854	\$3,919,586	\$4,167,504	\$4,240,201	\$4,926,959
177.56%	182.73%	179.72%	198.80%	114.47%	218.14%	203.52%
76%	77%	76%	74%	84%	72%	71%

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	413,526	314,989	308,628
Contribution deficiency (excess)	\$0	\$0	\$0
Covered payroll	\$3,044,571	\$3,214,375	\$3,467,455
Contributions as a percentage of covered payroll	13.58%	9.80%	8.90%

REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$274,211	\$280,636	\$333,366	\$849,609	\$390,289	\$1,087,337	\$1,160,243
<u>274,211</u>	<u>280,636</u>	<u>333,366</u>	<u>849,609</u>	<u>390,289</u>	<u>1,087,337</u>	<u>1,160,243</u>
<u>\$0</u>	<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	\$4,918,820
8.17%	7.15%	8.51%	20.39%	9.20%	22.07%	23.59%

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SUPPLEMENTAL INFORMATION

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<p style="text-align: center;">TOWN OF MORAGA Supplemental Information For the Year Ended June 30, 2024</p>
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GENERAL FUND

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

The **General Purpose Fund** is the general operating fund of the Town. It is used to account for most discretionary resources except those that require separate accounting for local, state or federal reporting and accountability purposes. Primary sources of General Purpose Fund revenue include property tax, sales tax, franchise fees, parks and recreation fees, as well as transfers in from other funds for eligible uses.

The **One Time Developer Fees Fund (Palos Colorados)** accounts for revenue as the result of a settlement agreement related to the Palos Colorados development project. Through action of the Town Council in approving the settlement agreement, the funds are committed for future projects. Since receipt of the initial deposits, the Town has used these funds for one-time expenditures such as payment of the CalPERS unfunded liability and promissory note due on the purchase of the 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, 2024

	<u>General Purpose</u>	<u>Developer Fees</u>	<u>Deposits</u>	<u>Total</u>
ASSETS				
Cash and investments	\$7,983,363	\$2,785,733		\$10,769,096
Restricted cash			\$1,132,624	1,132,624
Accounts receivable	463,349			463,349
Due from other funds	139,334			139,334
Prepays	46,482			46,482
Lease receivable	3,537,581			3,537,581
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$12,170,109</u>	<u>\$2,785,733</u>	<u>\$1,132,624</u>	<u>\$16,088,466</u>
LIABILITIES				
Accounts payable and accrued expenses	\$302,645		\$30,713	\$333,358
Deposits payable			1,085,391	1,085,391
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>302,645</u>	<u> </u>	<u>1,116,104</u>	<u>1,418,749</u>
DEFERRED INFLOWS OF RESOURCES				
Related to leases	3,527,698			3,527,698
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES				
Nonspendable	46,482			46,482
Restricted			16,520	16,520
Committed		\$2,785,733		2,785,733
Unassigned	8,293,284			8,293,284
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>8,339,766</u>	<u>2,785,733</u>	<u>16,520</u>	<u>11,142,019</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$12,170,109</u>	<u>\$2,785,733</u>	<u>\$1,132,624</u>	<u>\$16,088,466</u>

TOWN OF MORAGA
GENERAL FUND
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>General Purpose</u>	<u>Developer Fees</u>	<u>Deposits</u>	<u>Total</u>
REVENUES				
Property taxes and assessments	\$3,220,316			\$3,220,316
Property tax - in lieu	2,358,520			2,358,520
Sales and use tax	1,300,382			1,300,382
Franchise fees	953,909			953,909
Real property transfer fees	133,681			133,681
Motor vehicle license fees	21,335			21,335
Planning and permits	498,978			498,978
Interest	718,436			718,436
Property rentals	121,770			121,770
Parks and recreation	969,184			969,184
Police services	66,645			66,645
Public works services	507,203			507,203
Intergovernmental	8,168			8,168
Other revenues	214,774			214,774
	<u>11,093,301</u>	<u></u>	<u></u>	<u>11,093,301</u>
Total Revenues				
EXPENDITURES				
Current operations:				
General administration	2,990,127			2,990,127
Planning	804,596		\$15	804,611
Public safety	3,627,708			3,627,708
Public works	1,709,665			1,709,665
Parks and recreation	1,954,930			1,954,930
	<u>11,087,026</u>	<u></u>	<u>15</u>	<u>11,087,041</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,275</u>	<u></u>	<u>(15)</u>	<u>6,260</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,576,910			1,576,910
Transfers out	(1,694,851)	(\$291)		(1,695,142)
	<u>(117,941)</u>	<u>(291)</u>	<u></u>	<u>(118,232)</u>
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	(111,666)	(291)	(15)	(111,972)
BEGINNING FUND BALANCE, as previously reported	6,951,432	4,286,024	16,535	11,253,991
Correction of error*	1,500,000	(1,500,000)		
BEGINNING FUND BALANCES, as restated	<u>8,451,432</u>	<u>2,786,024</u>	<u>16,535</u>	<u>11,253,991</u>
ENDING FUND BALANCES	<u>\$8,339,766</u>	<u>\$2,785,733</u>	<u>\$16,520</u>	<u>\$11,142,019</u>

* Beginning fund balances have been restated to reflect a \$1,500,000 transfer performed during FY 2022-23 between the General Purpose and Developer Fees funds. Total beginning Fund Balance for General Fund was not misstated.

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TOWN OF MORAGA
Supplemental Information
For the Year Ended June 30, 2024

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, 2024

Refuse Vehicle Impact Fees – This Fund accounts for the Refuse Vehicle Impact Fee (through RecycleSmart). This revenue is restricted for repair and maintenance of local streets and roads.

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.

American Rescue Plan Act – 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.

Grants – This fund was established in FY 2023-24 to record the activity for various state, federal and other outside grant funds.

Advance Planning Fees – This fund was established in FY 2023-24 to accumulate the Advance Planning Surcharge on planning activity to be used for updating the Town’s long term planning initiatives, such as the General Plan, Housing Element, and related activities.

Asset Replacement – This fund is used for the purchase of replacement vehicles, technology, and building and park improvements such as new roofs and replacement play structures.

Comcast PEG Restricted – This 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, 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.

Lamorinda Fee and Financing Authority (LFFA) – This fund is used to record activity of the LFFA which 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.

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TOWN OF MORAGA
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2024

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District	COPS/AVA
ASSETS					
Cash and investments	\$219,370	\$644,942	\$176,914	\$593,591	\$48,679
Accounts receivable	<u>120,941</u>	<u>463,277</u>	<u>2,403</u>	<u>2,408</u>	<u>1,190</u>
Total Assets	<u><u>\$340,311</u></u>	<u><u>\$1,108,219</u></u>	<u><u>\$179,317</u></u>	<u><u>\$595,999</u></u>	<u><u>\$49,869</u></u>
LIABILITIES					
Accounts payable			\$9,580	\$14,972	
Due to other funds	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Total Liabilities	<u></u>	<u></u>	<u>9,580</u>	<u>14,972</u>	<u></u>
FUND BALANCE					
Restricted	\$340,311	\$1,108,219	169,737	581,027	\$49,869
Committed					
Unassigned	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Total Fund Balances (Deficits)	<u>340,311</u>	<u>1,108,219</u>	<u>169,737</u>	<u>581,027</u>	<u>49,869</u>
Total Liabilities and Fund Balances	<u><u>\$340,311</u></u>	<u><u>\$1,108,219</u></u>	<u><u>\$179,317</u></u>	<u><u>\$595,999</u></u>	<u><u>\$49,869</u></u>

Traffic Safety	NPDES	Asset Forfeiture	Public Safety Sales Tax	Street Lighting	Pavement Management Program	Refuse Vehicle Impact Fee	Public Safety Grants
\$54,927		\$6,398	\$13,941	\$223,044	\$46,441	\$708,760	
5,765	\$69,844		15,937	2,389	2,387	2,484	\$37,069
<u>\$60,692</u>	<u>\$69,844</u>	<u>\$6,398</u>	<u>\$29,878</u>	<u>\$225,433</u>	<u>\$48,828</u>	<u>\$711,244</u>	<u>\$37,069</u>
	\$69,844						\$37,069
	69,844						37,069
\$60,692		\$6,398	\$29,878	\$225,433	\$48,828	\$711,244	
<u>60,692</u>		<u>6,398</u>	<u>29,878</u>	<u>225,433</u>	<u>48,828</u>	<u>711,244</u>	
<u>\$60,692</u>	<u>\$69,844</u>	<u>\$6,398</u>	<u>\$29,878</u>	<u>\$225,433</u>	<u>\$48,828</u>	<u>\$711,244</u>	<u>\$37,069</u>

(Continued)

TOWN OF MORAGA
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2024

	<u>Art in Public Spaces</u>	<u>ARPA</u>	<u>Grants</u>	<u>Advance Planning Fees</u>	<u>Asset Replacement</u>
ASSETS					
Cash and investments		\$182,600		\$32,045	\$621,827
Accounts receivable			\$28,208		
Total Assets		<u>\$182,600</u>	<u>\$28,208</u>	<u>\$32,045</u>	<u>\$621,827</u>
LIABILITIES					
Accounts payable	(\$300)	\$10,693			\$187
Due to other funds	184		\$32,237		
Total Liabilities	<u>(116)</u>	<u>10,693</u>	<u>32,237</u>		<u>187</u>
FUND BALANCE					
Restricted	116	171,907		\$32,045	
Committed					621,640
Unassigned			(4,029)		
Total Fund Balances (Deficits)	<u>116</u>	<u>171,907</u>	<u>(4,029)</u>	<u>32,045</u>	<u>621,640</u>
Total Liabilities and Fund Balances		<u>\$182,600</u>	<u>\$28,208</u>	<u>\$32,045</u>	<u>\$621,827</u>

Comcast PEG Restricted	Public Safety Impact Fees	Storm Drain Impact Fees	General Government Facilities Impact Fees	Park Development Impact Fees	LFFA	Total Nonmajor Governmental Funds
\$479,342	\$92,853	\$171,026	\$338,539	\$71,730	\$432,714	\$5,159,683
6,186	1,199	2,411	2,409	2,385	2,774	771,666
<u>\$485,528</u>	<u>\$94,052</u>	<u>\$173,437</u>	<u>\$340,948</u>	<u>\$74,115</u>	<u>\$435,488</u>	<u>\$5,931,349</u>
\$492	\$8,655					\$44,279
						139,334
492	8,655					183,613
485,036	85,397	\$173,437	\$340,948	\$74,115	\$435,488	5,081,297
						670,468
						(4,029)
<u>485,036</u>	<u>85,397</u>	<u>173,437</u>	<u>340,948</u>	<u>74,115</u>	<u>435,488</u>	<u>5,747,736</u>
<u>\$485,528</u>	<u>\$94,052</u>	<u>\$173,437</u>	<u>\$340,948</u>	<u>\$74,115</u>	<u>\$435,488</u>	<u>\$5,931,349</u>

TOWN OF MORAGA
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District	COPS/AVA
REVENUES					
Taxes and assessment	\$475,400			\$201,013	
Sales tax - public safety					
Intergovernmental	445,722	\$481,311			\$186,159
Interest	8,578	9,887	\$9,823	11,053	4,267
Parks and recreation					
Planning and permits					
Other revenue				4,253	
Fines, forfeitures and penalties					
Total Revenues	929,700	491,198	9,823	216,319	190,426
EXPENDITURES					
Current operations:					
General government					
Public safety					
Planning					
Public works				224,134	
Parks and recreation			13,809		
Capital outlay					
Total Expenditures			13,809	224,134	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	929,700	491,198	(3,986)	(7,815)	190,426
OTHER FINANCING SOURCES (USES)					
Transfers in		158,138		45,100	
Transfers (out)	(599,199)	(100,877)	(118,064)		(160,000)
Total Other Financing Sources (Uses)	(599,199)	57,261	(118,064)	45,100	(160,000)
NET CHANGE IN FUND BALANCES	330,501	548,459	(122,050)	37,285	30,426
BEGINNING FUND BALANCES (DEFICITS)	9,810	559,760	291,787	543,742	19,443
ENDING FUND BALANCES (DEFICITS)	\$340,311	\$1,108,219	\$169,737	\$581,027	\$49,869

Traffic Safety	NPDES	Asset Forfeiture	Public Safety Sales Tax	Street Lighting	Pavement Management Program	Refuse Vehicle Impact Fees	Public Safety Grants
	\$203,673		\$90,075	\$45,100			
				8,566	\$8,558	\$879,003 40,004	\$155,995
\$33,783							
33,783	203,673		90,075	53,666	8,558	919,007	155,995
33,783	203,673		90,075	53,666	8,558	919,007	155,995
(9,728)	(142,857)		(90,075)	(45,100)	(200,927)	309,932 (854,296)	(153,450)
(9,728)	(142,857)		(90,075)	(45,100)	(200,927)	(544,364)	(153,450)
24,055	60,816			8,566	(192,369)	374,643	2,545
36,637	(60,816)	\$6,398	29,878	216,867	241,197	336,601	(2,545)
\$60,692		\$6,398	\$29,878	\$225,433	\$48,828	\$711,244	

(Continued)

TOWN OF MORAGA
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Art in Public Spaces</u>	<u>ARPA</u>	<u>Grants</u>	<u>Advance Planning Fees</u>	<u>Asset Replacement</u>
REVENUES					
Taxes and assessment					
Sales tax - public safety					
Intergovernmental			\$28,208		
Interest					
Parks and recreation					
Planning and permits				\$32,045	
Other revenue					
Fines, forfeitures and penalties					
Total Revenues			28,208	32,045	
EXPENDITURES					
Current operations:					
General government		\$45,000			
Public safety					
Planning			32,237		
Public works					\$9,637
Parks and recreation	\$3,750				
Capital outlay					36,282
Total Expenditures	3,750	45,000	32,237		45,919
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,750)	(45,000)	(4,029)	32,045	(45,919)
OTHER FINANCING SOURCES (USES)					
Transfers in		92,190			185,250
Transfers (out)		(320,836)			(261,018)
Total Other Financing Sources (Uses)		(228,646)			(75,768)
NET CHANGE IN FUND BALANCES	(3,750)	(273,646)	(4,029)	32,045	(121,687)
BEGINNING FUND BALANCES (DEFICITS)	3,866	445,553			743,327
ENDING FUND BALANCES (DEFICITS)	<u>\$116</u>	<u>\$171,907</u>	<u>(\$4,029)</u>	<u>\$32,045</u>	<u>\$621,640</u>

Comcast PEG Restricted	Public Safety Impact Fees	Storm Drain Impact Fees	General Government Facilities Impact Fees	Park Development Impact Fees	LFFA	Total Other Governmental Funds
						\$925,186
						90,075
					\$251,535	2,427,933
	\$4,299	\$9,853	\$9,842	\$8,550	12,355	145,635
						32,045
\$25,923	187	74	1,691	2,102		34,230
						33,783
25,923	4,486	9,927	11,533	10,652	263,890	3,688,887
492					20,000	65,492
	8,655					8,655
						32,237
						233,771
						17,559
						36,282
492	8,655				20,000	393,996
25,431	(4,169)	9,927	11,533	10,652	243,890	3,294,891
			50,000			840,610
	(6,427)		(53,423)		(297,421)	(3,413,698)
	(6,427)		(3,423)		(297,421)	(2,573,088)
25,431	(10,596)	9,927	8,110	10,652	(53,531)	721,803
459,605	95,993	163,510	332,838	63,463	489,019	5,025,933
\$485,036	\$85,397	\$173,437	\$340,948	\$74,115	\$435,488	\$5,747,736

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, 2024

	Gasoline Tax			Transportation Measure J		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes and assessment	\$448,005	\$475,400	\$27,395			
Sales tax - public safety						
Intergovernmental	374,599	445,722	71,123	\$472,000	\$481,311	\$9,311
Interest		8,578	8,578		9,887	9,887
Parks and recreation						
Planning and permits						
Other revenue						
Fines, forfeitures and penalties						
Total Revenues	822,604	929,700	107,096	472,000	491,198	19,198
EXPENDITURES						
Current operations:						
General government						
Public safety						
Planning						
Public works						
Parks and recreation						
Capital outlay						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	822,604	929,700	107,096	472,000	491,198	19,198
OTHER FINANCING SOURCES (USES)						
Transfers in					158,138	158,138
Transfers (out)	(775,800)	(599,199)	176,601	(339,000)	(100,877)	238,123
Total Other Financing Sources (Uses)	(775,800)	(599,199)	176,601	(339,000)	57,261	396,261
NET CHANGE IN FUND BALANCES	<u>\$46,804</u>	330,501	<u>\$283,697</u>	<u>\$133,000</u>	548,459	<u>\$415,459</u>
BEGINNING FUND BALANCES (DEFICITS)		9,810			559,760	
ENDING FUND BALANCES (DEFICITS)		<u>\$340,311</u>			<u>\$1,108,219</u>	

Park Dedication			Lighting Assessment District			COPS/AVA		
Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
			\$200,000	\$201,013	\$1,013			
	\$9,823	\$9,823		11,053	11,053	\$160,000	\$186,159 4,267	\$26,159 4,267
				4,253				
	9,823	9,823	200,000	216,319	12,066	160,000	190,426	30,426
\$27,500	13,809	13,691	233,350	224,134	9,216			
27,500	13,809	13,691	233,350	224,134	9,216			
(27,500)	(3,986)	23,514	(33,350)	(7,815)	21,282	160,000	190,426	30,426
(137,171)	(118,064)	19,107	(46,100) (10,000)	45,100	91,200 10,000	(160,000)	(160,000)	
(137,171)	(118,064)	19,107	(56,100)	45,100	101,200	(160,000)	(160,000)	
<u>(\$164,671)</u>	(122,050)	<u>\$42,621</u>	<u>(\$89,450)</u>	37,285	<u>\$122,482</u>		30,426	<u>\$30,426</u>
	291,787			543,742			19,443	
	<u>\$169,737</u>			<u>\$581,027</u>			<u>\$49,869</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, 2024

	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				\$249,300	\$203,673	(\$45,627)
Sales tax - public safety						
Intergovernmental						
Interest						
Parks and recreation						
Planning and permits						
Other revenue						
Fines, forfeitures and penalties	\$30,000	\$33,783	\$3,783			
Total Revenues	<u>30,000</u>	<u>33,783</u>	<u>3,783</u>	<u>249,300</u>	<u>203,673</u>	<u>(45,627)</u>
EXPENDITURES						
Current operations:						
General government						
Public safety						
Planning						
Public works						
Parks and recreation						
Capital outlay						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>30,000</u>	<u>33,783</u>	<u>3,783</u>	<u>249,300</u>	<u>203,673</u>	<u>(45,627)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(26,250)	(9,728)	16,522	(249,300)	(142,857)	106,443
Total Other Financing Sources (Uses)	<u>(26,250)</u>	<u>(9,728)</u>	<u>16,522</u>	<u>(249,300)</u>	<u>(142,857)</u>	<u>106,443</u>
NET CHANGE IN FUND BALANCES	<u>\$3,750</u>	24,055	<u>\$20,305</u>		60,816	<u>\$60,816</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>36,637</u>			<u>(60,816)</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$60,692</u>				

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)
			\$95,100	\$90,075	(\$5,025)	\$45,100	\$45,100	
							8,566	\$8,566
			95,100	90,075	(5,025)	45,100	53,666	8,566
			95,100	90,075	(5,025)	45,100	53,666	8,566
			(95,100)	(90,075)	5,025	(45,100)	(45,100)	
			(95,100)	(90,075)	5,025	(45,100)	(45,100)	
							8,566	\$8,566
	\$6,398			29,878			216,867	
	<u>\$6,398</u>			<u>\$29,878</u>			<u>\$225,433</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, 2024

	Pavement Management Program			Refuse Vehicle Impact fees		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes and assessment						
Sales tax - public safety						
Intergovernmental				\$842,000	\$879,003	\$37,003
Interest		\$8,558	\$8,558		40,004	40,004
Parks and recreation						
Planning and permits						
Other revenue						
Fines, forfeitures and penalties						
Total Revenues		8,558	8,558	842,000	919,007	77,007
EXPENDITURES						
Current operations:						
General government						
Public safety						
Planning						
Public works						
Parks and recreation						
Capital outlay						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		8,558	8,558	842,000	919,007	77,007
OTHER FINANCING SOURCES (USES)						
Transfers in					309,932	309,932
Transfers (out)		(200,927)	(200,927)	(1,173,000)	(854,296)	318,704
Total Other Financing Sources (Uses)		(200,927)	(200,927)	(1,173,000)	(544,364)	
NET CHANGE IN FUND BALANCES		(192,369)	(\$192,369)	(\$331,000)	374,643	\$77,007
BEGINNING FUND BALANCES (DEFICITS)		241,197			336,601	
ENDING FUND BALANCES (DEFICITS)		\$48,828			\$711,244	

Public Safety Grants			Art in Public Spaces			ARPA		
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)
\$157,000	\$155,995	(\$1,005)						
157,000	155,995	(1,005)						
						\$45,000	\$45,000	
				\$3,750	(\$3,750)			
				3,750	(3,750)	45,000	45,000	
157,000	155,995	(1,005)		(3,750)	3,750	(45,000)	(45,000)	
(157,000)	(153,450)	3,550				(450,000)	92,190 (320,836)	\$92,190 129,164
(157,000)	(153,450)	3,550				(450,000)	(228,646)	221,354
	2,545	\$2,545		(3,750)	\$3,750	(\$495,000)	(273,646)	\$221,354
	(2,545)			3,866			445,553	
				\$116			\$171,907	

(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, 2024

	Grants			Advance Planning Fees		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes and assessment						
Sales tax - public safety						
Intergovernmental		\$28,208	\$28,208			
Interest						
Parks and recreation						
Planning and permits					\$32,045	\$32,045
Other revenue						
Fines, forfeitures and penalties						
Total Revenues		28,208	28,208		32,045	32,045
EXPENDITURES						
Current operations:						
General government						
Public safety						
Planning		32,237	(32,237)			
Public works						
Parks and recreation						
Capital outlay						
Total Expenditures		32,237	(32,237)			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(4,029)	60,445		32,045	32,045
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES		(4,029)	\$60,445		32,045	\$32,045
BEGINNING FUND BALANCES (DEFICITS)						
ENDING FUND BALANCES (DEFICITS)		(\$4,029)			\$32,045	

Asset Replacement			Comcast PEG Restricted			Public Safety Impact Fees		
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)
							\$4,299	4,299
			\$43,260	\$25,923	(\$17,337)	\$10,000	187	(9,813)
			43,260	25,923	(17,337)	10,000	4,486	(5,514)
				492	(492)	12,000	8,655	3,345
\$15,000	\$9,637	\$5,363						
172,521	36,282	136,239						
187,521	45,919	141,602		492	(492)	12,000	8,655	3,345
(187,521)	(45,919)	(141,602)	43,260	25,431	(16,845)	(2,000)	(4,169)	(8,859)
44,000	185,250	141,250						
(395,000)	(261,018)	133,982				(33,000)	(6,427)	26,573
	(75,768)	275,232				(33,000)	(6,427)	26,573
(\$187,521)	(121,687)	\$133,630	\$43,260	25,431	(\$16,845)	(\$35,000)	(10,596)	\$17,714
	743,327			459,605			95,993	
	\$621,640			\$485,036			\$85,397	

(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, 2024

	Storm Drain Impact Fees			General Government Facilities Impact Fees		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes and assessment						
Sales tax - public safety						
Intergovernmental						
Interest		\$9,853	\$9,853		\$9,842	9,842
Parks and recreation						
Planning and permits						
Other revenue	\$10,000	74	(9,926)	\$60,000	1,691	(58,309)
Fines, forfeitures and penalties						
Total Revenues	10,000	9,927	(73)	60,000	11,533	(48,467)
EXPENDITURES						
Current operations:						
General government						
Public safety						
Planning						
Public works						
Parks and recreation						
Capital outlay						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,000	9,927	(73)	60,000	11,533	(48,467)
OTHER FINANCING SOURCES (USES)						
Transfers in					50,000	50,000
Transfers (out)	(129,490)		129,490	(216,000)	(53,423)	162,577
Total Other Financing Sources (Uses)	(129,490)		129,490	(216,000)	(3,423)	212,577
NET CHANGE IN FUND BALANCES	<u>(\$119,490)</u>	9,927	<u>\$129,417</u>	<u>(\$156,000)</u>	8,110	<u>\$164,110</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>163,510</u>			<u>332,838</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$173,437</u>			<u>\$340,948</u>	

(Continued)

Park Development Impact Fees			LFFA		
Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
	\$8,550	\$8,550	\$294,250	\$251,535 12,355	(\$42,715) 12,355
\$60,000	2,102	(57,898)			
<u>60,000</u>	<u>10,652</u>	<u>(49,348)</u>	<u>294,250</u>	<u>263,890</u>	<u>(30,360)</u>
			20,000	20,000	
			<u>20,000</u>	<u>20,000</u>	
<u>60,000</u>	<u>10,652</u>	<u>(49,348)</u>	<u>274,250</u>	<u>243,890</u>	<u>(30,360)</u>
			<u>(313,000)</u>	<u>(297,421)</u>	<u>15,579</u>
			<u>(313,000)</u>	<u>(297,421)</u>	<u>15,579</u>
<u>\$60,000</u>	<u>10,652</u>	<u>(\$49,348)</u>	<u>(\$38,750)</u>	<u>(53,531)</u>	<u>(\$14,781)</u>
	<u>63,463</u>			<u>\$489,019</u>	
	<u>\$74,115</u>			<u>\$435,488</u>	

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<p style="text-align: center;">TOWN OF MORAGA STATISTICAL SECTION</p>

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

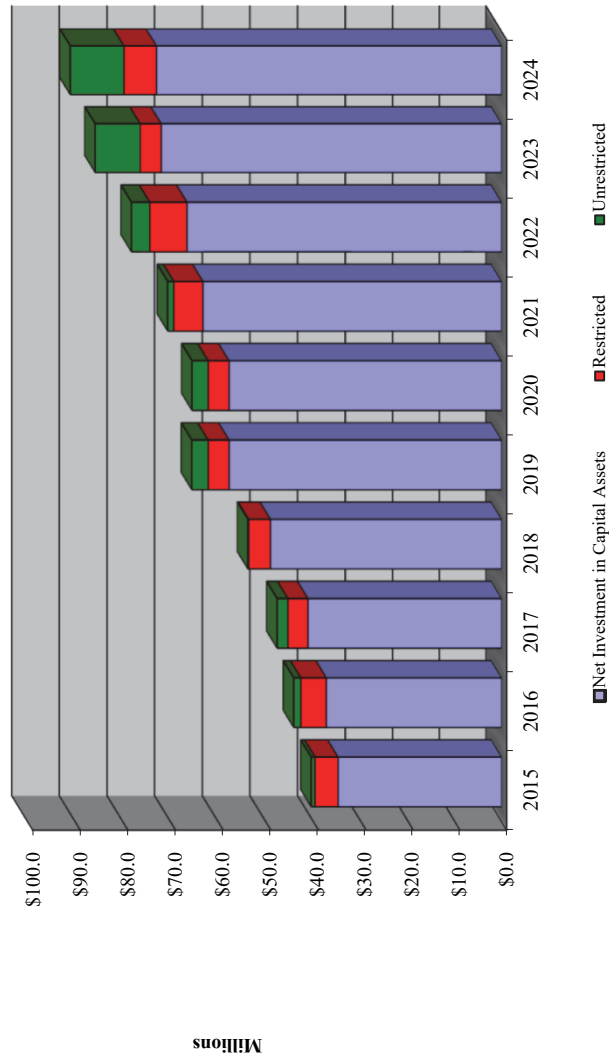
Operating Information

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)



	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$34,803,223	\$37,271,687	\$41,118,856	\$49,000,379	\$57,692,665	\$57,692,665	\$63,165,320	\$66,515,433	\$71,923,018	\$72,922,208
Restricted	4,834,164	5,358,218	4,209,026	4,582,338	4,395,963	4,379,364	6,123,811	7,819,983	4,405,314	6,822,097
Unrestricted	792,542	1,471,051	2,260,694	143,487	3,412,059	3,377,561	1,258,395	3,828,762	9,437,269	11,252,374
Total governmental activities net position	\$40,429,929	\$44,100,956	\$47,588,576	\$53,726,204	\$65,500,687	\$65,449,590	\$70,547,526	\$78,164,178	\$85,765,601	\$90,996,679

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			
	2015	2016	2017	2018
Expenses				
Governmental activities:				
General administration	\$1,546,125	\$2,026,707	\$2,032,953	\$2,297,903
Planning	720,899	705,286	841,860	615,531
Public safety	2,546,827	3,329,382	2,976,211	2,902,846
Public works	2,056,010	2,273,923	2,481,231	2,459,023
Parks and recreation	1,339,255	1,545,628	1,517,572	1,360,153
Interest and long-term debt	368,686	360,963	349,969	338,241
Total Governmental activities expenses	8,577,802	10,241,889	10,199,796	9,973,697
Total Primary Government Expenses	\$8,577,802	\$10,241,889	\$10,199,796	\$9,973,697
Program Revenues				
Governmental activities:				
Charges for services:				
General administration	\$199,703	\$243,025	\$274,488	\$221,143
Planning	528,548	535,714	476,409	812,217
Public safety	92,100	83,766	69,027	71,631
Public works	452,795	253,065	584,804	570,987
Parks and recreation	357,278	287,884	436,948	381,256
Operating Grants and Contributions	1,386,015	3,569,566	1,173,070	5,457,409
Capital Grants and Contributions	422,684	1,050,101	2,978,412	503,124
Total Governmental activities program revenues	3,439,123	6,023,121	5,993,158	8,017,767
Net Revenues / (Expenses)				
Governmental activities	(5,138,679)	(4,218,768)	(4,206,638)	(1,955,930)
Total Primary Government Net Expense	(\$5,138,679)	(\$4,218,768)	(\$4,206,638)	(\$1,955,930)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property tax	\$3,467,233	\$3,673,444	\$3,888,623	\$4,130,507
Sales tax	2,755,146	2,698,602	2,715,945	2,795,331
Franchise tax	955,183	1,007,135	1,023,529	1,079,525
Motor vehicle in-lieu				
Gas tax				
Assessment				
Interest and use of property	36,101	66,919	66,161	88,195
Other		343,695		
Total Governmental activities	7,213,663	7,789,795	7,694,258	8,093,558
Change in Net Position				
Governmental activities	2,074,984	3,571,027	3,487,620	6,137,628
Total Primary Government Change in Net Position	\$2,074,984	\$3,571,027	\$3,487,620	\$6,137,628

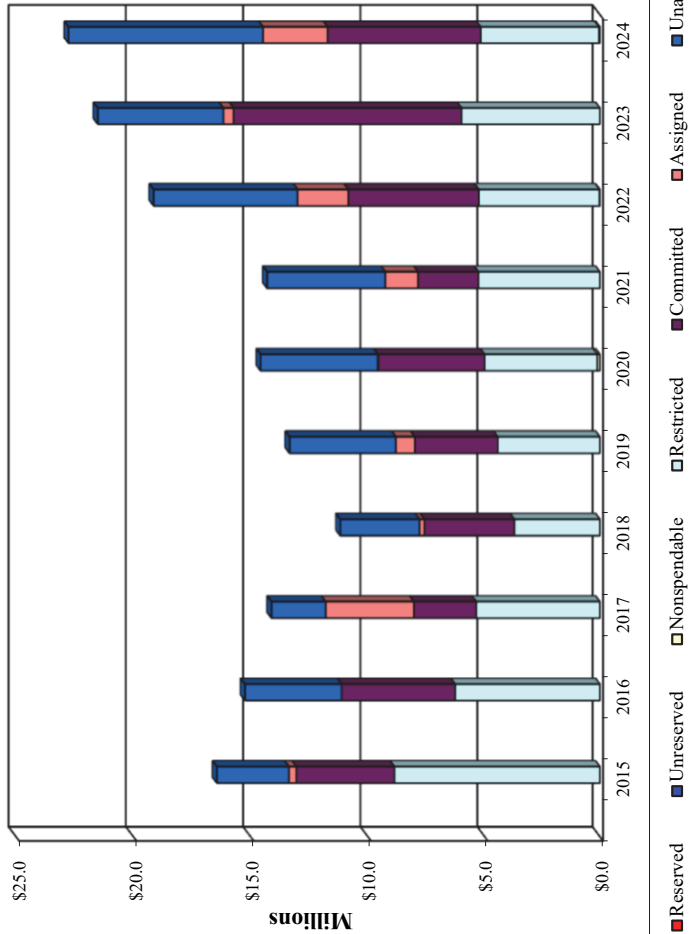
Source: Town of Moraga: Basic Financial Statements

Fiscal Year Ended June 30

2019	2020	2021	2022	2023	2024
\$2,252,928	\$2,817,369	\$2,825,163	\$3,030,241	\$3,313,148	\$3,536,993
635,537	855,304	688,562	777,618	631,532	891,736
2,871,971	3,606,434	3,229,627	3,830,814	2,836,278	3,677,948
2,846,105	3,278,173	3,198,868	3,957,682	3,499,822	4,686,815
1,451,004	1,653,945	1,527,039	1,754,878	1,727,601	2,154,818
323,272	308,171	292,572	241,853	228,053	94,504
<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>15,042,814</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>\$15,042,814</u>
\$213,827	\$306,087	\$461,538	\$482,986	\$659,061	\$368,286
454,244	480,145	515,217	600,562	532,625	543,524
88,024	55,535	50,337	70,127	111,755	66,646
382,365	354,416	393,586	422,751	443,211	948,816
362,251	421,936	499,750	608,328	778,403	969,182
5,442,037	6,134,177	1,942,601	2,066,595	2,418,050	2,210,181
136,933	375,722	2,740,338	6,033,911	4,583,510	975,495
<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>	<u>6,082,130</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>	<u>(8,960,684)</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>	<u>(\$8,960,684)</u>
\$4,680,092	\$5,350,049	\$5,588,458	\$5,827,476	\$6,239,991	\$6,504,022
3,113,516	3,107,449	3,677,440	4,043,356	4,057,799	4,042,457
1,252,102	1,521,963	834,981	871,755	917,590	953,909
124,066	266,663	138,986	192,697	680,309	1,096,121
<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>	<u>12,596,509</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>	<u>3,635,825</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>	<u>\$3,635,825</u>

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



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$646	\$327		\$3,051	\$1,719	\$116,880	\$242	\$23,424	\$3,150	\$46,482
Restricted	1,971,271	3,193,822	\$928,948	1,912,602	2,873,303	2,514,013	16,535	16,535	1,611,788	16,520
Committed	319,488		3,763,132	212,668	809,668	24,380	2,491,873	4,512,876	4,286,024	2,785,733
Assigned	3,071,555	4,116,870	2,309,276	3,375,320	4,530,170	4,992,784	165,000	6,135,614	5,353,029	8,293,284
Unassigned	\$5,362,960	\$7,311,019	\$7,001,356	\$5,503,641	\$8,214,860	\$7,648,057	\$7,713,729	\$10,688,449	\$11,253,991	\$11,142,019
Total General Fund										
All Other Governmental Funds										
Restricted	\$8,865,991	\$6,277,032	\$5,364,954	\$3,708,786	\$4,427,999	\$4,888,214	\$5,268,386	\$5,229,746	\$4,388,779	\$5,110,726
Committed	2,208,849	1,649,665	1,742,264	1,963,992	695,928	2,033,363	98,586	1,069,968	5,432,465	3,754,765
Assigned							1,229,115	2,160,861	438,799	2,755,954
Unassigned				(1,020,094)	(541,440)	(1,530,987)	(472,276)	\$8,460,575	\$10,260,043	(4,029)
Total All Other Governmental Funds	\$11,074,840	\$7,926,697	\$7,107,218	\$4,652,684	\$4,582,487	\$5,390,590	\$6,123,811	\$8,460,575	\$10,260,043	\$11,617,416

(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			
	2015	2016	2017	2018
Revenues				
Property taxes and assessments	\$2,862,344	\$2,916,958	\$3,001,995	\$3,181,741
Property taxes - in lieu (motor vehicle)	1,448,086	1,533,346	1,622,029	1,712,049
Sales taxes	855,442	930,860	1,072,512	1,098,280
Sales & use tax - in lieu	253,333	201,338		
Sales tax - 1% local add-on	1,709,913	1,629,441	1,709,325	1,766,158
Franchise fees	955,183	1,007,135	1,023,530	1,079,526
Real property transfer fees	149,620	157,140	155,746	191,523
Motor vehicle license fees	6,772	6,644	7,398	9,365
Planning and permits	528,548	535,714	476,409	812,218
Parks and recreation	367,478	561,284	457,350	613,817
Police services	72,379	83,766	69,026	71,631
Public works services	255,857	333,965	231,808	221,741
Intergovernmental	848,208	745,120	1,990,524	5,162,434
Fines, forfeitures and penalties	35,500	32,408	47,615	41,688
Interest	36,100	66,920	66,146	88,194
Property rentals	41,285	89,867	92,653	95,851
Other revenues	226,738	3,081,010	589,364	619,048
Total Revenues	10,652,786	13,912,916	12,613,430	16,765,264
Expenditures				
Current operations:				
General administration	1,440,996	1,610,798	1,676,824	2,191,396
Planning	720,128	550,689	686,417	554,658
Police	2,493,681	2,537,267	2,564,426	2,706,935
Public works	1,079,345	1,067,553	1,213,060	1,257,506
Parks and recreation	1,146,108	1,187,549	1,220,187	1,158,078
Debt service:				
Principal	344,926	355,375	365,842	381,321
Interest	381,683	373,960	362,966	351,238
Capital outlay	6,170,890	5,101,145	7,287,905	9,731,814
Total Expenditures	13,777,757	12,784,336	15,377,627	18,332,946
Revenues over (under) expenditures	(3,124,971)	1,128,580	(2,764,197)	(1,567,682)
Other Financing Sources (Uses)				
Transfers in	7,410,024	5,365,999	5,114,321	5,673,699
Transfers (out)	(7,410,024)	(5,365,999)	(5,114,321)	(5,673,699)
Proceeds from loan / debt issuance				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(\$3,124,971)	\$1,128,580	(\$2,764,197)	(\$1,567,682)
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					
2019	2020	2021	2022	2023	2024
\$3,285,156	\$3,440,576	\$3,582,193	\$3,741,016	\$4,004,094	\$4,145,502
1,811,813	1,909,473	2,006,265	2,086,460	2,235,897	2,358,520
1,220,022	1,108,728	1,237,112	1,379,392	1,387,894	1,390,457
1,965,304	1,998,721	2,440,328	2,663,964	2,669,905	2,652,000
1,252,102	1,521,963	834,981	871,755	917,590	953,909
145,553	159,559	283,269	302,425	158,215	133,681
8,156	13,406	12,429	19,431	17,704	21,335
427,719	418,252	514,939	599,684	525,967	531,023
362,254	557,868	499,750	608,327	778,405	969,184
88,023	72,973	50,337	70,128	111,755	66,645
322,141	354,417	393,586	364,298	438,211	507,203
3,842,903	4,867,848	6,438,549	5,953,009	6,941,931	3,580,969
40,328	32,475	21,998	25,374	36,029	33,783
124,062	166,535	39,880	73,639	559,496	977,463
99,277	100,130	99,106	119,058	120,813	121,770
276,302	490,374	209,290	2,467,402	518,398	249,004
15,271,115	17,213,298	18,664,012	21,345,362	21,422,304	18,692,448
2,044,802	2,521,018	2,542,246	2,748,297	3,201,897	3,191,868
617,689	760,404	653,360	676,692	740,576	836,848
2,805,252	3,016,816	3,030,934	3,231,081	3,603,086	3,636,363
1,589,154	1,622,055	1,637,962	1,784,367	1,834,810	1,943,436
1,304,221	1,421,420	1,357,792	1,530,762	1,734,210	1,972,489
375,000	390,000	1,245,000	345,000	355,000	4,650,000
336,269	321,168	305,569	254,850	241,050	251,630
2,679,406	8,738,446	6,097,565	5,462,829	7,473,344	3,782,460
11,751,793	18,791,327	16,870,428	16,033,878	19,183,973	20,265,094
3,519,322	(1,578,029)	1,793,584	5,311,484	2,238,331	(1,572,646)
5,723,806	5,415,525	6,041,418	7,138,461	11,625,458	4,576,663
(5,723,806)	(5,415,525)	(6,041,418)	(7,138,461)	(11,625,458)	(6,271,514)
0	0	0	0	0	4,512,898
0	0	0	0	0	2,818,047
\$3,519,322	(\$1,578,029)	\$1,793,584	\$5,311,484	\$2,238,331	\$1,245,401
7.9%	7.8%	7.0%	14.4%	5.6%	29.5%

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)
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	2.106547
2019-20	4,250,814,732	112,829,167	9,136,909	341,567,058	19,568,271	265,511,717	4,468,404,420	1.118000	7,467,886,537	1.671265
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
2023-24	5,286,469,483	132,047,072	9,769,795	361,452,522	27,292,843	290,152,967	5,526,878,748	1.088600	10,252,545,113	1.855033

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

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

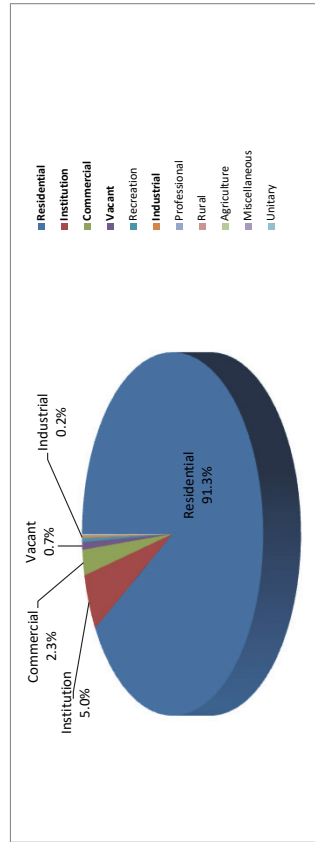
(1.) Total tax rate is represented by TRA 15-002.

(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, Townwide
Last Nine Fiscal Years

Category	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Residential	\$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	\$5,286,469,483
Institution	143,503,641	234,248,426	240,107,445	182,977,401	255,492,713	263,942,279	267,786,192	275,051,429	275,348,452	290,321,319
Commercial	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	132,047,072
Vacant	42,401,862	55,391,943	69,413,408	65,179,598	65,628,242	48,909,262	46,034,727	36,475,742	36,881,257	39,413,141
Recreation	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	19,264,318
Industrial	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	9,769,795
Professional	3,313,765	3,761,444	3,818,802	4,237,495	4,748,861	4,843,835	4,996,621	5,093,154	5,095,177	5,075,795
Rural	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	3,024,980
Agriculture	775,085	791,024	804,142	820,849	836,808	965,297	985,278	996,714	3,173,493	3,236,567
Miscellaneous	768,870	784,230	796,602	812,532	828,772	845,345	862,249	871,178	888,598	906,408
Unitary	123,791	123,791	123,791	123,791	145,460	145,460	145,460	145,460	209,994	209,994
Gross Secured Value	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	5,789,738,872
Unsecured	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	27,292,843
Exemptions	150,816,543	242,201,114	247,929,016	176,617,350	255,005,861	265,511,717	266,306,530	272,412,354	274,819,848	290,152,967
Net Assessed Value	\$3,380,430,188	\$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	\$5,526,878,748



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

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
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	0.004500	0.002600	0.008000	0.008400	0.007000	0.012000	0.013900	0.006000	0.014000	0.013400
EAST BAY REG PK BD	0.008500	0.006700	0.003200	0.002100	0.002100	0.009400	0.001400	0.002000	0.005800	0.005700
ACALANES UNION	0.035000	0.033200	0.032300	0.032500	0.032300	0.032600	0.032700	0.033600	0.032500	0.031500
MORAGA ELEM BON	0.024300	0.022900	0.022400	0.048300	0.044800	0.045200	0.028100	0.038700	0.023300	0.023400
COMMUNITY COLLEGE	0.025200	0.022000	0.012000	0.011400	0.011000	0.018800	0.016100	0.017600	0.016200	0.014600
TOTAL OVERRIDE RATE	0.097500	0.087400	0.077900	0.102700	0.097200	0.118000	0.092200	0.097900	0.091800	0.088600
TOTAL TAX RATE	1.097500	1.087400	1.077900	1.102700	1.097200	1.118000	1.092200	1.097900	1.091800	1.088600

Source: County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics
Rates are not adjusted for ERAF.
TRA 15-002 is represented for this report.

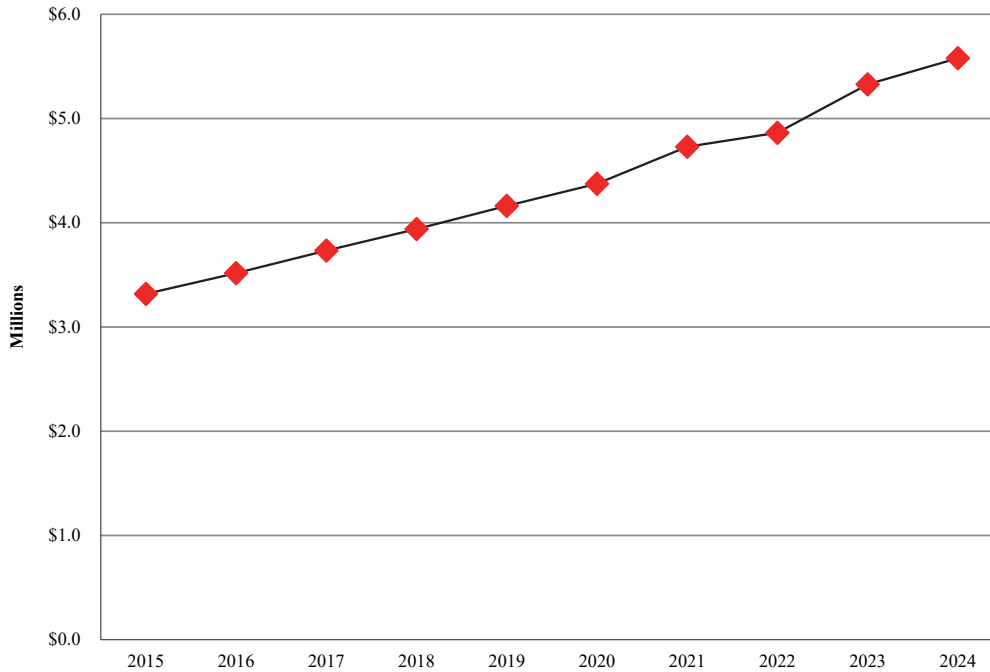
Town of Moraga

Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2023-24		2014-15	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Rheem Valley Property Owner LP	\$47,430,000	0.86%		
Russell J Bruzzzone Inc	27,544,061	0.50%	\$21,416,562	0.63%
ASC Moraga LLC	14,203,325	0.26%	12,054,480	0.36%
Vanguard Apartments LLC	12,843,047	0.23%	3,792,773	0.11%
S4 Nest LLC	10,856,000	0.20%		
Gage Investment Properties LLC	10,100,099	0.18%		
Markets Angelos	9,497,264	0.17%	6,570,000	0.19%
Bigbury Company N V	9,281,840	0.17%	7,877,878	0.23%
Moraga Country Club HOA	8,999,804	0.16%		
Moraga Royale LLC	8,456,498	0.15%		
Comcast of California I Inc	8,448,073	0.15%		
Saiidnia Ezatollah	6,195,582	0.11%		
Jaber Philip J Tre	6,079,418	0.11%	5,159,662	0.15%
KN Productions Inc	5,975,562	0.11%	5,071,516	0.15%
Logos Property Investment W	5,693,870	0.10%		
Vrionis Michael G & Maria Tre	4,578,054	0.08%	3,885,437	0.11%
Outdo Country Club Drive LLC	4,354,419	0.08%		
Moraga Creekside LLC	4,348,894	0.08%	3,701,510	0.11%
348 Rheem Boulevard LLC	4,309,637	0.08%		
Gage Deborah S Tre	4,220,329	0.08%	3,581,833	0.11%
Zimring Dov & Jennifer Tre	4,050,560	0.07%		
2157 Donald Dr Assoc LLC	3,991,806	0.07%		
Chino Promenade III Inc	3,973,366	0.07%		
Kimball Andrew E & Rachel S	3,932,440	0.07%		
AAAAA Rent-A-Space & Moraga Ltd	3,919,457	0.07%	3,354,969	0.10%
PK I Rheem Valley LP			34,509,478	1.02%
Moraga Enterprise Inc.			9,198,721	0.27%
Gage George Tre			8,572,050	0.25%
GKHB Royale Investments LP			7,556,570	0.22%
Moraga Town Of			7,180,820	0.21%
Moraga Builders Corp			5,010,954	0.15%
Moraga Cc Holdings LLC			3,763,796	0.11%
CT Operating Partnership LP			3,538,212	0.10%
Puri Mahesh K Minoo			3,363,394	0.10%
Beeri Giora			3,214,926	0.10%
Wang Judy			3,146,887	0.09%
Ansari Mohammadali Tre			3,053,000	0.09%
Doyle Patrick K Tre			3,033,311	0.09%
Albert Bruce R Tre			2,940,481	0.09%
Total Top 25 Taxpayers	\$233,283,405	4.22%	\$174,549,220	5.16%
Total Taxable Value	\$5,526,878,748	100.00%	\$3,380,306,397	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



<u>Fiscal Year</u>	<u>Property Tax Levied and Collected</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
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%
2024	5,578,836	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**

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

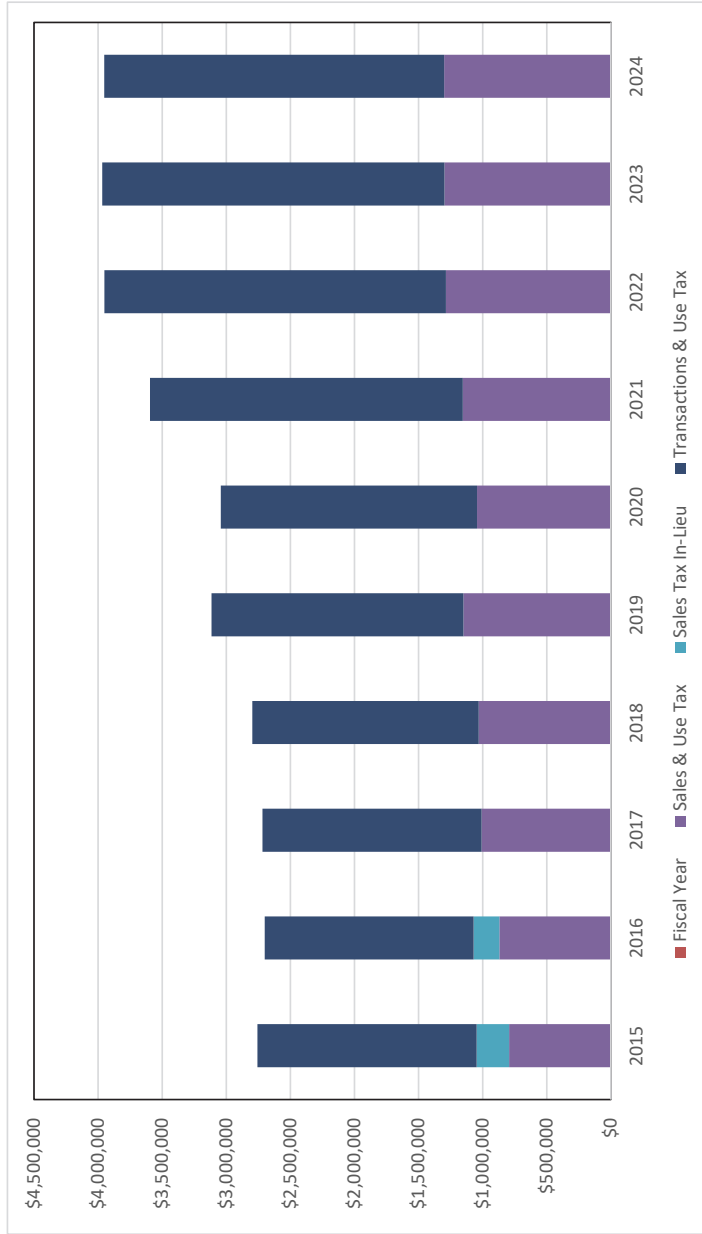
2023-24			2014-15		
Taxpayer	Business Type		Taxpayer	Business Type	
7-Eleven Food Stores	Food Markets		7-Eleven Food Stores	Food Markets	
Arco AM/PM Mini Marts	Service Stations		Arco AM/PM Mini Marts	Service Stations	
Canyon Club Brewery	Food Processing Eqp		Argo Hospitality Services	Restaurants	
Chevron Service Stations	Service Stations		Barnes & Noble Bookstores	Miscellaneous Retail	
CVS/Pharmacy	Drug Stores		Blue Cat	Light Industry	
Dollar Tree Stores	Department Stores		Chevron Service Stations	Service Stations	
Dover Saddlery	Recreation Products		CVS/Pharmacy	Drug Stores	
Golden Palace Restaurant	Restaurants		Dollar Tree Stores	Department Stores	
Hacienda De Las Flores by Wedgewood W	Restaurants		Homegoods	Furniture/Appliance	
Homegoods	Furniture/Appliance		La Penne Pizza Pub & Pizza	Restaurants	
La Penne Pizza Pub & Pizza	Restaurants		Lamorinda Gasoline & Auto Repair	Service Stations	
Moraga Country Club	Miscellaneous Retail		Mccaulou Department Store	Department Stores	
Moraga Gas and Mart	Service Stations		Moraga Auto Care & Service	Auto Parts/Repair	
Moraga Hardware & Lumber	Bldg.Matls-Retail		Moraga Country Club	Miscellaneous Retail	
Moraga Service Center	Service Stations		Moraga Hardware & Lumber	Bldg.Matls-Retail	
Moraga Star Service Stations	Service Stations		Moraga Service Center	Service Stations	
Moraga Wines & Spirits	Liquor Stores		Moraga Star Service Stations	Service Stations	
Nations Giant Hamburgers	Restaurants		Moraga Wines & Spirits	Liquor Stores	
Outdoor Supply Hardware	Bldg.Matls-Retail		Nations Giant Hamburgers	Restaurants	
Pumping Essentials	Light Industry		Orchard Supply Hardware	Bldg.Matls-Retail	
Safeway Stores	Food Markets		Ristorante Amoroma	Restaurants	
Sodexo America	Restaurants		Safeway Stores	Food Markets	
Sushi Fighter	Miscellaneous Other		Saint Mary's College	Miscellaneous Retail	
Taco Bell	Restaurants		Sodexo America	Restaurants	
TJ Maxx	Apparel Stores		TJ Maxx	Apparel Stores	

Source: MuniServices, LLC / Avenu Insights & Analytics

**TOWN OF MORAGA
SALES TAX REVENUES**

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)



Fiscal Year	Sales & Use Tax (a)	Sales Tax In-Lieu (a)	Transactions & Use Tax (a)	All Sales Tax Total (b)	Percent Change
2015	\$791,900	\$253,333	\$1,709,913	\$2,755,146	10.4%
2016	867,823	201,338	1,629,441	2,698,602	-2.1%
2017	1,006,620	0	1,709,325	2,715,945	0.6%
2018	1,029,173	0	1,766,158	2,795,331	2.9%
2019	1,148,212	0	1,965,304	3,113,516	11.4%
2020	1,042,050	0	1,998,721	3,040,771	-2.3%
2021	1,153,003	0	2,440,328	3,593,330	18.2%
2022	1,285,130	0	2,663,964	3,949,094	9.9%
2023	1,295,778	0	2,669,905	3,965,683	0.4%
2024	1,300,382	0	2,652,000	3,952,382	-0.3%

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

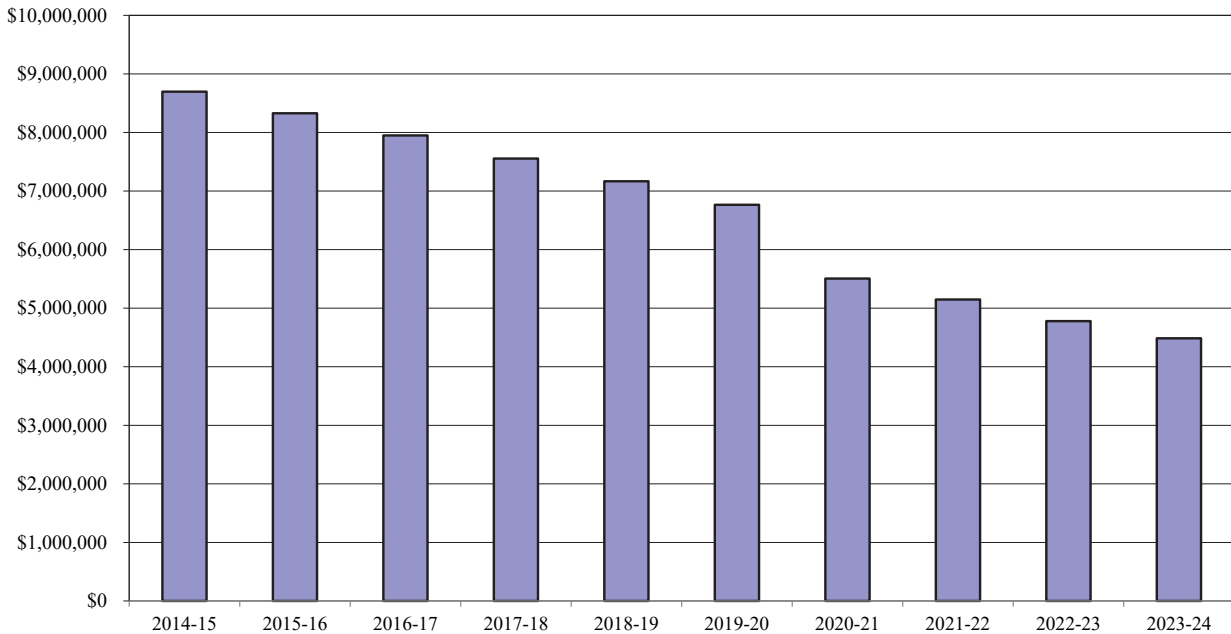
**TOWN OF MORAGA
TAXABLE RETAIL SALES
(Dollars in Thousands)**

Year		Retail Stores		Total All Outlets	
		Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
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
2023	(a)	183	93,600	325	107,734

(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		
2014-15	\$8,648,952	\$47,537	\$8,696,489	0.91%	\$528
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
2023-24	4,485,749	0	4,485,749	0.22%	265.90

(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

2023-24 Assessed Valuation: \$5,549,989,954

	Total Debt 6/30/24	% Applicable (1)	Town's Share of Debt 6/30/24
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Bay Area Rapid Transit District	\$2,445,575,000	0.550%	\$13,450,663
Contra Costa Community College District	618,770,000	2.075	12,839,478
Acalanes Union High School District	126,514,470	11.667	14,760,443
Moraga School District	27,890,000	97.861	27,293,433
Orinda Union School District	81,925,000	0.246	201,536
East Bay Regional Park District	144,520,000	0.864	1,248,653
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$69,794,206
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Contra Costa County General Fund Obligations	\$171,495,000	2.069%	\$ 3,548,232
Moraga School District General Fund Obligations	6,729,695	97.861	6,585,747
Orinda Union School District General Fund Obligations	2,235,000	0.246	5,498
Town of Moraga Certificates of Participation	3,970,000	100.	3,970,000 (2)
Moraga-Orinda Fire Protection District General Fund Obligations	2,078,000	36.739	763,436
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$14,872,913
Less: Contra Costa County Obligations supported by revenue funds			879,839
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$13,993,074
TOTAL DIRECT DEBT			\$3,970,000
TOTAL GROSS OVERLAPPING DEBT			\$80,697,119
TOTAL NET OVERLAPPING DEBT			\$79,817,280
GROSS COMBINED TOTAL DEBT			\$84,667,119 (3)
NET COMBINED TOTAL DEBT			\$83,787,280

- (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 6/30/23 unamortized premium of \$129,977.
- (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	1.26%
Total Direct Debt (\$3,970,000).....	0.07%
Gross Combined Total Debt	1.53%
Net Combined Total Debt	1.51%

Source: Avenu Insights & Analytics
California Municipal Statistics, Inc

TOWN OF MORAGA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2024

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$5,526,878,748</u>
--	------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$207,257,953</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>\$207,257,953</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 Enrollment (3)	County	City	County Population
	(1)	Personal Income	Personal Income (2)	Median Age		Unemployment Rate (%) (4)	Unemployment Rate (%) (4)	
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
2023-24	16,870	2,053,059,600	121,699	41.3	1,775	3.9	3.5	1,165,927

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 Four Years Ago

Business Name	2023-24		2019-20	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
St. Mary's College of California*	1,165	16.64%	824	11.61%
Moraga Unified School District*	310	4.43%		
Moraga Country Club	255	3.64%	67	0.94%
Bright Star Care Home Care	200	2.86%	170	2.39%
Safeway	138	1.97%	118	1.66%
Campolindo High School*	108	1.54%	91	1.28%
Aegis Living Moraga	70	1.00%	63	0.89%
Moraga Post Acute	61	0.87%	59	0.83%
Town of Moraga**	41	0.59%		
TJ Maxx	57	0.81%	42	0.59%
Moraga Gardens Farm			50	0.70%
Outdoor Supply Hardware			47	0.66%
Total Top Employers	2,405	34.36%	1,531	21.56%
Total Labor Force (1)	7,000		7,100	

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: FY2019-20 Comprehensive Annual Financial Report (Historical data not available)

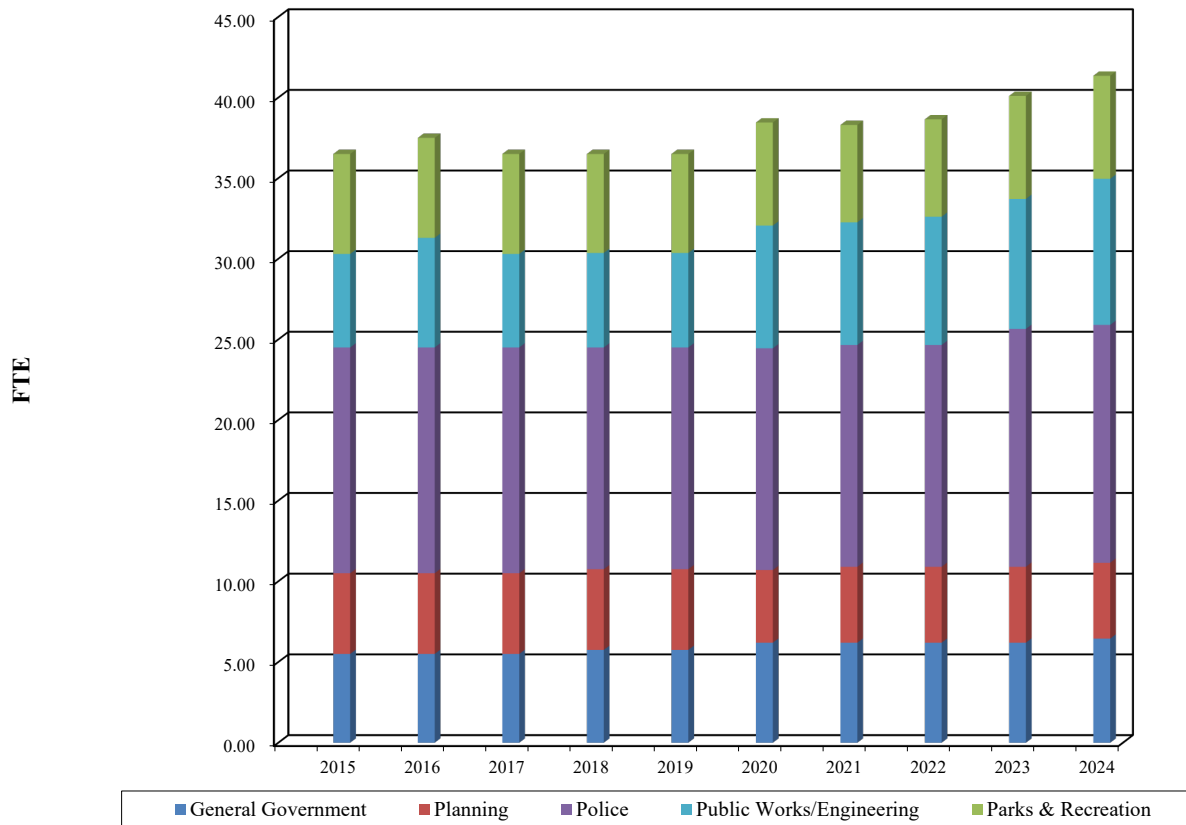
(1) Total City Labor Force provided by EDD Labor Force Data

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

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

** FY2023-24 FY2024-25 Biennial Adopted Budget

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



Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	5.50	5.50	5.50	5.75	5.75	6.20	6.20	6.20	6.20	6.45
Planning	5.00	5.00	5.00	5.00	5.00	4.50	4.70	4.70	4.70	4.70
Police	14.00	14.00	14.00	13.75	13.75	13.75	13.75	13.75	14.75	14.75
Public Works/Engineering	5.80	6.80	5.80	5.86	5.86	7.61	7.61	7.96	8.06	9.06
Parks & Recreation	6.20	6.20	6.20	6.14	6.14	6.39	6.04	6.04	6.39	6.39
Total FTE	36.50	37.50	36.50	36.50	36.50	38.45	38.30	38.65	40.10	41.35

Source: Town of Moraga Adopted Budget Documents

TOWN OF MORAGA
OPERATING INDICATORS BY FUNCTION

FUNCTION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Crime by type:										
Homicide	0	0	0	1	0	0	0	0	0	1
Forcible Rape	1	1	1	2	0	0	2	1	2	2
Robbery	0	2	2	2	2	0	0	2	3	3
Assault	19	20	14	14	5	9	14	34	19	27
Burglary	33	41	24	12	19	10	17	38	37	37
Larceny	104	136	95	72	36	64	66	101	78	64
Motor Vehicle Theft	12	24	24	8	4	8	6	8	20	13
Total crime by type	169	224	160	111	66	91	105	184	159	147
Public Works										
Potholes repaired (square miles)	140	140	140	140	140	121	104	100	200	150
Street Sweeping (miles)	108	104	104	112	112	112	112	112	112	224
Volume of material removed (cubic yards)	80	75	75	80	80	90	80	80	70	120
Storm Drains:										
Catch basins cleaned	16	18	15	18	18	19	15	16	16	21
Volume of material removed (cubic yards)	8	10	10	11	11	12	9	10	10	12
Community Facilities										
Parks and recreation class offerings	176	165	165	119	137	166	102	166	226	351
Parks and recreation class participants	2,214	1,843	1,713	1,135	1,611	2,073	963	2,299	3,361	4,051

(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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
(a) FUNCTION										
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets (miles of)	56	56	56	56	56	56	56	56	56	56
Street lights	976	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054
Traffic signals	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Storm drains pipes (miles of)	45	45	45	45	45	45	45	45	45	45
Storm drainage inlets	2,350	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	4	4
Park acreage	57	57	57	57	57	57	57	57	60	60
Open space acreage	250	250	250	250	250	250	250	250	250	250
Libraries	1	1	1	1	1	1	1	1	1	1
(d)										

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