

Town of Moraga

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2019



329 Rheem Boulevard
Moraga, Ca 94556
www.moraga.ca.us

Town of Moraga, California

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2019



Prepared by the Administrative Services Department
Norman Veloso, Administrative Services Director
Yuliya Elbo, Accountant

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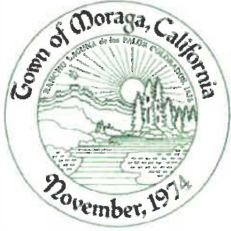
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Town of Moraga

December 8, 2019

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

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

We are pleased to submit the Town of Moraga's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The overall goal of this report is to provide a full and transparent understanding of the Town's financial activities and satisfy the continuing disclosure requirement under the Securities and Exchange Commission (SEC) related to the Town's debt issuances.

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

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

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

Profile of the Town of Moraga

The Town of Moraga is located in Contra Costa County, approximately 22 miles east of San Francisco. The Town encompasses an area of approximately 9.5 square miles. It was originally part of the Rancho Laguna de Los Palos Colorados, granted in 1835 by the Mexican government to cousins Joaquin Moraga and Juan Bernal for military services rendered. The Town has a population of approximately 17,500.

The Town is predominantly residential in nature with two clusters of community-serving retail and commercial spaces. The Town is home to Saint Mary's College, a prestigious private Catholic university with a combined enrollment of over 4,200 undergraduate and graduate students. In 2019, St. Mary's College of California ranked #5 in Regional Universities West by U.S. News and World Report. The Town's only high school, Campolindo, is ranked #239 in the nation and earned a gold medal award from U.S. News and World Report in its 2019 list of the nation's best public high schools. Overall, Town residents enjoy award winning elementary and middle schools as well and are able to enjoy open space while having access to diverse employment opportunities throughout the San Francisco Bay Area.

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TRANSMITTAL LETTER

Form of Government

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

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

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

Town Services

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

Demographic Information

Size: 9.54 square miles
2018 Population: 17,692 (US Census)
Population: 47.5% (Male) 52.5% (Female)
Median Resident Age: 42.8 years
Estimated Median Household Income: \$139,018 (2017) (\$98,080 in 2000)
Owner Occupied Household: 82.4%
Median Home Value: \$1,360,000
Median Rent per Month: \$3,467

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Financial Policies and Practices

Minimal Government Philosophy

The “minimal government philosophy,” as defined in Moraga’s General Plan, is to:

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

Although this philosophy of minimal government is essential to the Town’s fiscal management strategy, the Town has realized that in some cases it may be beneficial to rely upon dedicated permanent staff as opposed to a team of consultants for ongoing programs and services. In FY 2018/19, the Town created an Associate Engineer position to in-source land use engineer services to reduce costs and improve customer service. The Town will continue to evaluate the best way to provide efficient and effective services in light of new mandates and the increasing needs of the community.

Budgetary Policy and Control

The Town’s annual budget serves as the foundation for planning and controlling the Town’s finances. The annual budget development process begins in January with the Town Council goal-setting meeting. Relative to the established Town Council goals, Town staff evaluates existing programs, services and staffing levels; analyzes revenue sources; and prepares a balanced budget based on priorities that fit within the constraints of projected revenue assumptions. The Audit and Finance Committee reviews the budget proposal before submission to the Town Council. The Town Council deliberates on the proposed budget in May/June and adopts a balanced budget before July 1 of each year.

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

The Town Manager has the authority to administratively adjust the budget if changes do not result in a significant policy impact, or the adjustment does not affect budgeted year-end fund balances. Further, the Town Manager’s contract signing authority is limited to \$25,000. All contracts over \$25,000 require Town Council authorization. A mid-year budget status report and a long-term financial forecast for the next five years are presented to the Town Council as part of an ongoing assessment and evaluation of budgetary performance, with special attention to the General Fund and certain other major funds.

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

Internal Controls

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

Town management believes that the existing internal control systems are adequate to provide reasonable assurance the Town's assets are safeguarded against loss, theft or misuse; and that the financial records are reliable for the preparation of financial statements in conformity with generally accepted accounting principles. This belief is supported by the independent auditor's "clean" report of the Town's financial statements for the year ended June 30, 2019.

Economic Condition and Outlook

Property Taxes

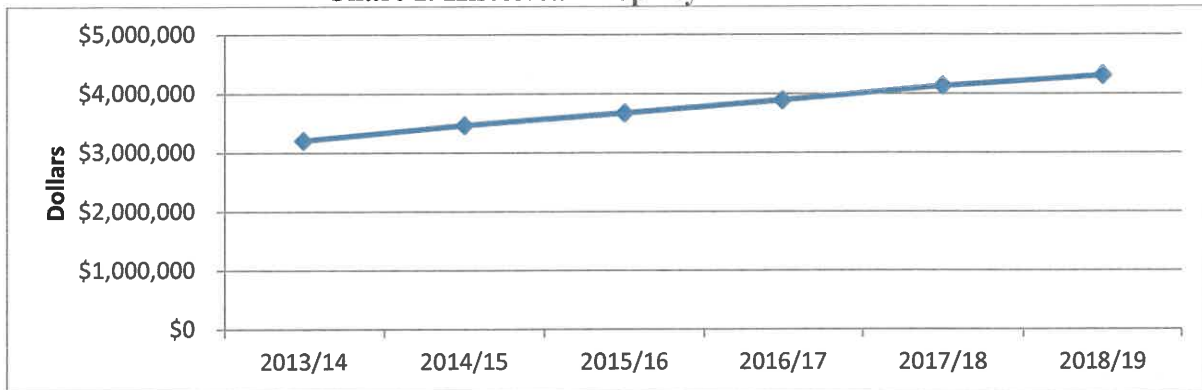
Property tax revenue is the single, largest source of revenue for the Town. Property taxes have remained relatively stable even during the historic upswings and downturns in the economy. The reasoning may be related to the overall stability of the community, which creates both financial advantages and disadvantages. Moraga has experienced a healthy increase in property tax revenue over the past five years with an average increase of more than 6%.

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

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TRANSMITTAL LETTER

Chart 1. Historical Property Tax Revenues



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

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

Chart 2. Distribution of Property Tax Dollars



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

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The Contra Costa Association of Realtors September 2019 Update indicates that median home sales price in Moraga increased 0.7% from \$1,445,00 year to date in 2018 to \$1,455,000 year to date in 2019. Overall, this slight increase may be a sign of a slowdown in the real estate market.

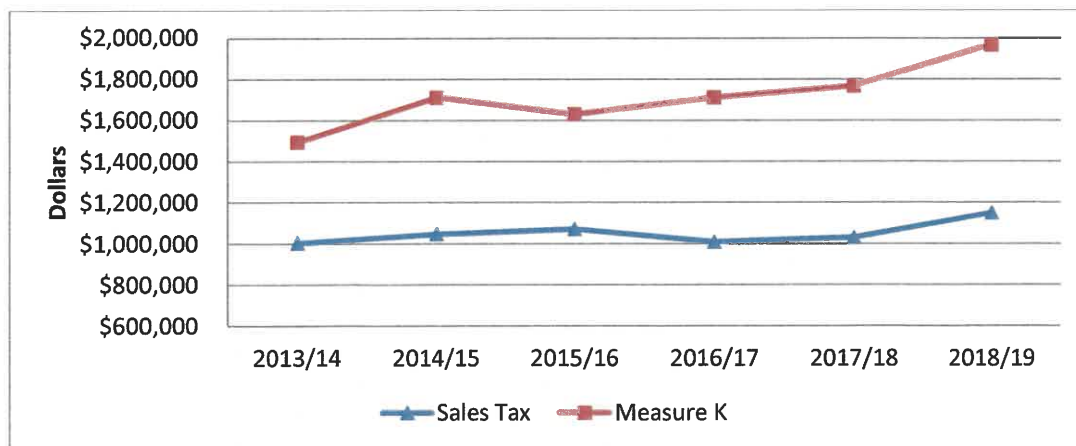
Sales Taxes

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

General sales tax revenue was adversely affected during the recent recession – while this revenue peaked in FY 2007-08, it dropped suddenly and significantly in FY 2008-09. Since FY 2008-09, sales tax has recovered and remained relatively stable with a steady increase. According to quarterly sales tax analyses conducted on behalf of the Town by MuniServices, the five-year outlook for sales tax is stable and after an initial slight dip, it trends somewhat positively in future years with projected annual changes of between -2.5% to +2.9%.

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

Chart 3. Historical Sales Tax Revenues²



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

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

Long-Term Financial Planning

Long term financial planning is an integral part of the Town's fiscal management. Each of the Town's operating funds, including the General Fund, maintains a long-term financial model. This financial model takes a strategic approach to ensure long term financial health including a comprehensive analysis of the local, state and federal economic conditions, short and long term revenue and expense trends as well as the challenges such as funding infrastructure needs and long-term pension liabilities. The long-term financial planning is a tool that allows policymakers an opportunity to prioritize funding needs over time. It sets the tone for the annual budget process and is one of the many tools and reports that Council uses for financial planning.

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

Five Year Financial Plan. As part of the annual budget, the Council reviews and approves a Five-Year Financial Plan that, overall, serves as a strategic tool to better manage the Town's limited financial resources. FY 2012-13 marked the first year of the plan, which includes the annual budget and a rolling expectation of future revenue and expenditures over the next five years. Each year the five-year financial plan is updated as part of the budget process. The plan has multiple components including:

- (1) a Five-Year Financial Plan makes projections of the Town's revenues and expenditures five years into the future. The projections are based on historical trends and current information about future revenue sources and expenditures;
- (2) a Five-Year Capital Improvement Program;
- (3) the Annual operating budget; and
- (4) the Town's financial management policies.

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

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

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Infrastructure Rehabilitation and Maintenance. Measure K, the Local Add-On Sales Tax, has been invested in the Town's Pavement Management Program, along with Gas Tax revenue and Garbage Franchise Fees which has enabled the Town to improve the overall condition of streets from a Pavement Condition Index (PCI) of 49 (Fair) in 2012 to a PCI of 74 (Good) in 2018. Inadequate resources for other infrastructure investment over many years has resulted in the deferred maintenance of the Town's capital assets and storm drain system.

Town Mission, Council Goal and Major Initiatives

Town Mission

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

Town Council Goals and Major Initiatives

The Town undertook a number of significant Council initiated goals in FY 2018-19 that will have a beneficial impact on the fiscal health and quality of life for the Town's citizens. The Town's 2018 accomplishments follow:

In FY 2018-19 the Town accomplished many of its priority goals.

- Audit and Finance Committee (AFC) created a subcommittee to perform a detailed examination of all funds expended by the Town to identify potential savings and communicate results to the Town's citizens.
- Mobile Moraga went live to the public on May 8, 2019. There have been over 650 downloads of the app and 225 issues resolved through the system.
- Established a Moraga Center Specific Plan (MCSP) Ad Hoc Committee on January 23, 2019 and adopted a MCSP Implementation Project Citizens Advisory Committee (CAC) charter on March 27, 2019.
- Pavement Condition Index increased to 74 "Good."
- \$2.38 million Rheem Sinkhole Federal Highway Administration Emergency Relief Reimbursement.
- Adoption of a balanced budget and restoration of the 50% General Fund Reserve.
- Identification of funding and initial implementation of a Storm Drain Operations and Maintenance Program.
- Obtained a \$140,000 grant to implement the Moraga Center Specific Plan zoning.
- Completed and published Moraga Trail Map.
- Processed the 2006 Bollinger Valley development application.

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- Approved several projects at Saint Mary's College, including the McKeon Pavilion seismic retrofit and the campus brewpub.
- Approved new retail –Noodle Theory, La Finestra and Canyon Club Brewery.
- Updated Emergency Operations Plan, created Emergency Evacuation Plan, and coordinated emergency evacuation drill in partnership with Moraga Orinda Fire District and the City of Orinda.
- Reported DOJ Part 1 crimes down 13.3% compared to 2017.
- Conducted an Application/Interview/Appointment process to fill an unscheduled vacancy on the Town Council followed by an election to fill two vacancies on the Council.
- Partnered with Moraga Rotary Club on the opening of the All Access Playground.
- Rheem Theatre reopened thanks to the Moraga Community Foundation.

2019 Goals – A Year of Opportunity and Recovery

1. Maintain and improve fiscal discipline by adopting a balanced budget, continuing high quality fiscal reporting, building up General Fund reserves, and positioning the Town for long-term fiscal sustainability and operational efficiency.
2. Enhance Moraga's business environment and work collaboratively with the Chamber of Commerce and other stakeholders.
3. Revise the Town's Zoning Code to implement the Moraga Center Specific Plan in collaboration with a Citizens Advisory Committee, the property owner, and other interested stakeholders.
4. Implement the Storm Drain System Operations and Maintenance Program, including an inspection program and selection of an asset management system, and work to develop a dedicated funding source to pay for necessary capital improvements to the storm drain system.
5. Work aggressively to obtain \$2.9 million in reimbursements for the Town's Canyon Road bridge emergency demolition and temporary bridge costs and fully develop implementation plan for new bridge funding and construction.
6. Implement the 2019 Measure K Neighborhood Streets and Roads Repair Program.
7. Maintain and improve public safety through the provision of high quality Police and emergency response services.
8. Develop written guidelines for Ad Hoc Committees and individual Town Councilmembers' roles, responsibilities, and powers.
9. Complete approved site improvements and develop economically feasible recommendations for commercial and other public uses of the Hacienda de las Flores property.
10. Identify funding needs and develop a process to re-zone the Bollinger Valley Study area.

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11. Develop a plan and initiate a re-evaluation of the Town's three-step planned development process, development regulations and needs, and design guidelines, taking into account feedback from residents and other interested stakeholders.
 12. Continue implementation of viable strategies in Moraga's Climate Action Plan to lessen the Town's impact on the environment.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Moraga for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. The Town first received a GFOA award for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles, applicable legal requirements, and standards established by GFOA.

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

Acknowledgements

The preparation of this Comprehensive Annual Financial Report was made possible by the year-round and dedicated efforts of the Administrative Services Department staff, working in conjunction with Maze & Associates, the Town's independent auditors. Special thanks are extended to the Audit and Finance Committee for their contributions to this report. Finally, we would like to thank the Town Council for their continued support in planning and conducting the financial operations of the Town in a responsible and prudent manner.

Respectfully submitted,



Cynthia Battenberg
Town Manager



Norm Veloso
Administrative Services Director

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LIST OF OFFICIALS, ADVISORY COMMITTEE AND ADMINISTRATION

Elected Officials

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

Audit and Finance Committee

Bob Kennedy, Town Treasurer/Chair
Roger Wykle, Mayor
Kymberleigh Korpus, Vice Mayor
Tim Freeman, Committee Member
Phil Arth, Committee Member

Town Manager

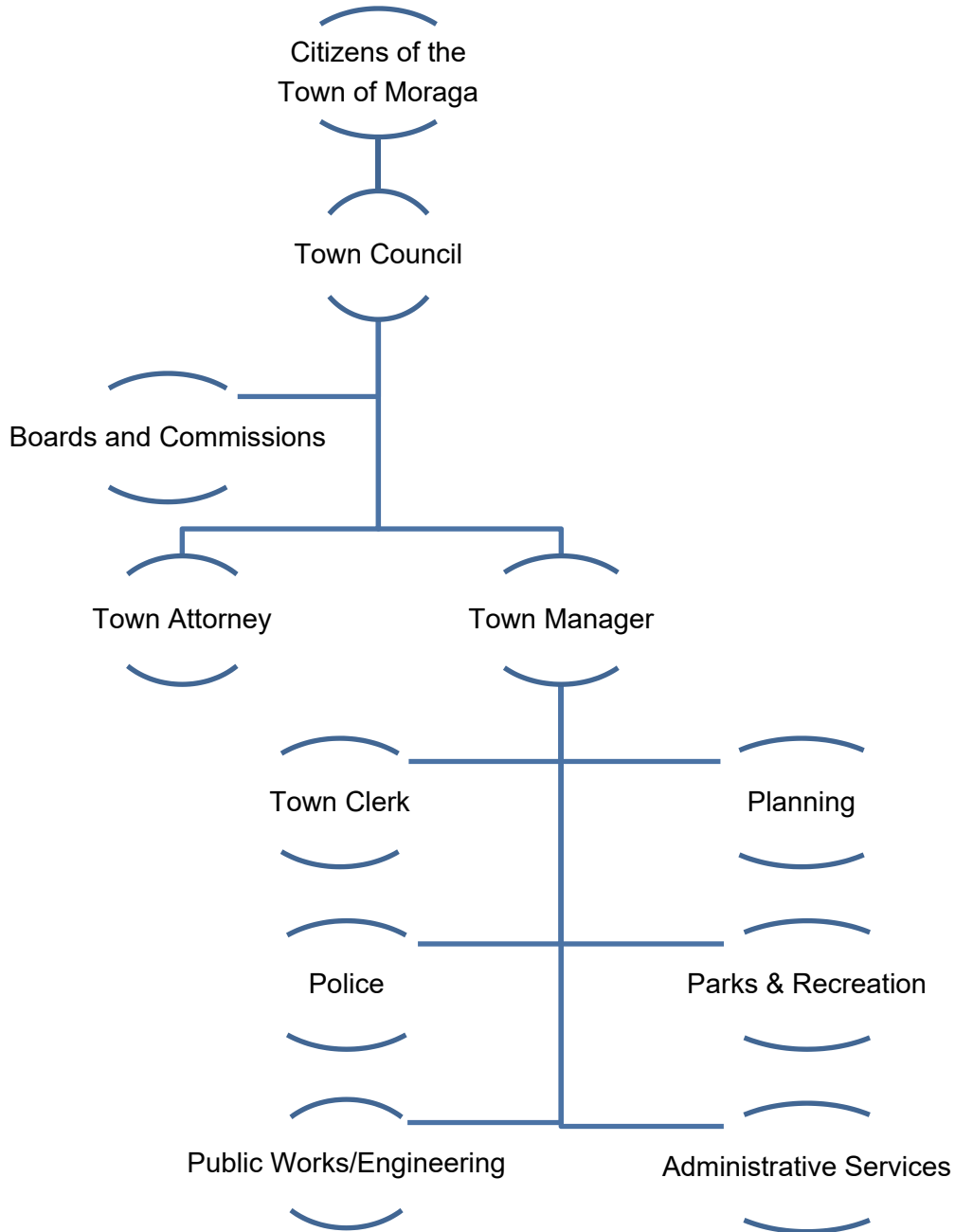
Cynthia Battenberg

Department Directors

Norm Veloso, Administrative Services Director
Derek Farmer, Planning Director
Breyana Brandt, Parks and Recreation Director
Edric Kwan, Public Works Director/Town Engineer
Marty McInturf, Town Clerk
Jon King, Chief of Police

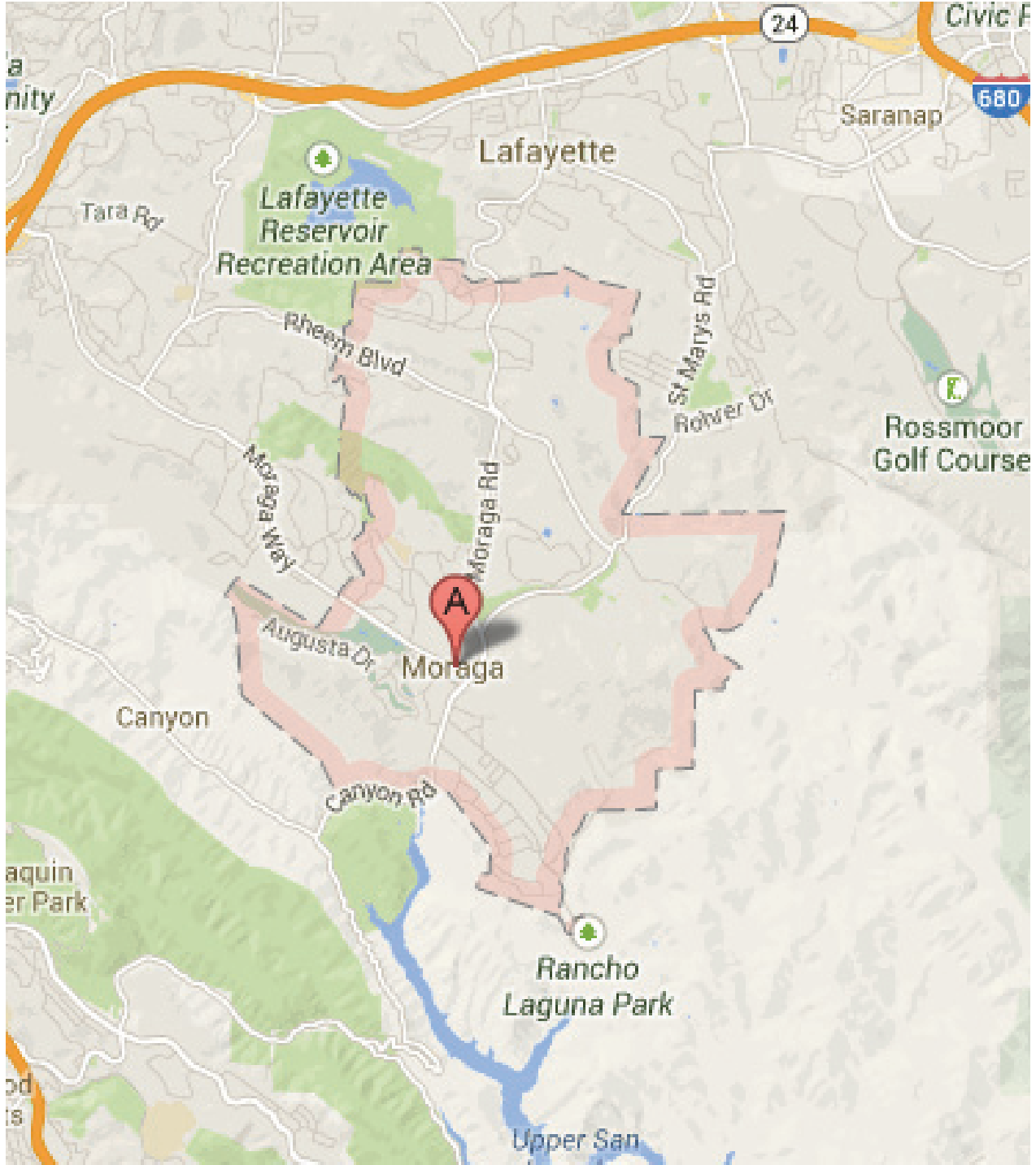
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ORGANIZATION CHART



Town of Moraga
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LOCATION MAP





Government Finance Officers Association

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

Presented to

**Town of Moraga
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

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
Moraga, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Moraga (Town), California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparisons listed in the table of contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2019, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
December 8, 2019

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TOWN OF MORAGA
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

Town of Moraga ("Town") management offers readers this overview of the Town's financial performance for the fiscal year ended June 30, 2019. The accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures in this report, are the responsibility of the Town. In accordance with *Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, this Management's Discussion and Analysis are designed to:

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

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

FINANCIAL HIGHLIGHTS

The financial statements present information on the financial health of the Town. Highlights for the year ended June 30, 2019 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) 2019 with a Total Net Position of \$59.6 million (*Statement of Net Position*, page 18). Of this amount, \$3.7 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 \$13.6 million (*Governmental Funds Balance Sheet*, page 23), consisting of the following components:

Nonspendable	\$1,719
Restricted	4,888,214
Committed	4,906,666
Assigned	809,668
Unassigned (Reserve)	2,999,183
Total Fund Balance at June 30, 2019	\$13,605,450

3. The Town's General Fund has a combined Total Fund balance of \$8,214,860 (General Fund Combining Balance Sheet, page 68), of which \$5.3 million is General Purpose and \$2.9 is Developer Fees. The \$2.9 million fund balance of Developer Fees (One-Time Developer Fees-Palos Colorados Fund) was established through a settlement agreement and is classified as committed based on and subject to Town Council action on its use (General Fund Combining Balance Sheet, page 68).

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MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report consists of the following parts:

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

These statements report all assets, liabilities and deferred inflows/outflows of resources using the full accrual basis of accounting similar to the accounting model used by private sector firms. Under this accounting model, all assets and all liabilities, including revenues and expenses for providing services, are recognized within the reporting period or soon after (60 days).

The *Statement of Net Position* – the difference between assets and liabilities – is one way to measure the Town's financial health. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or declining. However, other, non-financial, factors must also be considered, such as changes in the Town's property tax base, sales tax, and condition of the Town's physical assets, including roads, facilities and other infrastructure.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of Government-wide Financial Statements

This section focuses on the Town's net position and changes in net position of its governmental activities for the fiscal year's ending June 30, 2019. As noted earlier, the Town's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$59.6 million. This compares to a net position of \$53,726,204 in the prior year ended June 30, 2018, an increase of 10.9% or \$5,868,640. This increase is attributed to noncurrent assets and primarily due to receipts of reimbursements from previous year's capital projects.

Statement of Net Position

The detailed *Statement of Net Position* (Basic Financial Statements, page 18) is a snapshot of the Town's financial position at the end of the Fiscal Year (FY) 2018-19. The following table provides a summary of the Town's net position at June 30, 2019 compared to the prior year.

Table 1. Statement of Net Position as of June 30, 2018 and 2019

	FY 2017-18	FY 2018-19	% Change
Assets			
Current and Other Assets	\$ 11,579,949	\$ 15,599,321	34.71%
Capital Assets	56,555,192	57,628,598	1.90%
Total Assets	68,135,141	73,227,919	7.47%
Deferred Outflow of Resources			
Related to pensions	1,723,164	1,418,533	-17.68%
Total Deferred Outflow	1,723,164	1,418,533	-17.68%
Liabilities			
Current liabilities	1,502,312	1,046,806	-30.32%
Noncurrent liabilities	13,551,909	13,158,529	-2.90%
Total Liabilities	15,054,221	14,205,335	-5.64%
Deferred Inflow of Resources			
Related to pensions	1,077,880	846,273	-21.49%
Total Deferred Inflow	1,077,880	846,273	-21.49%
Net Position			
Invested in capital	49,000,379	50,461,784	2.98%
Restricted	4,582,338	5,390,439	17.64%
Unrestricted	143,487	3,742,621	2508.33%
Total Net Position	53,726,204	59,594,844	10.92%

Pension reporting changes required by GASB No. 68 & 71 were first implemented in FY 2014-15. As of June 30, 2019, the portion of non-current liability related to pensions is \$6,135,349, compared to \$6,156,875 as of June 30, 2018.

Of the Town's net position, 84.67% is invested in capital assets (\$50,461,784) (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 9.05% of the net position (\$5,390,439) is restricted for capital projects, debt service and special revenue projects; and \$3,742,621, or 6.28%, of the Town's net position is unrestricted.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Statement of Activities

The detailed *Statement of Activities* (Basic Financial Statements, page 19) presents the Town's revenue and incurred expenses for the year ended June 30, 2019. All financial activities of the Town are recorded here, including operational costs, capital project costs, depreciation and accrued liabilities such as vacation and sick leave.

The *Statement of Activities* demonstrates how much each activity is funded through special revenues and assessments, fees and grants, and illustrates the relative expense supported by the Town's general discretionary revenues (i.e., property taxes, sales tax, and franchise fees). The following table is information from the *Statement of Activities* presented in an alternative format and comparing the Town's activities at the end of FY 2018-19 with that of prior year.

Table 2. Statement of Activities as of June 30, 2018 and 2019

Program Revenues:	FY 2017-18	FY 2018-19	% Change
Charges for Services	\$2,057,234	\$1,500,711	-27.1%
Operating Grants and Contributions	5,457,409	5,442,037	-0.3%
Capital Grants and Contributions	503,124	136,933	-72.8%
<i>Total Program Revenues</i>	<i>8,017,767</i>	<i>7,079,681</i>	<i>-11.7%</i>
General Revenues:			
Property Taxes	4,130,508	4,680,092	13.3%
Sales Taxes	2,795,331	3,113,516	11.4%
Franchise Fees	1,079,525	1,252,102	16.0%
Interest	88,195	124,066	40.7%
Other			
<i>Total General Revenues</i>	<i>8,093,559</i>	<i>9,169,776</i>	<i>13.3%</i>
Total Revenues	16,111,326	16,249,457	0.9%
Program Expenses:			
General Administration	2,297,903	2,252,928	-2.0%
Planning	615,531	635,537	3.3%
Public Safety	2,902,847	2,871,971	-1.1%
Public Works	2,459,023	2,846,105	15.7%
Parks and Recreation	1,360,153	1,451,004	6.7%
Interest on Long Term Debt	338,241	323,272	-4.4%
Total Expenses	9,973,698	10,380,817	4.1%
Change in Net Position	6,137,628	5,868,640	-4.4%
Net Position, Beginning of the Year	47,588,576	53,726,204	12.9%
Net Position, End of the Year	\$53,726,204	\$59,594,844	10.9%

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Total General revenue increase of \$1,076,217 is mainly attributed to slightly higher than budgeted receipt of Property and Sales taxes, and growth in garbage vehicle franchise fee revenue. The increase in expenditures is due to the reduction in staff vacancies.

Fund Financial Statements

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

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

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

Financial Analysis of Fund Financial Statements

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

Governmental Funds

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

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

- **Pavement Management Program Fund** – established to account for all capital activities related to the rehabilitation of the Town's roads and includes Measure K activity.
- **Construction in Progress Fund** – established to capture all capital project expenditures and corresponding revenues, except those accounted for in the Pavement Management Program Fund.
- **Other Capital Projects Fund** - includes Community Facilities/Open Space Fund, Asset Replacement Fund, various grant funds and development impact fee funds.
- **Debt Service Funds** - include the 2010 Certificates of Participation (Town Hall Improvements) Fund and 2013 Certificates of Participation (Infrastructure Improvements) Fund.
- **Other Governmental Funds** - include the COP/SLESF (Citizens Option For Public Safety/Supplemental Law Enforcement Services Fund), Gas Tax, Measure J, Park Dedication, Lighting Assessment District, Traffic Safety, NPDES (Clean Water Act – National Pollutant Discharge Elimination System), Asset Forfeiture, Public Safety Sales Tax (Proposition 172), and Street Lighting funds.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Balance

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

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

As shown in the *Balance Sheet* on page 22, as of the fiscal year ended June 30, 2019, the Town's governmental fund types included combined ending fund balances of \$13,605,450. Of that total 35.93% (\$4,888,214) is classified as restricted (i.e., Certificates of Participation, debt service, grants, or restricted by legislative action at the local, state or federal level); and 36.06% (4,906,666) is committed (i.e., constrained by formal action of the Town Council). 5.95% (\$809,668) is classified as assigned as of June 30, 2019.

The Town's unassigned General Purpose Fund balance is \$4,530,170 of the total combined fund balance. This amount represents 55.44% of the actual General Fund expenditures (\$8,171,099) for the year ended June 30, 2019.

The detailed *Statement of Revenues, Expenditures and Changes in Fund Balances* (Basic Financial Statements, page 26) presents changes to fund balances resulting from the FY 2018-19 actual revenue and expenditure activity. A summary of net changes by fund group is shown in the table below.

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

Fund Balance	General Fund	Pavement Management Program	Construction in Progress	Other Capital projects Fund	Debt Service	Other Gov't Funds	Total Gov't Funds
Beginning Fund Balance	5,503,641	668,000	-531,802	1,944,915	443,916	2,057,458	10,086,128
Ending Fund Balance	8,214,860	1,778,985	-1,521,349	2,254,850	450,719	2,427,385	13,605,450
Net Change	\$2,711,219	\$1,110,985	-989,547	\$309,935	\$6,803	\$369,927	\$3,519,322

The total fund balance of the Town's General Fund increased by \$2.7 million, or 49%. The increase in fund balance was primarily due to receipt of grant reimbursements for various capital projects, as well as expenditures falling below the budgeted amounts.

The total fund balance of the Pavement Management Program increased by \$1.1 million, or 166%. The increase in fund balance was primarily due to continued receipt of Measure K funding for the fiscal year as well as the timing of scheduled projects. Pavement projects are scheduled to allow enough funds to continue accumulate to fully fund current and future pavement projects.

The total negative fund balance of the Construction in Progress increased by \$1 million, or 186%. The increase in negative fund balance was primarily due to timing of grant revenue receipts for various capital projects funded by federal and state grants.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

STRENGTHS AND RISKS

General Purpose Fund Reserve

The General Purpose Fund includes the Town's primary resources for operations. The Town's policy, per Resolution No. 8-2012 adopted on February 8, 2012, is to achieve and maintain a General Purpose Fund balance equal to 50% of the General Purpose Fund operating expenditures. At the year ended June 30, 2019, the unassigned fund balance was \$4,530,170 which represents 55.44% of the actual General Purpose Fund expenditures (\$8,171,099) for the year ended June 30, 2019 (*Statement of Revenues, Expenditures and Changes in Fund Balances*, page 26). This change is the result of the reimbursement request receipt for the Rheem Blvd. Sinkhole repair project and the Canyon Road Temporary Bridge project. The assigned balance in the amount of \$809,668 is for the Canyon Road Temporary Bridge and the Bollinger Valley Special Study Area capital improvement projects and includes the year-end assignment of funds to the Storm Drain Maintenance Account.

Revenue

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

Property Taxes

Historically, property tax revenues remain stable with a slight increase annually. The table below provides a three-year history of the Town's property tax revenue receipts from the *Statement of Revenue, Expenditures, and Changes in Fund Balances* – Budget and Actual. Property tax revenues include ad valorem, homeowner's property tax relief, and real property transfer taxes. For FY 2018-19, the 4.33% increase is attributed to an increase in property assessed valuations and Real Estate Transfer Taxes that are dependent upon real estate sales activity.

Table 4. History of Property Tax Revenues

	FY 16-17	FY 17-18	% Change 16-17 to 17-18	FY 18-19	% Change 17-18 to 18-19
Property Tax	3,888,623	4,130,508	6.2%	4,309,169	4.3%

Sales Taxes

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

The Town's additional one-cent local transactions and use (add-on sales) tax, locally controlled Measure K, was approved by voters on November 6, 2012 with a 70.5% approval rate. This general sales tax became

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MANAGEMENT'S DISCUSSION AND ANALYSIS

effective on April 1, 2013 and will sunset on March 31, 2033. The Measure K sales tax measure was approved for general purposes, permitting the Town to use the revenue for a variety of objectives. However, the Town Council approved Resolution No. 98-2015 which dedicated this locally controlled funding source to specifically address street and related infrastructure repairs and maintenance. To complete the initial needed repairs, the Town Council issued 2013 Certificates of Participation for Infrastructure Improvements, leveraging a portion of the additional sales tax revenue for an intensive road rehabilitation program. FY 2018-19 experienced the fifth year of Measure K sales tax revenue with receipts reaching \$1,965,304 (an 11.28% increase from the prior year).

Table 5. History of Sales Tax Revenues

	FY 2016-17	FY 2017-18	% Change 16-17 to 17-18	FY 2018-19	% Change 17-18 to 18-19
Sales and use tax	\$1,006,620	\$1,029,173	2.2%	\$1,148,212	11.6%
1% Local Add-On ("Measure K")	1,709,325	1,766,158	3.3%	1,965,304	11.3%
Total Sales Tax Revenue	\$2,715,945	\$2,795,331	2.9%	\$3,113,516	11.4%

Franchise Fees

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

Table 6. History of Franchise Fee Revenues

	FY 2016-17	FY 2017-18	% Change 16-17 to 17-18	FY 2018-19	% Change 17-18 to 18-19
CCCSWA	\$322,724	\$319,957	-0.9%	\$332,903	4.0%
CCCSWA - Garbage Vehicle Impact Fee	179,074	234,406	30.9%	433,216	84.8%
PG&E	189,472	207,815	9.7%	185,217	-10.9%
Comcast	332,259	317,348	-4.5%	300,766	-5.2%
Total Franchise Fee Revenue	\$1,023,529	\$1,079,526	5.5%	\$1,252,102	16.0%

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

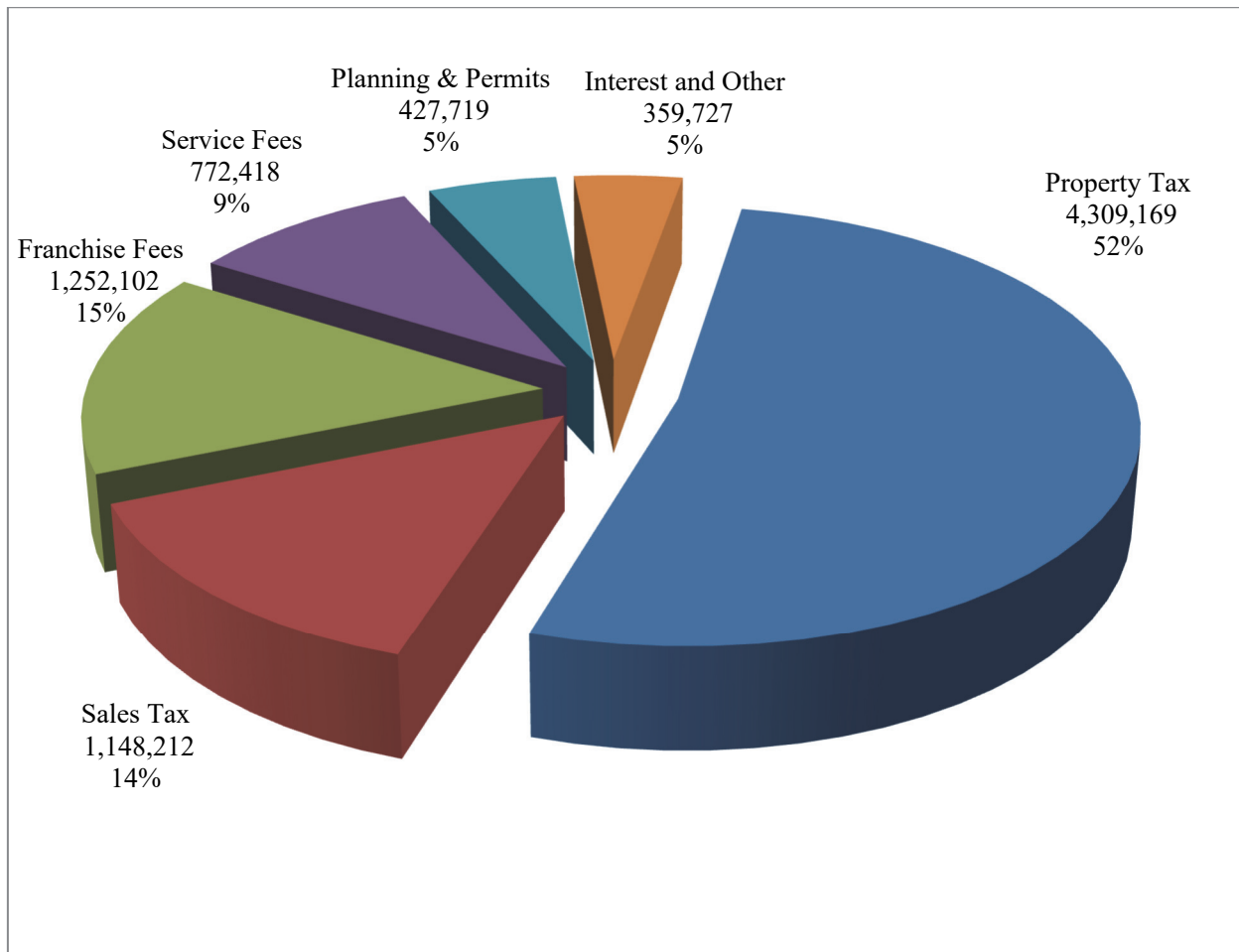
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MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund

Specific to the General Fund, the following chart illustrates the major revenues sources (using figures from the *Statement of Revenues, Expenditures and Changes in Fund Balances* on page 26).

Chart 1. FY 2018-19 General Fund Revenues (Total \$8,269,347)



The Town proactively addresses issues that it has some measure of control over, however, external factors exist over which the Town has little or no control. While the Town relies heavily on property tax for ongoing operations, it receives a much lower portion of property tax as compared to other communities. Most homeowners may know that Proposition 13, passed by California voters in 1978, fixed the property tax rate at 1% of the assessed value of a home, plus any assessment bond approved by popular vote. Proposition 13 also froze how the property tax dollars are distributed among all the benefactors including the Town government, Moraga-Orinda Fire District, schools, Central Contra Costa Solid Waste Authority, East Bay Municipal Utility District, East Bay Regional Park District, BART and Contra Costa County. The distribution of property tax dollars set under Prop. 13 was based on what existed in 1976. At that time, the Town was a young "minimal government," which meant that the Town government was not spending, or receiving, a lot of tax dollars. Based on these conditions the Town's proportion of the property tax was set at 5.29%¹.

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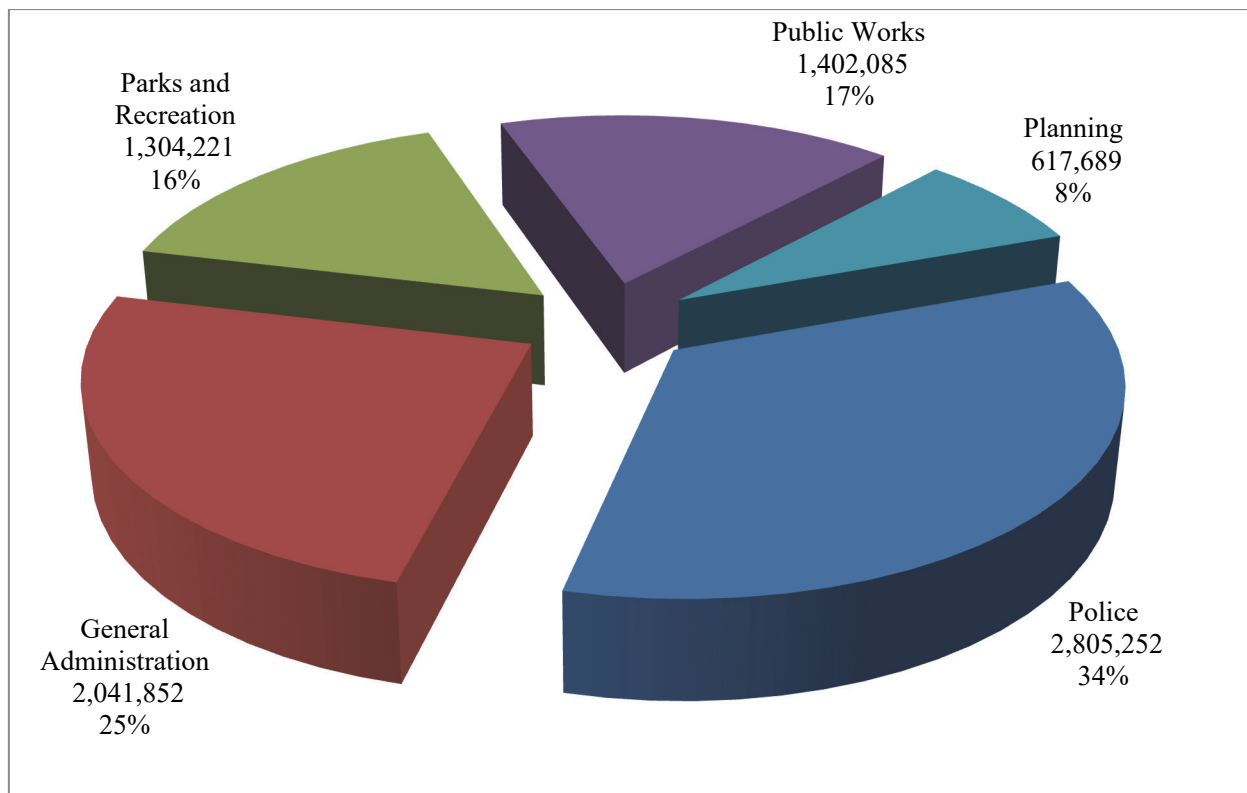
MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenditures

As noted previously, the Town government was founded on a “minimal government” model. In this tradition, the Town strives to keep its operating expenses low and the number of employees at a minimum. To meet service demands, contractors and consultants play a critical role in the day-to-day operations, as well as special projects, of the Town government.

The following chart illustrates the relative distribution of the Town's General Fund expenditures (using figures from the *Statement of Revenues, Expenditures, and Changes in Fund Balances* on page 26). Expenditures under General Administration include the Town Council, Town Manager, Town Clerk, and Administrative Services departments. General Administration also includes the Town's contracted services for legal and information technology.

Chart 2. FY 2018-19 General Fund Expenditures (\$8,171,099)



¹ The Town of Moraga is Comprised of nine (9) Tax rate Areas (TRAs) and the actual rate varies slightly from one TRA to another. The 5.29% represents the rate in TRA 15-002.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Additionally, the Town contracts with Contra Costa County for a variety of services including animal control services, police dispatch, forensics, jail and booking services, Cal-ID, and ARIES maintenance. These contracted services are part of the Police Department expenditures. Expenditures for signal and streetlight maintenance services provided by the Contra Costa County are part of the Public Works Department. The following table shows the historical costs of these services.

Table 7. Cost of Services Provided by Contra Costa County

Service Type	FY 2016-17	FY 2017-18	% Change 16-17 to 17-18	FY 2018-19	% Change 17-18 to 18-19
Animal Services	\$94,515	\$98,087	3.8%	\$101,890	3.9%
Police Dispatch ²	158,193	157,924	-0.2%	154,591	-2.1%
Cal-ID	19,663	17,115	-13.0%	17,971	5.0%
ARIES Maintenance (computer system)	7,611	8,770	15.2%	8,770	0.0%
Forensic Services	2,671	8,558	220.4%	5,563	-35.0%
Traffic Signal Maintenance	35,672	50,245	40.9%	32,602	-35.1%
Total Expenditures	\$318,325	\$340,699	7.0%	\$321,388	-5.7%

The Town expended \$2,679,406 (a 72.47% decrease mainly due to the completion of the Rheem Blvd. sinkhole project and Canyon Road Bridge emergency project) in all governmental funds on capital improvement projects (Basic Financial Statements, page 26). Major capital projects during FY 2018-19 included:

- CIP 08-106 Pavement Management Program (\$1,042,911);
- CIP 18-101 Moraga Way/Canyon/Camino Pablo (\$241,811);
- CIP 14-101 Canyon Road Bridge Replacement (\$769,481);
- CIP 17-701 Canyon Road Bridge Emergency (\$199,793);
- CIP 14-604 Rheem – Saint Mary's Roundabout (\$99,607).

Capital Assets

The Town's investment in capital assets as of June 30, 2019 totaled \$57,628,598 as compared to \$56,555,192 in FY 2017-18 (Basic Financial Statements, Note 5, page 45). This investment in capital assets includes land, buildings and improvements, roadways, storm drains, parks and recreation, and equipment and furniture.

There was no retirement of assets in FY 2018-19.

² In FYs 2012-13 and 2013-14 the Town applied a total credit of \$139,300.59 (\$69,650.30 each year) to contract Police Dispatch costs. Beginning Fiscal Year 2015-16 expenses reflect the full cost of services for the year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt

The Town's debt totals \$7,166,965 as of June 30, 2019, compared to \$7,554,962 in the prior year (Basic Financial Statements, Note 6, page 46). The remaining debt is attributed to the \$1,525,000 Certificates of Participation issued in 2010 for the Town Hall Improvement Project and the \$7,720,000 Certificates of Participation issued in 2013 for Infrastructure Improvements, including streets and related infrastructure.

Table 8. Long Term Liabilities

Governmental Activities	Original Issue Amount	Balance June 30, 2018	Current Portion Payable in FY 2017-18	Balance June 30, 2019	Current Portion Payable in FY 2018-19
2010 Certificates of Participation	\$1,525,000	\$1,060,000	\$70,000	\$990,000	\$75,000
2013 Certificate of Participation	7,720,000	6,300,000	305,000	5,995,000	315,000
Add: Unamortized Bond Premium	259,947	194,962	12,997	181,965	
Total Debt	\$9,703,882	\$7,554,962	\$387,997	\$7,166,965	\$390,000

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the financial statements can be found on pages 33-60 of this report.

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, 2019. Readers are encouraged to examine the Basic Financial Statements, Notes and Supplemental Information contained in this report for additional detail.

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

Town of Moraga
Administrative Services Department
329 Rheem Boulevard
Moraga, CA 94566

<p style="text-align: center;">TOWN OF MORAGA Basic Financial Statements For the Year Ended June 30, 2019</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, 2019

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments (Note 3)	\$10,025,291
Restricted cash and investments (Note 3)	450,661
Accounts receivable	5,121,650
Prepays	1,719
Total current assets	<u>15,599,321</u>
Noncurrent assets:	
Capital assets (Note 5)	
Capital assets, not being depreciated	25,368,005
Capital assets, being depreciated, net of accumulated depreciation	<u>32,260,593</u>
Total capital assets, net	<u>57,628,598</u>
Total noncurrent assets	<u>57,628,598</u>
Total Assets	<u>73,227,919</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions (Note 7)	<u>1,418,533</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	579,402
Unearned revenue	15,850
Accrued compensated absences - due within one year (Note 1G)	61,554
Certificates of participation - due within one year (Note 6)	<u>390,000</u>
Total current liabilities	<u>1,046,806</u>
Noncurrent liabilities:	
Accrued compensated absences - due in more than one year (Note 1G)	246,215
Certificates of participation - due in more than one year (Note 6)	6,776,965
Net pension liability (Note 7)	<u>6,135,349</u>
Total noncurrent liabilities	<u>13,158,529</u>
Total Liabilities	<u>14,205,335</u>
DEFERRED INFLOWS OF RESOURCES	
Related to pensions (Note 7)	<u>846,273</u>
Total Deferred Inflows of Resources	<u>846,273</u>
NET POSITION (Note 8)	
Net investment in capital assets	<u>50,461,784</u>
Restricted for:	
Capital projects	2,536,569
Debt services	426,485
Special revenue projects:	
Streets and roads	1,972,271
Public safety	147,866
Other projects	307,248
Unrestricted	<u>3,742,621</u>
Total Net Position	<u><u>\$59,594,844</u></u>

See accompanying notes to financial statements

TOWN OF MORAGA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General administration	\$2,252,928	\$213,827		\$24,465	(\$2,014,636)
Planning	635,537	454,244	\$392,832		211,539
Public safety	2,871,971	88,024	260,885	1,789	(2,521,273)
Public works	2,846,105	382,365	4,788,320	90,527	2,415,107
Parks and recreation	1,451,004	362,251		20,152	(1,068,601)
Interest on long-term debt	323,272				(323,272)
Total	<u>10,380,817</u>	<u>1,500,711</u>	<u>5,442,037</u>	<u>136,933</u>	<u>(3,301,136)</u>
Total	<u>\$10,380,817</u>	<u>\$1,500,711</u>	<u>\$5,442,037</u>	<u>\$136,933</u>	<u>(3,301,136)</u>
General revenues:					
Taxes:					
Property tax					4,680,092
Sales tax					3,113,516
Franchise tax					1,252,102
Interest					<u>124,066</u>
Total general revenues					<u>9,169,776</u>
Change in Net Position					5,868,640
Net Position - Beginning					<u>53,726,204</u>
Net Position - Ending					<u><u>\$59,594,844</u></u>

See accompanying notes to financial statements

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<p style="text-align: center;">TOWN OF MORAGA Basic Financial Statements For the Year Ended June 30, 2019</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 2019. Individual Other Governmental Funds may be found in the Supplemental Section.

GENERAL FUND

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

PAVEMENT MANAGEMENT PROGRAM

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

CONSTRUCTION IN PROGRESS

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

OTHER CAPITAL PROJECTS FUND

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

DEBT SERVICE FUND

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

TOWN OF MORAGA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General Fund	Pavement Management Program	Construction In Progress	Other Capital Projects Fund
ASSETS				
Cash and investments (Note 3)	\$4,046,311	\$1,396,289		\$2,246,532
Restricted cash and investments (Note 3)				
Accounts receivable	354,633	382,696	\$4,178,361	22,527
Prepays	1,719			
Due from other funds (Note 4)	4,211,473			
Total Assets	<u>\$8,614,136</u>	<u>\$1,778,985</u>	<u>\$4,178,361</u>	<u>\$2,269,059</u>
LIABILITIES				
Accounts payable and accrued expenses	\$399,276		\$142,445	\$14,209
Unearned revenue			15,850	
Due to other funds (Note 4)			4,142,796	
Total Liabilities	<u>399,276</u>		<u>4,301,091</u>	<u>14,209</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue			1,398,619	
FUND BALANCES (Note 8)				
Nonspendable	1,719			
Restricted				2,000,472
Committed	2,873,303	\$1,778,985		254,378
Assigned	809,668			
Unassigned	4,530,170		(1,521,349)	
Total Fund Balances	<u>8,214,860</u>	<u>1,778,985</u>	<u>(1,521,349)</u>	<u>2,254,850</u>
Total Liabilities and Fund Balances	<u>\$8,614,136</u>	<u>\$1,778,985</u>	<u>\$4,178,361</u>	<u>\$2,269,059</u>

See accompanying notes to financial statements

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$58	\$2,336,101	\$10,025,291
450,661		450,661
	183,433	5,121,650
		1,719
		4,211,473
<u>\$450,719</u>	<u>\$2,519,534</u>	<u>\$19,810,794</u>
	\$23,472	\$579,402
		15,850
	68,677	4,211,473
	92,149	4,806,725
		1,398,619
		1,719
\$450,719	2,437,023	4,888,214
		4,906,666
		809,668
	(9,638)	2,999,183
<u>450,719</u>	<u>2,427,385</u>	<u>13,605,450</u>
<u>\$450,719</u>	<u>\$2,519,534</u>	<u>\$19,810,794</u>

TOWN OF MORAGA
Reconciliation of the
GOVERNMENTAL FUNDS - BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances - governmental funds	\$13,605,450
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Amounts reported for Governmental Activities in the Statement of Net Position
are different from those reported in the Governmental Funds above because of the following:

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	57,628,598
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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	1,418,533
Compensated absences	(307,769)
Net pension liability	(6,135,349)
Certificates of participation	(7,166,965)
Deferred inflows of resources related to unavailable revenue	1,398,619
Deferred inflows of resources related to pensions	(846,273)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$59,594,844
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See accompanying notes to financial statements

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TOWN OF MORAGA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Pavement Management Program	Construction In Progress	Other Capital Projects Fund
REVENUES				
Property taxes and assessments	\$2,351,803			
Property tax - in lieu	1,811,813			
Sales and use tax	1,148,212			
Sales tax - public safety				
Sales tax - 1% local add-on (Measure K)		\$1,965,304		
Franchise fees	1,252,102			
Real property transfer fees	145,553			
Motor vehicle license fees	8,156			
Planning and permits	427,719			
Interest	59,151	6,896		\$20,754
Property rentals	99,277			
Parks and recreation	362,254			
Police services	88,023			
Public works services	322,141			
Intergovernmental		53,774	\$2,881,460	
Fines, forfeitures and penalties				
Other revenues	193,143			83,159
Total Revenues	8,269,347	2,025,974	2,881,460	103,913
EXPENDITURES				
Current operations:				
General administration	2,041,852			1,950
Planning	617,689			
Public safety	2,805,252			
Public works	1,402,085			
Parks and recreation	1,304,221			
Debt service:				
Principal				
Interest				
Capital outlay		1,042,911	1,636,495	
Total Expenditures	8,171,099	1,042,911	1,636,495	1,950
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	98,248	983,063	1,244,965	101,963
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4)	3,581,288	725,772	428,343	233,000
Transfers out (Note 4)	(968,317)	(597,850)	(2,662,855)	(25,028)
Total Other Financing Sources (Uses)	2,612,971	127,922	(2,234,512)	207,972
NET CHANGE IN FUND BALANCES	2,711,219	1,110,985	(989,547)	309,935
BEGINNING FUND BALANCES	5,503,641	668,000	(531,802)	1,944,915
ENDING FUND BALANCES	\$8,214,860	\$1,778,985	(\$1,521,349)	\$2,254,850

See accompanying notes to financial statements

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
	\$933,353	\$3,285,156
		1,811,813
		1,148,212
	71,810	71,810
		1,965,304
		1,252,102
		145,553
		8,156
		427,719
\$6,803	30,458	124,062
		99,277
		362,254
		88,023
		322,141
	907,669	3,842,903
	40,328	40,328
		276,302
6,803	1,983,618	15,271,115
1,000		2,044,802
		617,689
		2,805,252
	187,069	1,589,154
		1,304,221
375,000		375,000
336,269		336,269
		2,679,406
712,269	187,069	11,751,793
(705,466)	1,796,549	3,519,322
712,269	43,134	5,723,806
	(1,469,756)	(5,723,806)
712,269	(1,426,622)	
6,803	369,927	3,519,322
443,916	2,057,458	10,086,128
\$450,719	\$2,427,385	\$13,605,450

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, 2019

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$3,519,322
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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	2,633,514
Depreciation expense is deducted from fund balance	(1,560,108)

Long-Term Debt Proceeds and Payments:

Amortization of bond premium is an expenditure in the governmental funds, but the amortization reduces long-term liabilities in the Statement of Net Position.	12,997
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	375,000

Some expenses reported in the Statement of Activities do not require the use of the current financial resources and therefore are not reported as expenditures in governmental funds:

Change in accrued compensated absences	(38,929)
Change in deferred inflows related to unavailable revenue	978,342
Net pension liability and deferred outflows/inflows of resources related to pensions	<u>(51,498)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$5,868,640</u></u>
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See accompanying notes to financial statements

TOWN OF MORAGA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Adjusted</u>		
REVENUES				
Property taxes and assessments	\$2,463,271	\$2,505,771	\$2,351,803	(\$153,968)
Property tax - in lieu	1,814,771	1,811,813	1,811,813	
Sales and use tax	1,025,000	1,045,000	1,148,212	103,212
Franchise fees	1,203,380	1,303,047	1,252,102	(50,945)
Real property transfer fees	160,000	160,000	145,553	(14,447)
Motor vehicle license fees	2,000		8,156	8,156
Planning and permits	616,000	616,000	427,719	(188,281)
Interest	45,000	45,000	59,151	14,151
Property rentals	98,415	98,415	99,277	862
Parks and recreation	463,215	382,215	362,254	(19,961)
Police services	53,900	53,900	88,023	34,123
Public works services	251,500	251,500	322,141	70,641
Other revenues	161,000	161,000	193,143	32,143
Total Revenues	<u>8,357,452</u>	<u>8,433,661</u>	<u>8,269,347</u>	<u>(164,314)</u>
EXPENDITURES:				
Current operations:				
General government	2,395,055	2,190,909	2,041,852	149,057
Planning	745,258	745,258	617,689	127,569
Public safety	2,963,502	2,963,502	2,805,252	158,250
Public works	1,468,808	1,468,808	1,402,085	66,723
Parks and recreation	1,315,395	1,348,236	1,304,221	44,015
Total Expenditures	<u>8,888,018</u>	<u>8,716,713</u>	<u>8,171,099</u>	<u>545,614</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(530,566)</u>	<u>(283,052)</u>	<u>98,248</u>	<u>381,300</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,147,603	953,153	3,581,288	2,628,135
Transfers out	<u>(802,419)</u>	<u>(1,499,457)</u>	<u>(968,317)</u>	<u>531,140</u>
Total Other Financing Sources (Uses)	<u>345,184</u>	<u>(546,304)</u>	<u>2,612,971</u>	<u>3,159,275</u>
NET CHANGE IN FUND BALANCE	<u>(\$185,382)</u>	<u>(\$829,356)</u>	<u>2,711,219</u>	<u>\$3,540,575</u>
BEGINNING FUND BALANCE			<u>5,503,641</u>	
ENDING FUND BALANCE			<u>\$8,214,860</u>	

See accompanying notes to financial statements

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<p>TOWN OF MORAGA Basic Financial Statements For the Year Ended June 30, 2019</p>
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FUND FINANCIAL STATEMENTS
FIDUCIARY FUNDS

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

TOWN OF MORAGA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019

	<u>Agency Fund</u>
ASSETS	
Cash and investments (Note 3)	\$981,821
Accounts receivable	<u>178</u>
Total Assets	<u><u>\$981,999</u></u>
LIABILITIES	
Accounts payable	\$104,707
Deposits payable	736,315
Due to others	<u>140,977</u>
Total Liabilities	<u><u>\$981,999</u></u>

See accompanying notes to financial statements

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Basic Financial Statements of the Town include only the financial activities of the Town, which has no component units.

B. Basis of Presentation

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

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

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

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

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds

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

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

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

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

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

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

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

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

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

The Town reports the following fiduciary funds:

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

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

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

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

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

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

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

Contributed capital assets are valued at their estimated fair market value on the date contributed. Donated capital assets, donated works of art and similar items, and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. All other capital assets are valued at historical cost or estimated historical cost 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 and unsecured property taxes are levied on January 1.

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

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

G. Compensated Absences

Compensated absences are comprised of unused vacation leave and compensatory time off, which are accrued as earned. No compensation is payable for sick leave. The Town's liability for compensated absences is determined annually. The liability for these compensated absences in the government-wide statements has been estimated by management to be 20% current and 80% non-current liabilities. The portion expected to be permanently liquidated is recorded in the governmental funds and are recorded as fund liabilities. The long-term portion is recorded in the statement of net position and is liquidated primarily by the General Fund.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The activities of the compensated absences for the year ended June 30, 2019 were as follows:

Beginning balance	\$268,840
Additions	312,556
Payments	<u>(273,627)</u>
Ending Balance	<u><u>\$307,769</u></u>
Current Portion	<u><u>\$61,554</u></u>

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Cash and Investments

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

J. Prepaids

The Town uses the consumption method to report prepaid items.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow or resources (revenue) until that time.

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fair Value Measurements

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

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

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

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

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

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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING

B. Budgetary Accounting

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

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

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

NOTE 3 – CASH AND INVESTMENTS

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

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, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Classification

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$10,025,291
Restricted cash and investments	450,661
Fiduciary Funds:	
Cash and investments	981,821
Total cash and investments	<u>\$11,457,773</u>

Cash and investments as of June 30, 2019 consist of the following:

Cash on hand and in banks	\$2,132,636
Investments with fiscal agents	448,284
California Local Agency Investment Fund	<u>8,876,853</u>
Total cash and investments	<u>\$11,457,773</u>

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

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS (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%

D. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements of the Town which follows the California Government Code and the Town's investment policy.

E. Interest Rate Risk

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS (Continued)

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

Investment Type	12 months or less	Total
<i>Cash and Investments in City Treasury:</i>		
California Local Agency Investment Fund	\$8,876,853	\$8,876,853
<i>Held by Fiscal Agents:</i>		
Money Market Fund	448,284	448,284
Total Investments	<u>\$9,325,137</u>	9,325,137
<i>Cash deposits in banks and petty cash</i>		<u>2,132,636</u>
Total Cash and Investments		<u><u>\$11,457,773</u></u>

F. 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.

G. 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, 2019 for each investment type:

Investment Type	Not rated	Total
<i>Not rated:</i>		
Money Market Fund	\$448,284	\$448,284
California Local Agency Investment Fund	8,876,853	8,876,853
Total Investments	<u>\$9,325,137</u>	9,325,137
<i>Cash deposits in banks and petty cash</i>		<u>2,132,636</u>
Total Cash and Investments		<u><u>\$11,457,773</u></u>

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND INVESTMENTS (Continued)

H. 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, 2019, the Town only had investments in LAIF and money market funds.

I. Investment in State Investment Pool

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Town reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which is the same as the value of the pool share. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2019, these investments matured in an average of 173 days.

NOTE 4 – INTERFUND ACTIVITIES

A. Transfers Between Town Funds

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

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

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – INTERFUND ACTIVITIES (Continued)

Transfers between Town funds during fiscal year 2018-19 were as follows:

Transfer From	Transfer To	Amount Transferred
General Fund	Pavement Management Program Fund	\$447,044 A
	Construction in Progress Fund	173,854 B
	Other Capital Projects Fund	233,000 C
	Debt Service Fund	114,419 D
Pavement Management Program Fund	Debt Service Fund	597,850 D
Construction in Progress Fund	General Fund	2,662,855 E
Other Capital Project Fund	General Fund	15,255 B
	Construction in Progress Fund	9,773 B
Other Governmental Funds	General Fund	903,178 F
	Pavement Management Program Fund	278,728 B
	Construction in Progress Fund	244,716 B
	Other Governmental Funds	43,134 G
Total Interfund Transfers		\$5,723,806

A. To fund pass through garbage vehicle impact fees and construction costs

B. To fund capital projects: labor and materials

C. To fund asset replacement

D. To fund debt service

E. To refund previous years' excess funding

F. To fund Police services, transportation and street related programs, labor costs, purchase of equipment and storm drain maintenance

G. To fund traffic signal maintenance

B. Due To (From) Other Funds

The Town provides short-term interfund loan to cover cash flows which are expected to be repaid within the next year. As of June 30, 2019, the Construction in Progress Fund and Non-major Governmental Funds owed \$4,142,796 and \$68,677 respectively to the General Fund.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Town has reported all capital assets including infrastructure in the Government-wide Statement of Net Position. The Town elected to use the basic approach as defined by GASB Statement No. 34 for all infrastructures reporting, whereby depreciation expense and accumulated depreciation has been recorded. The following table presents the capital assets activity for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Transfers	Balance June 30, 2019
Governmental Activities				
Capital assets not being depreciated:				
Land and easements	\$10,680,212			\$10,680,212
Construction in progress	14,137,251	\$2,633,514	(\$2,082,972)	14,687,793
Total capital assets, not being depreciated	24,817,463	2,633,514	(2,082,972)	25,368,005
Depreciable capital assets:				
Building and improvements	7,404,258		26,832	7,431,090
Roadway and related	42,717,203		1,962,663	44,679,866
Storm drains	4,327,992			4,327,992
Parks and recreation	3,736,275			3,736,275
Equipment and furniture	1,602,379		93,477	1,695,856
Total capital assets, being depreciated	59,788,107		2,082,972	61,871,079
Accumulated depreciation:				
Building and improvements	(1,914,406)	(147,307)		(2,061,713)
Roadway and related	(20,645,354)	(1,124,421)		(21,769,775)
Storm drains	(2,506,268)	(66,147)		(2,572,415)
Parks and recreation	(1,546,602)	(125,779)		(1,672,381)
Equipment and furniture	(1,437,748)	(96,454)		(1,534,202)
Total accumulated depreciation	(28,050,378)	(1,560,108)		(29,610,486)
Depreciable capital assets, net	31,737,729	(1,560,108)	2,082,972	32,260,593
Governmental capital assets, net	\$56,555,192	\$1,073,406		\$57,628,598

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued))

A. Depreciation Allocation

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

Governmental Activities:	
General Administration	\$162,502
Planning	13,213
Public Safety:	
Police	36,335
Public Works	1,206,424
Parks and Recreation	<u>141,634</u>
Total Governmental Activities	<u><u>\$1,560,108</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, 2018	Retirements	Balance June 30, 2019	Current Portion
2010 Certificates of Participation	\$1,525,000	\$1,060,000	(\$70,000)	\$990,000	\$75,000
2013 Certificates of Participation	7,720,000	6,300,000	(305,000)	5,995,000	315,000
Add: Unamortized Bond Premium	259,947	<u>194,962</u>	<u>(12,997)</u>	<u>181,965</u>	
Total Governmental Activity		<u><u>\$7,554,962</u></u>	<u><u>(\$387,997)</u></u>	<u><u>\$7,166,965</u></u>	<u><u>\$390,000</u></u>

B. 2010 Certificates of Participation – Town Hall Improvement Project

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – LONG TERM DEBT (Continued)

C. 2013 Certificates of Participation – Infrastructure Improvements

Certificates of Participation were issued and delivered pursuant to a trust agreement dated August 6, 2013 by and among the Town, the Association of Bay Area Governments Finance Authority for Nonprofit Corporations (ABAG) and Wilmington Trust, North America (the Trustee) for the purposes of financing improvements to the Town's infrastructure including streets and storm drains. Principal is payable annually on April 1. Interest is payable semiannually on April 1 and October 1. Interest on the Certificates of Participation ranges from 2.0 and 5.0 percent 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
2020	\$390,000	\$321,168
2021	405,000	305,568
2022	425,000	289,268
2023	435,000	272,268
2024	460,000	251,218
2025-2029	2,640,000	915,551
2030-2032	1,660,000	244,057
2033	570,000	28,500
Total	6,985,000	\$2,627,598
Premium, net of amortization	181,965	
	<u>\$7,166,965</u>	

NOTE 7 – PENSION PLAN

A. General Information

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Town's Safety and Miscellaneous (all other) Employee Pension Rate Plans. The Town's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors four rate plans (two miscellaneous and two safety). Benefit provisions under the Plans are established by State statute and Town resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. The Town does not provide any post-retirement health benefits (OPEB).

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (Continued)

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

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ Age 55	2.0% @ Age 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	8.892%	6.842%
	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	52 - 67
Monthly benefits, as a % of eligible compensation	2.000% to 2.700%	2.000% to 2.700%
Required employee contribution rates	9%	12.00%
Required employer contribution rates	15.719%	12.141%

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 \$323,500 in fiscal year 2019.

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.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (Continued)

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the Plan were as follows.

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Contributions - employer	\$118,202	\$162,434	\$280,636

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, 2019, the Town reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous:	\$3,340,265
Safety	2,795,084
Total Net Pension Liability	<u>\$6,135,349</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, 2018, 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, 2017 rolled forward to June 30, 2018 using standard update procedures. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2017	0.08633%	0.04609%
Proportion - June 30, 2018	0.08863%	0.04764%
Change - Increase (Decrease)	<u>(0.00230%)</u>	<u>(0.00155%)</u>

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (Continued)

For the year ended June 30, 2019, the Town recognized pension expense of \$51,498. At June 30, 2019, 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	\$118,202	
Differences between actual and expected experience	128,160	(\$43,612)
Changes in assumptions	380,800	(93,327)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	111,727	(432,586)
Net differences between projected and actual earnings on plan investments	16,513	
Total Miscellaneous	<u>\$755,402</u>	<u>(\$569,525)</u>
Safety	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$162,434	
Differences between actual and expected experience	60,057	(\$228)
Changes in assumptions	274,246	(37,001)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	147,470	(239,519)
Net differences between projected and actual earnings on plan investments	18,924	
Total Safety	<u>\$663,131</u>	<u>(\$276,748)</u>
Grand Total	<u>\$1,418,533</u>	<u>(\$846,273)</u>

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (Continued)

\$280,636 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, 2020. 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
2020	\$378,228
2021	190,984
2022	(228,184)
2023	(49,404)
	\$291,624

Actuarial Assumptions – For the measurement period ended June 30, 2018, the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2018 total pension liability were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.5%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

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

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

Change of Assumptions – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75% to 2.50%.

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (Continued)

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

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive		0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

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

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

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – PENSION PLAN (Continued)

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

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$5,437,790	\$4,401,853
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$3,340,265	\$2,795,084
1% Increase	8.15%	8.15%
Net Pension Liability	\$1,608,792	\$1,478,624

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

C. *Deferred Compensation Plan*

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

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

D. *Defined Contribution Plan*

The Town sponsors a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). Under this plan, the Town may make discretionary contributions to the plan each year on behalf of designated employees up to the maximum allowed by law. Town employees are fully vested in amounts contributed to the plan. Town employees may also contribute to the plan on an after-tax basis as long as the combined employer and employee contributions do not exceed the maximum allowed by law. During fiscal year 2019, the Town and its employees did not make contributions to the plan.

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – NET POSITION AND FUND BALANCES

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

A. Net Position

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

Net Investment in Capital Assets, describes the portion of net position which is represented by the current net book value of the Town's capital assets, less the outstanding balance of any debt issued to finance these assets. At June 30, 2019 the breakout of this calculation is reflected as follows:

Total Capital Assets at June 30, 2019:		\$57,628,598
Related Debts at June 30, 2019:		
Certificates of Participation (COP)	\$7,166,965	
Less: Portion of unspent proceeds attributed to the acquisition construction or improvement of capital assets	<u>151</u>	
Net Related Debt		<u>7,167,116</u>
Net Investment in Capital Assets		<u><u>\$50,461,482</u></u>

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

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

B. Fund Balance

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

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

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

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

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

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

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

Detailed classifications of the Town's Fund Balances, as of June 30, 2019, are below:

	General Fund	Pavement Management Program	Construction In Progress	Other Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
Nonspendable:							
Prepaid items	\$1,719						\$1,719
Total Nonspendable	1,719						1,719
Restricted for:							
Streets and roads						\$1,972,271	1,972,271
Public safety						163,741	163,741
Future projects						248,220	248,220
Capital projects				\$2,000,472	\$24,234	52,791	2,077,497
Debt service					426,485		426,485
Total Restricted				2,000,472	450,719	2,437,023	4,888,214
Committed to:							
Future projects (Palos Developer Fees)	2,873,303						2,873,303
Capital projects		\$1,778,985		15,454			1,794,439
Asset replacements				238,924			238,924
Total Committed	2,873,303	1,778,985		254,378			4,906,666
Assigned							
Capital projects *	809,668						809,668
Total Unassigned	809,668						809,668
Unassigned							
Fund balance deficits			(\$1,521,349)			(9,638)	(1,530,987)
Residual fund balance	4,530,170						4,530,170
Total Unassigned	4,530,170		(1,521,349)			(9,638)	2,999,183
Total fund balances	\$8,214,860	\$1,778,985	(\$1,521,349)	\$2,254,850	\$450,719	\$2,427,385	\$13,605,450

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

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

C. General Purpose Fund Reserve Policy

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

NOTE 9 – RISK MANAGEMENT

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

	Participating Cities Total Coverage	Deductible (Town Portion)
All risk fire and property	\$1,000,000,000	\$25,000
Cyber liability	2,000,000	50,000
Public entity pollution liability	25,000,000	100,000
Boiler and machinery	2,500,000	5,000
Government crime	1,000,000	2,500
Liability	29,000,000	10,000
Employment liability	2,000,000	50,000
Workers' compensation	50,000,000	0
Vehicle physical damage		
All other police vehicles	0-2,000	250,000
Police department vehicles	0-3,000	250,000

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, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – PAVEMENT MANAGEMENT PROGRAM (FUND 711)

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

The combination of the 2013 COPs financing, Measure K sales tax that exceeded debt service of 2013 COPs, and other available funds or grants, has enabled the Town to expedite its road repair program, Pavement Management Program. As of June 30, 2017, the third year of the three-year Program had been completed. Under the Program, the Town focused on preventative maintenance during the first year; overlays during the second year; and reconstruction treatments during the third year.

The following is the sources and uses of the Program during fiscal year 2019:

SOURCES	
Sales Tax from Measure K	\$1,965,304
COP 2013, Drawdown	
Rubberized Pavement Grant	53,774
Gas Tax	
Garbage Vehicle Impact Fee	447,044
Interest Income	<u>6,896</u>
Total Sources	<u>2,473,018</u>
USES	
Construction	922,273
Construction Management	31,088
Project Management	74,117
Design Services	15,302
Miscellaneous Expenses	<u>131</u>
Total Uses	<u>1,042,911</u>
OTHER FINANCING SOURCES (USES)	
Principal payment on the bonds	305,000
Interest payment on the bonds	<u>292,850</u>
Total Other Financing Sources (Uses)	<u>597,850</u>
NET CHANGE IN PROGRAM BALANCE	832,257
BEGINNING PROGRAM BALANCE	<u>668,000</u>
ENDING PROGRAM BALANCE	<u><u>\$1,500,257</u></u>

TOWN OF MORAGA
Basic Financial Statements
For the Year Ended June 30, 2019

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – LAMORINDA FEE AND FINANCING AUTHORITY

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

NOTE 12 – COMMITMENT AND CONTINGENT LIABILITIES

The Town participates in several Federal and State grant programs. These programs have been subjected to audits by the Town's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Town expects such amounts, if any, to be immaterial.

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

A. Encumbrances

The Town utilized an encumbrance system during fiscal year 2019 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, 2019, that will be carried over to fiscal year 2020:

General Fund	\$606,672
Pavement Management Program Fund	525,632
Construction in Progress Fund	10,000
Other Capital Projects Fund	411,642
Non-major Government Funds	385,132
	<hr/>
Total	\$1,939,078
	<hr/>

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

Measure Date as of June 30	2014	2015	2016	2017	2018
Plan's Proportion of the Net Pension Liability (Asset)	0.05809%	0.04235%	0.06040%	0.06208%	0.06367%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$3,614,505	\$3,840,323	\$5,226,347	\$6,156,875	\$6,135,349
Plan's Covered Payroll (B)	\$3,183,341	\$3,044,571	\$3,214,375	\$3,467,455	\$3,357,567
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	113.54%	126.14%	162.59%	177.56%	182.73%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	82.31%	82.25%	77.29%	76%	77%

Notes to Schedule:

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

*Fiscal year 2015 was the first year of implementation of GASB 68 and 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	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$413,526	\$314,989	\$308,628	\$274,211	\$280,636
Contributions in relation to the actuarially determined contributions	<u>413,526</u>	<u>314,989</u>	<u>308,628</u>	<u>274,211</u>	<u>280,636</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$3,044,571	\$3,214,375	\$3,467,455	\$3,357,567	3,600,071
Contributions as a percentage of covered payroll	13.58%	9.80%	8.90%	8.17%	7.80%

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

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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, 2019</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.

TOWN OF MORAGA
GENERAL FUND
COMBINING BALANCE SHEETS
JUNE 30, 2019

	<u>General Purpose</u>	<u>Developer Fees</u>	<u>Total</u>
ASSETS			
Cash and investments	\$1,173,008	\$2,873,303	\$4,046,311
Accounts receivable	354,633		354,633
Prepays	1,719		1,719
Due from other funds	<u>4,211,473</u>		<u>4,211,473</u>
Total Assets	<u>\$5,740,833</u>	<u>\$2,873,303</u>	<u>\$8,614,136</u>
LIABILITIES			
Accounts payable and accrued expenses	<u>\$399,276</u>		<u>\$399,276</u>
Total Liabilities	<u>399,276</u>		<u>399,276</u>
FUND BALANCES			
Nonspendable	1,719		1,719
Committed		\$2,873,303	2,873,303
Assigned	809,668		809,668
Unassigned	<u>4,530,170</u>		<u>4,530,170</u>
Total Fund Balances	<u>5,341,557</u>	<u>2,873,303</u>	<u>8,214,860</u>
Total Liabilities and Fund Balances	<u>\$5,740,833</u>	<u>\$2,873,303</u>	<u>\$8,614,136</u>

TOWN OF MORAGA
GENERAL FUND
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>General Purpose</u>	<u>Developer Fees</u>	<u>Total</u>
REVENUES			
Property taxes and assessments	\$2,351,803		\$2,351,803
Property tax - in lieu	1,811,813		1,811,813
Sales and use tax	1,148,212		1,148,212
Franchise fees	1,252,102		1,252,102
Real property transfer fees	145,553		145,553
Motor vehicle license fees	8,156		8,156
Planning and permits	427,719		427,719
Interest	59,151		59,151
Property rentals	99,277		99,277
Parks and recreation	362,254		362,254
Police services	88,023		88,023
Public works services	322,141		322,141
Other revenues	193,143		193,143
Total Revenues	<u>8,269,347</u>		<u>8,269,347</u>
EXPENDITURES			
Current operations:			
General administration	2,041,852		2,041,852
Planning	617,689		617,689
Public safety	2,805,252		2,805,252
Public works	1,341,861	\$60,224	1,402,085
Parks and recreation	1,304,221		1,304,221
Total Expenditures	<u>8,110,875</u>	<u>60,224</u>	<u>8,171,099</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>158,472</u>	<u>(60,224)</u>	<u>98,248</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,560,363	\$1,020,925	3,581,288
Transfers out	(968,317)		(968,317)
Total Other Financing Sources (Uses)	<u>1,592,046</u>	<u>1,020,925</u>	<u>2,612,971</u>
NET CHANGE IN FUND BALANCES	1,750,518	960,701	2,711,219
BEGINNING FUND BALANCES	<u>3,591,039</u>	<u>1,912,602</u>	<u>5,503,641</u>
ENDING FUND BALANCES	<u>\$5,341,557</u>	<u>\$2,873,303</u>	<u>\$8,214,860</u>

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<p>TOWN OF MORAGA Supplemental Information For the Year Ended June 30, 2019</p>
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PAVEMENT MANAGEMENT PROGRAM CAPITAL PROJECTS FUND

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
PAVEMENT MANAGEMENT PROGRAM FUND
COMBINING BALANCE SHEET
JUNE 30, 2019

	Pavement Management Program	Total
ASSETS		
Cash and investments	\$1,396,289	\$1,396,289
Accounts receivable	382,696	382,696
Total Assets	<u>\$1,778,985</u>	<u>\$1,778,985</u>
FUND BALANCES		
Committed	<u>\$1,778,985</u>	<u>\$1,778,985</u>
Total Fund Balances	<u>\$1,778,985</u>	<u>\$1,778,985</u>

TOWN OF MORAGA
PAVEMENT MANAGEMENT PROGRAM FUND
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Pavement Management Program	Total
REVENUES		
Sales tax - 1% local add-on (Measure K)	\$1,965,304	\$1,965,304
Interest	6,896	6,896
Intergovernmental	53,774	53,774
Total Revenues	<u>2,025,974</u>	<u>2,025,974</u>
EXPENDITURES		
Capital outlay	<u>1,042,911</u>	<u>1,042,911</u>
Total Expenditures	<u>1,042,911</u>	<u>1,042,911</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>983,063</u>	<u>983,063</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	725,772	725,772
Transfers out	<u>(597,850)</u>	<u>(597,850)</u>
Total Other Financing Sources (Uses)	<u>127,922</u>	<u>127,922</u>
NET CHANGE IN FUND BALANCES	1,110,985	1,110,985
BEGINNING FUND BALANCES	<u>668,000</u>	<u>668,000</u>
ENDING FUND BALANCES	<u><u>\$1,778,985</u></u>	<u><u>\$1,778,985</u></u>

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<p>TOWN OF MORAGA Supplemental Information For the Year Ended June 30, 2019</p>
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CONSTRUCTION IN PROGRESS FUND

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

TOWN OF MORAGA
CONSTRUCTION IN PROGRESS FUND
COMBINING BALANCE SHEET
JUNE 30, 2019

	<u>Construction in Progress</u>	<u>Total</u>
ASSETS		
Accounts receivable	<u>\$4,178,361</u>	<u>\$4,178,361</u>
Total Assets	<u>\$4,178,361</u>	<u>\$4,178,361</u>
LIABILITIES		
Accounts payable and accrued expenses	\$142,445	\$142,445
Unearned revenue	15,850	15,850
Due to other funds	<u>4,142,796</u>	<u>4,142,796</u>
Total Liabilities	<u>4,301,091</u>	<u>4,301,091</u>
DEFERRED INFLOWS		
Unavailable revenue	<u>1,398,619</u>	<u>1,398,619</u>
FUND BALANCES		
Unassigned	<u>(1,521,349)</u>	<u>(1,521,349)</u>
Total Fund Balances	<u>(1,521,349)</u>	<u>(1,521,349)</u>
Total Liabilities and Fund Balances	<u>\$4,178,361</u>	<u>\$4,178,361</u>

TOWN OF MORAGA
CONSTRUCTION IN PROGRESS FUND
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Construction in Progress	Total
REVENUES		
Intergovernmental	\$2,881,460	\$2,881,460
Total Revenues	<u>2,881,460</u>	<u>2,881,460</u>
EXPENDITURES		
Capital outlay	1,636,495	1,636,495
Total Expenditures	<u>1,636,495</u>	<u>1,636,495</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,244,965</u>	<u>1,244,965</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	428,343	428,343
Transfers out	<u>(2,662,855)</u>	<u>(2,662,855)</u>
Total Other Financing Sources (Uses)	<u>(2,234,512)</u>	<u>(2,234,512)</u>
NET CHANGE IN FUND BALANCES	(989,547)	(989,547)
BEGINNING FUND BALANCES	<u>(531,802)</u>	<u>(531,802)</u>
ENDING FUND BALANCES	<u><u>(\$1,521,349)</u></u>	<u><u>(\$1,521,349)</u></u>

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<p style="text-align: center;">TOWN OF MORAGA Supplemental Information For the Year Ended June 30, 2019</p>
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OTHER CAPITAL PROJECTS FUND

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

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

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

The Town has two Comcast funds – the **Comcast Grant Unrestricted** is a one-time revenue receipt and the **Comcast PEG Restricted** fund has limitations on how the Town may use these monies in accordance with the franchise agreement. Generally, Comcast funds are to be used for capital costs associated with Public, Educational and Governmental channel access.

Development Impact Fee Funds:

Public Safety Impact Fees, Local Transportation Impact Fees, Storm Drain Impact Fees, General Government Facilities Impact Fees, and Park Development Impact Fee Funds are all funds whose revenues derive from development and use of these funds is restricted.

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

TOWN OF MORAGA
OTHER CAPITAL PROJECTS FUND
COMBINING BALANCE SHEETS
JUNE 30, 2019

	Community Facilities/ Open Space	Asset Replacement	Comcast Grant Unrestricted	Comcast PEG Restricted
ASSETS				
Cash and investments		\$238,924	\$15,454	\$328,114
Accounts receivable				18,527
Total Assets		<u>\$238,924</u>	<u>\$15,454</u>	<u>\$346,641</u>
LIABILITIES				
Accounts payable and accrued expenses				
Total Liabilities				
FUND BALANCE				
Restricted				\$346,641
Committed		<u>\$238,924</u>	<u>\$15,454</u>	
Total Fund Balances		<u>238,924</u>	<u>15,454</u>	<u>346,641</u>
Total Liabilities and Fund Balances		<u>\$238,924</u>	<u>\$15,454</u>	<u>\$346,641</u>

Public Safety Impact Fees	Local Transportation Impact Fees	Storm Drain Impact Fees	General Government Facilities Impact Fees	Park Development Impact Fees	LFFA	Total Capital Projects Fund
\$118,715 285	\$31,257 75	\$480,127 1,153	\$507,438 1,224	\$102,377 246	\$424,126 1,017	\$2,246,532 22,527
<u>\$119,000</u>	<u>\$31,332</u>	<u>\$481,280</u>	<u>\$508,662</u>	<u>\$102,623</u>	<u>\$425,143</u>	<u>\$2,269,059</u>
\$8,705					\$5,504	\$14,209
<u>8,705</u>					<u>5,504</u>	<u>14,209</u>
110,295	\$31,332	\$481,280	\$508,662	\$102,623	419,639	2,000,472 254,378
<u>110,295</u>	<u>31,332</u>	<u>481,280</u>	<u>508,662</u>	<u>102,623</u>	<u>419,639</u>	<u>2,254,850</u>
<u>\$119,000</u>	<u>\$31,332</u>	<u>\$481,280</u>	<u>\$508,662</u>	<u>\$102,623</u>	<u>\$425,143</u>	<u>\$2,269,059</u>

TOWN OF MORAGA
OTHER CAPITAL PROJECTS FUND
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Community Facilities/ Open Space</u>	<u>Asset Replacement</u>	<u>Comcast Grant Unrestricted</u>	<u>Comcast PEG Restricted</u>
REVENUES				
Intergovernmental				
Interest				
Other revenue				\$36,753
Total Revenues				36,753
EXPENDITURES				
General administration				1,950
Total Expenditures				1,950
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				34,803
OTHER FINANCING SOURCES (USES)				
Transfers in		\$233,000		
Transfers (out)	(\$6,550)			(4,314)
Total Other Financing Sources (Uses)	(6,550)	233,000		(4,314)
NET CHANGE IN FUND BALANCES	(6,550)	233,000		30,489
BEGINNING FUND BALANCES	6,550	5,924	\$15,454	316,152
ENDING FUND BALANCES		\$238,924	\$15,454	\$346,641

Public Safety Impact Fees	Local Transportation Impact Fees	Storm Drain Impact Fees	General Government Facilities Impact Fees	Park Development Impact Fees	LFFA	Total Capital Projects Funds
\$1,478	\$393	\$6,044	\$6,307	\$1,129	\$5,403	\$20,754
1,789			16,216	20,152	8,249	83,159
3,267	393	6,044	22,523	21,281	13,652	103,913
						1,950
						1,950
3,267	393	6,044	22,523	21,281	13,652	101,963
(8,705)		(692)	(4,767)			233,000 (25,028)
(8,705)		(692)	(4,767)			207,972
(5,438)	393	5,352	17,756	21,281	13,652	309,935
115,733	30,939	475,928	490,906	81,342	405,987	1,944,915
\$110,295	\$31,332	\$481,280	\$508,662	\$102,623	\$419,639	\$2,254,850

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<p>TOWN OF MORAGA Supplemental Information For the Year Ended June 30, 2019</p>
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DEBT SERVICE FUND

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

TOWN OF MORAGA
DEBT SERVICE FUND
COMBINING BALANCE SHEETS
JUNE 30, 2019

	<u>COP 329 Rheem Renovations</u>	<u>2013 COP Infrastructure Improvements</u>	<u>Total</u>
ASSETS			
Cash and investments	<u>\$122,322</u>	<u>\$328,397</u>	<u>\$450,719</u>
Total Assets	<u><u>\$122,322</u></u>	<u><u>\$328,397</u></u>	<u><u>\$450,719</u></u>
FUND BALANCES			
Nonspendable	<u>\$122,322</u>	<u>\$328,397</u>	<u>\$450,719</u>
Total Fund Balances	<u>122,322</u>	<u>328,397</u>	<u>450,719</u>
Total Liabilities and Fund Balances	<u><u>\$122,322</u></u>	<u><u>\$328,397</u></u>	<u><u>\$450,719</u></u>

TOWN OF MORAGA
DEBT SERVICE FUND
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>COP 329 Rheem Renovations</u>	<u>2013 COP Infrastructure Improvements</u>	<u>Total</u>
REVENUES			
Interest	<u>\$1,759</u>	<u>\$5,044</u>	<u>\$6,803</u>
Total Revenues	<u>1,759</u>	<u>5,044</u>	<u>6,803</u>
EXPENDITURES			
Current operations:			
General administration	1,000		1,000
Debt service:			
Principal	70,000	305,000	375,000
Interest	<u>43,419</u>	<u>292,850</u>	<u>336,269</u>
Total Expenditures	<u>114,419</u>	<u>597,850</u>	<u>712,269</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(112,660)</u>	<u>(592,806)</u>	<u>(705,466)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>114,419</u>	<u>597,850</u>	<u>712,269</u>
Total Other Financing Sources (Uses)	<u>114,419</u>	<u>597,850</u>	<u>712,269</u>
NET CHANGE IN FUND BALANCES	1,759	5,044	6,803
BEGINNING FUND BALANCES	<u>120,563</u>	<u>323,353</u>	<u>443,916</u>
ENDING FUND BALANCES	<u><u>\$122,322</u></u>	<u><u>\$328,397</u></u>	<u><u>\$450,719</u></u>

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<p style="text-align: center;">TOWN OF MORAGA Supplemental Information For the Year Ended June 30, 2019</p>
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OTHER GOVERNMENTAL FUNDS

The Town maintains the following Other Governmental Funds:

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

TOWN OF MORAGA
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and investments	\$94,408	\$837,111	\$247,626	\$374,846
Accounts receivable	56,775	1,996	594	861
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$151,183</u>	<u>\$839,107</u>	<u>\$248,220</u>	<u>\$375,707</u>
LIABILITIES				
Accounts payable and accrued expenses				\$23,472
Due to other funds				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u> </u>	<u> </u>	<u>23,472</u>
FUND BALANCE				
Restricted	\$151,183	\$839,107	\$248,220	352,235
Unassigned				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>151,183</u>	<u>839,107</u>	<u>248,220</u>	<u>352,235</u>
Total Liabilities and Fund Balances	<u>\$151,183</u>	<u>\$839,107</u>	<u>\$248,220</u>	<u>\$375,707</u>

COPS/AVA	Traffic Safety	NPDES	Asset Forfeiture	Public Safety Sales Tax	Street Lighting	Art in Public Spaces	Total Nonmajor Governmental Funds
\$129,949	\$17,751		\$6,219		\$628,191		\$2,336,101
441	9,363	\$93,559	18	\$18,271	1,555		183,433
<u>\$130,390</u>	<u>\$27,114</u>	<u>\$93,559</u>	<u>\$6,237</u>	<u>\$18,271</u>	<u>\$629,746</u>		<u>\$2,519,534</u>
		\$40,768		\$27,909			\$23,472
							68,677
		40,768		27,909			92,149
\$130,390	\$27,114	52,791	\$6,237		\$629,746		2,437,023
				(\$9,638)			(9,638)
130,390	27,114	52,791	6,237	(9,638)	629,746		2,427,385
<u>\$130,390</u>	<u>\$27,114</u>	<u>\$93,559</u>	<u>\$6,237</u>	<u>\$18,271</u>	<u>\$629,746</u>		<u>\$2,519,534</u>

TOWN OF MORAGA
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Gasoline Tax	Transportation Measure J	Park Dedication	Lighting Assessment District
REVENUES				
Taxes and assessment	\$336,879			\$195,798
Sales tax - public safety				
Intergovernmental	366,090	\$392,832		
Interest	4,153	9,688	\$3,112	3,842
Fines, forfeitures and penalties				
Total Revenues	<u>707,122</u>	<u>402,520</u>	<u>3,112</u>	<u>199,640</u>
EXPENDITURES				
Current operations:				
Public works				187,069
Total Expenditures				<u>187,069</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>707,122</u>	<u>402,520</u>	<u>3,112</u>	<u>12,571</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				43,134
Transfers (out)	<u>(658,728)</u>	<u>(303,911)</u>		<u>(6,000)</u>
Total Other Financing Sources (Uses)	<u>(658,728)</u>	<u>(303,911)</u>		<u>37,134</u>
NET CHANGE IN FUND BALANCES	48,394	98,609	3,112	49,705
BEGINNING FUND BALANCES	<u>102,789</u>	<u>740,498</u>	<u>245,108</u>	<u>302,530</u>
ENDING FUND BALANCES	<u>\$151,183</u>	<u>\$839,107</u>	<u>\$248,220</u>	<u>\$352,235</u>

<u>COPS/AVA</u>	<u>Traffic Safety</u>	<u>NPDES</u>	<u>Asset Forfeiture</u>	<u>Public Safety Sales Tax</u>	<u>Street Lighting</u>	<u>Art in Public Spaces</u>	<u>Total Other Governmental Funds</u>
		\$225,550			\$175,126		\$933,353
\$148,747				\$71,810			71,810
2,017	\$312	187	\$123		7,024		907,669
	40,328						30,458
							40,328
<u>150,764</u>	<u>40,640</u>	<u>225,737</u>	<u>123</u>	<u>71,810</u>	<u>182,150</u>		<u>1,983,618</u>
							187,069
							187,069
<u>150,764</u>	<u>40,640</u>	<u>225,737</u>	<u>123</u>	<u>71,810</u>	<u>182,150</u>		<u>1,796,549</u>
<u>(133,060)</u>	<u>(28,812)</u>	<u>(220,191)</u>	<u>(4,110)</u>	<u>(71,810)</u>	<u>(43,134)</u>		43,134
							(1,469,756)
<u>(133,060)</u>	<u>(28,812)</u>	<u>(220,191)</u>	<u>(4,110)</u>	<u>(71,810)</u>	<u>(43,134)</u>		<u>(1,426,622)</u>
17,704	11,828	5,546	(3,987)		139,016		369,927
<u>112,686</u>	<u>15,286</u>	<u>47,245</u>	<u>10,224</u>	<u>(9,638)</u>	<u>490,730</u>		<u>2,057,458</u>
<u>\$130,390</u>	<u>\$27,114</u>	<u>\$52,791</u>	<u>\$6,237</u>	<u>(\$9,638)</u>	<u>\$629,746</u>		<u>\$2,427,385</u>

TOWN OF MORAGA
OTHER GOVERNMENTAL FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	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	\$352,661	\$336,879	(\$15,782)			
Sales tax - public safety						
Intergovernmental	297,981	366,090	68,109	\$371,852	\$392,832	\$20,980
Interest		4,153	4,153	3,130	9,688	6,558
Fines, forfeitures and penalties						
Total Revenues	<u>650,642</u>	<u>707,122</u>	<u>56,480</u>	<u>374,982</u>	<u>402,520</u>	<u>27,538</u>
EXPENDITURES						
Current operations:						
Public works						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>650,642</u>	<u>707,122</u>	<u>56,480</u>	<u>374,982</u>	<u>402,520</u>	<u>27,538</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	<u>(752,300)</u>	<u>(658,728)</u>	<u>93,572</u>	<u>(695,932)</u>	<u>(303,911)</u>	<u>392,021</u>
Total Other Financing Sources (Uses)	<u>(752,300)</u>	<u>(658,728)</u>	<u>93,572</u>	<u>(695,932)</u>	<u>(303,911)</u>	<u>392,021</u>
NET CHANGE IN FUND BALANCES	<u>(\$101,658)</u>	<u>48,394</u>	<u>\$150,052</u>	<u>(\$320,950)</u>	<u>98,609</u>	<u>\$419,559</u>
BEGINNING FUND BALANCES		<u>102,789</u>			<u>740,498</u>	
ENDING FUND BALANCES		<u>\$151,183</u>			<u>\$839,107</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)
			\$194,991	\$195,798	\$807			
	\$3,112	\$3,112	1,600	3,842	2,242	\$100,000 800	\$148,747 2,017	\$48,747 1,217
	3,112	3,112	196,591	199,640	3,049	100,800	150,764	49,964
			205,350	187,069	18,281			
			205,350	187,069	18,281			
	3,112	3,112	(8,759)	12,571	21,330	100,800	150,764	49,964
			43,134 (72,199)	43,134 (6,000)	66,199	(133,060)	(133,060)	
			(29,065)	37,134	66,199	(133,060)	(133,060)	
	3,112	\$3,112	(\$37,824)	49,705	\$87,529	(\$32,260)	17,704	\$49,964
	245,108			302,530			112,686	
	\$248,220			\$352,235			\$130,390	

(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, 2019

	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				\$235,000	\$225,550	(\$9,450)
Sales tax - public safety						
Intergovernmental						
Interest	\$75	\$312	\$237	150	187	37
Fines, forfeitures and penalties	37,600	40,328	2,728			
Total Revenues	37,675	40,640	2,965	235,150	225,737	(9,413)
EXPENDITURES						
Current operations:						
Public works						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	37,675	40,640	2,965	235,150	225,737	(9,413)
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(27,757)	(28,812)	(1,055)	(279,669)	(220,191)	59,478
Total Other Financing Sources (Uses)	(27,757)	(28,812)	(1,055)	(279,669)	(220,191)	59,478
NET CHANGE IN FUND BALANCES	\$9,918	11,828	\$1,910	(\$44,519)	5,546	\$50,065
BEGINNING FUND BALANCES		15,286			47,245	
ENDING FUND BALANCES		\$27,114			\$52,791	

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)
						\$157,666	\$175,126	\$17,460
			\$70,400	\$71,810	\$1,410			
\$50	\$123	\$73	30		(30)	900	7,024	6,124
50	123	73	70,430	71,810	1,380	158,566	182,150	23,584
50	123	73	70,430	71,810	1,380	158,566	182,150	23,584
	(4,110)	(4,110)	(70,400)	(71,810)	(1,410)	(43,134)	(43,134)	
	(4,110)	(4,110)	(70,400)	(71,810)	(1,410)	(43,134)	(43,134)	
\$50	(3,987)	(\$4,037)	\$30		(\$30)	\$115,432	139,016	\$23,584
	10,224			(9,638)			490,730	
	\$6,237			(\$9,638)			\$629,746	

(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, 2019

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

<p>TOWN OF MORAGA Supplemental Information For the Year Ended June 30, 2018</p>
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AGENCY FUNDS

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

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

TOWN OF MORAGA
 AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
ASSETS				
Cash and investments	\$867,816	\$981,821	\$867,816	\$981,821
Accounts receivable	95	178	95	178
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$867,911</u></u>	<u><u>\$981,999</u></u>	<u><u>\$867,911</u></u>	<u><u>\$981,999</u></u>
LIABILITIES				
Accounts payable	\$82,335	\$104,707	\$82,335	\$104,707
Deposits payable	697,642	736,315	697,642	736,315
Due to others	87,934	140,977	87,934	140,977
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u><u>\$867,911</u></u>	<u><u>\$981,999</u></u>	<u><u>\$867,911</u></u>	<u><u>\$981,999</u></u>

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

This part of the Town's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

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

Demographic and Economic Information

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

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

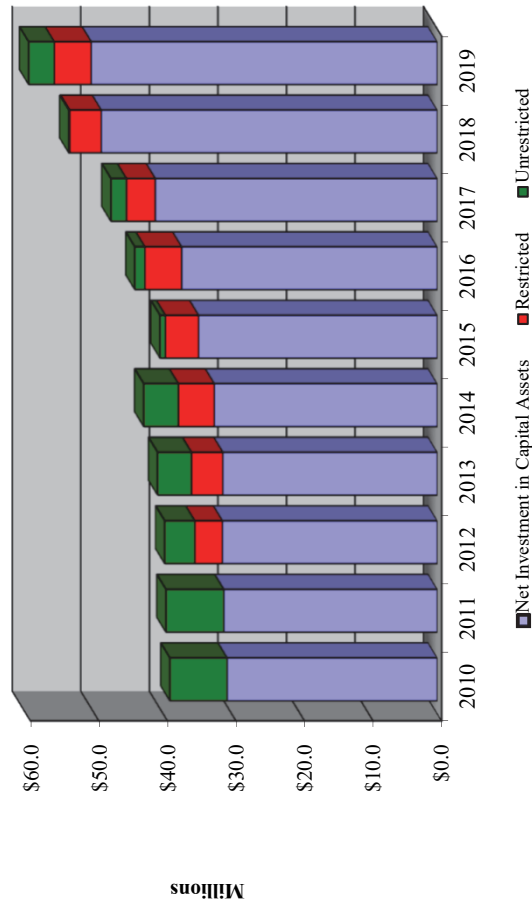
Operating Information

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

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

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



Fiscal Year Ended June 30,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$30,636,715	\$31,117,713	\$31,326,914	\$31,262,841	\$32,510,879	\$34,803,223	\$37,271,687	\$41,118,856	\$49,000,379	\$50,461,784
Restricted	8,353,521	8,448,856	4,020,379	4,574,470	5,231,652	4,834,164	5,358,218	4,209,026	4,582,338	5,390,439
Unrestricted			4,394,197	4,943,695	5,059,030	792,542	1,471,051	2,260,694	143,487	3,742,621
Total governmental activities net position	\$38,990,236	\$39,566,569	\$39,741,490	\$40,781,006	\$42,801,561	\$40,429,929	\$44,100,956	\$47,588,576	\$53,726,204	\$59,594,844

- (a) Effective 2011, the Town implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, more clearly defining fund balance categories (e.g., "restricted" and "unrestricted") to make the nature and extent of the constraints placed on a government's fund balances more transparent.
- (b) The Town implemented the provisions of GASB Statement 63 in 2013, which replaced the term "net assets" with the term "net position."
- (c) In fiscal year 2013, the Town restated its net pension asset, reducing the beginning net position by \$1,260,310. This restatement is applied to prior fiscal years back to 2008 when the net pension asset was initially applied.
- (d) In fiscal year 2015, the Town reduced the beginning balance of net position by \$4,446,616 as a result of the implementation of GASB Statements 68 and 71. Financial data shown for preceding years were not adjusted for the presentation.

Source: Town of Moraga: Basic Financial Statements

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

	Fiscal Year Ended June 30			
	2010	2011	2012	2013 (a)
Expenses				
Governmental activities:				
General administration	\$1,364,119	\$1,208,943	\$1,310,021	\$1,528,140 (c)
Planning	547,238	462,025	443,788	\$445,705
Public safety	2,007,108	2,150,458	2,280,426	2,288,770
Public works	2,704,268	2,310,181	3,154,962	2,342,094
Parks and recreation	606,949	809,048	632,177	679,215
Interest and long-term debt	3,453	63,176	58,394	56,669
Total Governmental activities expenses	<u>7,233,135</u>	<u>7,003,831</u>	<u>7,879,768</u>	<u>7,340,593</u>
Total Primary Government Expenses	<u>\$7,233,135</u>	<u>\$7,003,831</u>	<u>\$7,879,768</u>	<u>\$7,340,593</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General administration	\$8,569	\$20	\$72,735	\$38,637
Planning	230,970	233,432	289,690	383,754
Public safety	110,398	121,097	123,787	132,932
Public works	407,342	316,124	160,832	294,212
Parks and recreation	210,303	216,358	411,117	398,321
Operating Grants and Contributions	110,000	100,000	109,016	1,365,249 (b)
Capital Grants and Contributions	1,729,067	593,824	1,096,496	430,697
Total Governmental activities program revenues	<u>2,806,649</u>	<u>1,580,855</u>	<u>2,263,673</u>	<u>3,043,802</u>
Net Revenues / (Expenses)				
Governmental activities	<u>(4,426,486)</u>	<u>(5,422,976)</u>	<u>(5,616,095)</u>	<u>(4,296,791)</u>
Total Primary Government Net Expense	<u>(\$4,426,486)</u>	<u>(\$5,422,976)</u>	<u>(\$5,616,095)</u>	<u>(\$4,296,791)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property tax	\$2,936,896	\$2,978,396	\$3,065,030	\$3,070,278
Sales tax	976,416	967,688	1,018,561	1,342,747
Franchise tax	710,239	735,390	738,185	749,227
Motor vehicle in-lieu	48,468	48,982	43,316	7,011
Gas tax	277,534	417,903	467,217	(b)
Transfer tax				
Sale of property				
Interfund transfer				
Assessment	396,643	488,980	431,447	(b)
Developer Fees				
Interest and use of property	263,151	249,441	27,260	22,544
Other	195,572	112,529		144,500
Total Governmental activities	<u>5,804,919</u>	<u>5,999,309</u>	<u>5,791,016</u>	<u>5,336,307</u>
Change in Net Position				
Governmental activities	<u>1,378,433</u>	<u>576,333</u>	<u>174,921</u>	<u>1,039,516</u> (c)
Total Primary Government Change in Net Position	<u>\$1,378,433</u>	<u>\$576,333</u>	<u>\$174,921</u>	<u>\$1,039,516</u>

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

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

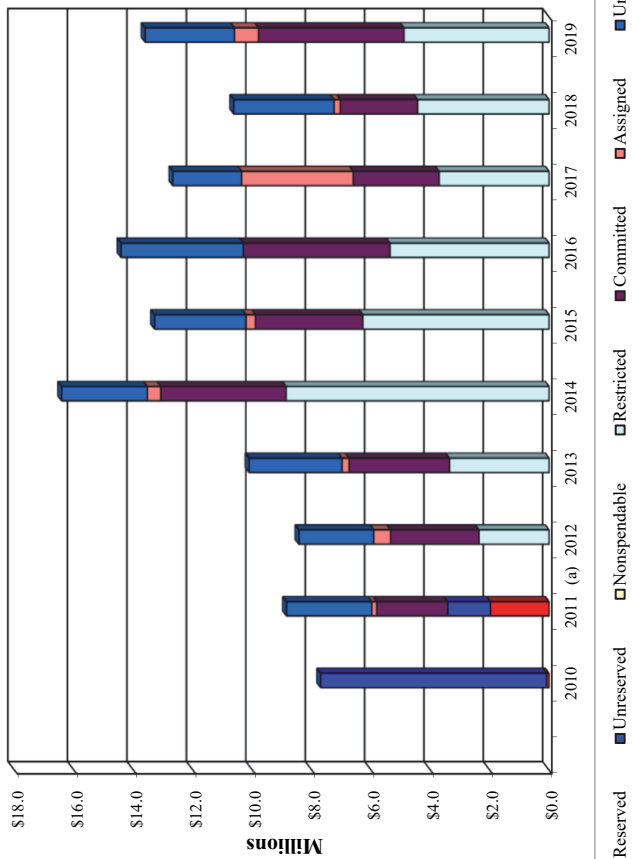
(c) In fiscal year 2013, the Town restated its net pension asset, reducing general administration expenses by \$48,473 in net pension asset amortization expense. This restatement is applied to prior years back to 2009 when the amortization expense was initially applied.

Source: Town of Moraga: Basic Financial Statements

Fiscal Year Ended June 30					
2014	2015	2016	2017	2018	2019
\$1,601,401	\$1,546,125	\$2,026,707	\$2,032,953	\$2,297,903	\$2,252,928
666,363	720,899	705,286	841,860	615,531	635,537
2,551,912	2,546,827	3,329,382	2,976,211	2,902,846	2,871,971
1,962,949	2,056,010	2,273,923	2,481,231	2,459,023	2,846,105
1,568,294	1,339,255	1,545,628	1,517,572	1,360,153	1,451,004
250,457	368,686	360,963	349,969	338,241	323,272
8,601,376	8,577,802	10,241,889	10,199,796	9,973,697	10,380,817
<u>\$8,601,376</u>	<u>\$8,577,802</u>	<u>\$10,241,889</u>	<u>\$10,199,796</u>	<u>\$9,973,697</u>	<u>\$10,380,817</u>
\$103,967	\$199,703	\$243,025	\$274,488	\$221,143	\$213,827
477,559	528,548	535,714	476,409	812,217	454,244
113,396	92,100	83,766	69,027	71,631	88,024
228,063	452,795	253,065	584,804	570,987	382,365
366,240	357,278	287,884	436,948	381,256	362,251
1,586,631	1,386,015	3,569,566	1,173,070	5,457,409	5,442,037
1,306,480	422,684	1,050,101	2,978,412	503,124	136,933
4,182,336	3,439,123	6,023,121	5,993,158	8,017,767	7,079,681
(4,419,040)	(5,138,679)	(4,118,768)	(4,118,768)	(1,955,930)	(3,301,136)
<u>(\$4,419,040)</u>	<u>(\$5,138,679)</u>	<u>(\$4,118,768)</u>	<u>(\$4,118,768)</u>	<u>(\$1,955,930)</u>	<u>(\$3,301,136)</u>
\$3,204,386	\$3,467,233	\$3,673,444	\$3,888,623	\$4,130,507	\$4,680,092
2,494,796	2,755,146	2,698,602	2,715,945	2,795,331	3,113,516
823,301	955,183	1,007,135	1,023,529	1,079,525	1,252,102
25,954	36,101	66,919	66,161	88,195	124,066
<u>6,548,437</u>	<u>7,213,663</u>	<u>7,789,795</u>	<u>7,694,258</u>	<u>8,093,558</u>	<u>9,169,776</u>
2,129,397	2,074,984	3,671,027	3,487,620	6,137,628	5,868,640
<u>\$2,129,397</u>	<u>\$2,074,984</u>	<u>\$3,671,027</u>	<u>\$3,487,620</u>	<u>\$6,137,628</u>	<u>\$5,868,640</u>

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



	2010	2011	(a)	2012	2013	2014	2015	2016	2017	2018	2019
General Fund											
Reserved	\$5,100,186										
Unreserved		\$767		\$421	\$629	\$672	\$646	\$327	\$928,948	\$3,051	\$1,719
Nonspendable		2,390,737		2,140,737	(b)	2,007,900	1,971,271	3,193,822		\$1,912,602	2,873,303
Committed		164,070		484,100	243,113	451,311	319,488		3,763,132	212,668	809,668
Assigned		2,879,061		2,523,411	3,125,652	2,879,905	3,071,555	4,116,870	2,309,276	3,375,320	4,530,170
Unassigned		\$5,434,635		\$5,148,669	\$5,535,131	\$5,339,788	\$5,362,960	\$7,311,019	\$7,001,356	\$5,503,641	\$8,214,860
Total General Fund											
All Other Governmental Funds											
Reserved	\$85,513	\$1,975,000									
Unreserved, reported in:											
Special revenue funds	659,352	1,068,931									
Capital project funds	1,857,112	376,266									
Restricted				\$2,360,273	\$3,356,540	\$8,865,991	\$6,277,032	\$5,364,954	\$3,708,786	\$4,427,999	\$4,888,214
Committed				839,669	1,217,930	2,208,849	1,649,665	1,742,264	1,963,992	695,928	2,033,363
Assigned				86,375					(1,020,094)	(541,440)	(1,530,987)
Unassigned				\$3,286,317	\$4,574,470	\$11,074,840	\$7,926,697	\$7,107,218	\$4,652,684	\$4,582,487	\$5,390,590
Total All Other Governmental Funds											

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

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

Source: Town of Moraga: Basic Financial Statements

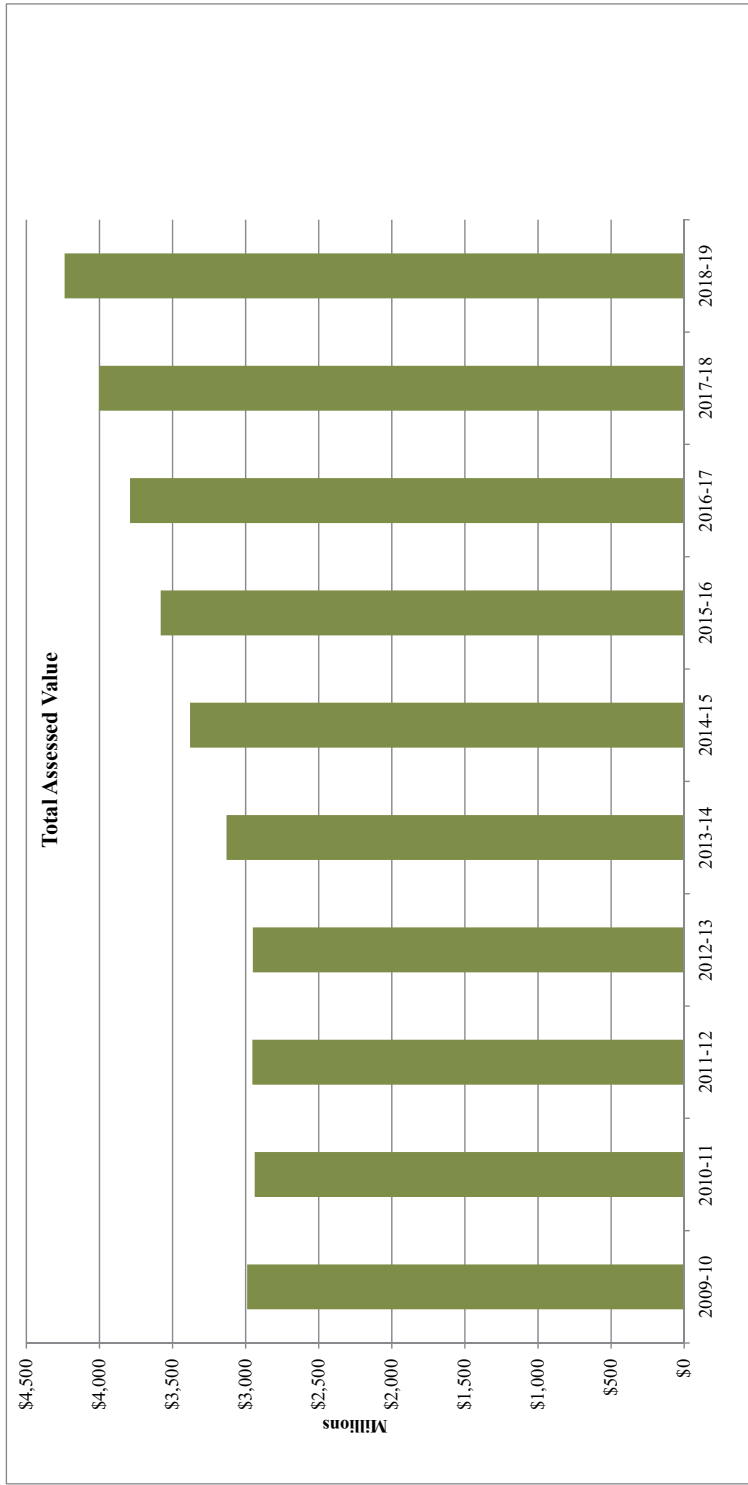
TOWN OF MORAGA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30			
	2010	2011	2012	2013
Revenues				
Property taxes and assessments	\$2,266,864	\$2,498,730	\$2,611,524	\$2,628,727
Property taxes - in lieu (motor vehicle)	1,270,581	1,248,672	1,255,380	1,266,002
Sales taxes	773,866	747,228	783,239	803,298
Sales & use tax - in lieu	202,550	220,460	235,322	263,557
Sales tax - 1% local add-on				333,008
Franchise fees	710,240	735,390	738,185	749,227
Real property transfer fees	73,628	83,629	96,790	116,309
Motor vehicle license fees	48,468	48,982	43,316	7,011
Planning and permits	232,319	234,144	289,690	383,754
Parks and recreation	245,910	271,557	283,341	398,320
Police services	62,880	78,428	70,290	80,287
Public works services	185,757	145,808	135,533	115,651
Intergovernmental	2,032,453	998,079	1,162,785	763,735
Fines, forfeitures and penalties	79,027	59,540	51,271	49,895
Interest	37,185	38,288	27,256	22,542
Property rentals	225,966	211,153	165,333	29,403
Other revenues	54,388	40,002	150,217	224,883
Total Revenues	8,502,080	7,660,090	8,099,472	8,235,609
Expenditures				
Current operations:				
General administration	1,253,101	1,090,454	1,202,641	1,379,011
Planning	530,386	444,159	430,203	434,138
Police	1,977,944	2,020,235	2,235,142	2,247,128
Public works	1,907,504	1,721,121	1,645,765	1,549,792
Parks and recreation	563,889	565,521	554,465	582,074
Debt service:				
Principal	86,800	30,000	505,000	60,000
Interest	3,453	63,176	58,394	56,669
Capital outlay	2,830,386	1,524,855	1,048,899	986,244
Total Expenditures	9,153,463	7,459,521	7,680,509	7,295,056
Revenues over (under) expenditures	(651,383)	200,569	418,963	940,553
Other Financing Sources (Uses)				
Transfers in	434,286	1,489,178	1,839,348	1,973,365
Transfers (out)	(434,286)	(1,489,178)	(1,839,348)	(1,973,365)
Proceeds from loan / debt issuance	2,004,562		29,133	
Fund balance transfer				
Gain on sale of property				
Total Other Financing Sources (Uses)	2,004,562	0	29,133	0
Net Change in Fund Balance	\$1,353,179	\$200,569	\$448,096	\$940,553
Debt service as a percentage of noncapital expenditures	1.3%	1.4%	1.6%	9.3%

Source: Town of Moraga: Basic Financial Statements

Fiscal Year Ended June 30					
2014	2015	2016	2017	2018	2019
\$2,805,223	\$2,862,344	\$2,916,958	\$3,001,995	\$3,181,741	\$3,285,156
1,342,531	1,448,086	1,533,346	1,622,029	1,712,049	1,811,813
807,904	855,442	930,860	1,072,512	1,098,280	1,220,022
255,268	253,333	201,338			
1,492,885	1,709,913	1,629,441	1,709,325	1,766,158	1,965,304
823,301	955,183	1,007,135	1,023,530	1,079,526	1,252,102
137,329	149,620	157,140	155,746	191,523	145,553
	6,772	6,644	7,398	9,365	8,156
477,559	528,548	535,714	476,409	812,218	427,719
362,751	367,478	561,284	457,350	613,817	362,254
81,506	72,379	83,766	69,026	71,631	88,023
219,098	255,857	333,965	231,808	221,741	322,141
1,715,536	848,208	745,120	1,990,524	5,162,434	3,842,903
31,102	35,500	32,408	47,615	41,688	40,328
25,959	36,100	66,920	66,146	88,194	124,062
29,060	41,285	89,867	92,653	95,851	99,277
123,761	226,738	3,081,010	589,364	619,048	276,302
10,730,773	10,652,786	13,912,916	12,613,430	16,765,264	15,271,115
1,475,191	1,440,996	1,610,798	1,676,824	2,191,396	2,044,802
628,706	720,128	550,689	686,417	554,658	617,689
2,450,233	2,493,681	2,537,267	2,564,426	2,706,935	2,805,252
1,085,423	1,079,345	1,067,553	1,213,060	1,257,506	1,589,154
1,125,559	1,146,108	1,187,549	1,220,187	1,158,078	1,304,221
366,452	344,926	355,375	365,842	381,321	375,000
263,454	381,683	373,960	362,966	351,238	336,269
4,901,833	6,170,890	5,101,145	7,287,905	9,731,814	2,679,406
12,296,851	13,777,757	12,784,336	15,377,627	18,332,946	11,751,793
(1,566,078)	(3,124,971)	1,128,580	(2,764,197)	(1,567,682)	3,519,322
6,515,328	7,410,024	5,365,999	5,114,321	5,673,699	5,723,806
(6,515,328)	(7,410,024)	(5,365,999)	(5,114,321)	(5,673,699)	(5,723,806)
7,979,947					
7,979,947	0	0	0	0	0
\$6,413,869	(\$3,124,971)	\$1,128,580	(\$2,764,197)	(\$1,567,682)	\$3,519,322
1.9%	8.0%	9.3%	9.2%	7.9%	7.8%

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



Fiscal Year	Local Secured Property	State Unitary Tax	Unsecured Property	Total Assessed Property	Total Assessed Value	Percent Change	Total Direct Tax Rate	Est Actual Taxable Value
2009-10	\$2,966,295,435		\$23,530,177	\$2,989,825,612		1.9%	n/a	n/a
2010-11	2,913,959,285		24,304,709	2,938,263,994		-1.7%	n/a	n/a
2011-12	2,928,659,413	\$202,420	25,182,602	2,954,044,435		0.5%	n/a	n/a
2012-13	2,927,928,335	116,479	22,847,805	2,950,892,619		-0.1%	\$0	\$5,345,750,006
2013-14	3,109,299,576	116,479	21,586,880	3,131,002,935		6.1%	1.091100%	6,552,318,608
2014-15	3,359,937,900	123,791	20,244,706	3,380,306,397		8.0%	1.097500%	6,552,318,608
2015-16	3,561,281,463	123,791	19,911,343	3,581,316,597		5.9%	1.087400%	7,899,958,887
2016-17	3,770,467,002	123,791	20,181,060	3,790,771,853		5.8%	1.077900%	9,010,566,135
2017-18	3,982,656,428	123,791	20,247,588	4,003,027,807		5.6%	1.102700%	7,046,621,918
2018-19	4,218,377,697	145,460	19,800,159	4,238,323,316		5.9%	1.097200%	8,928,229,131

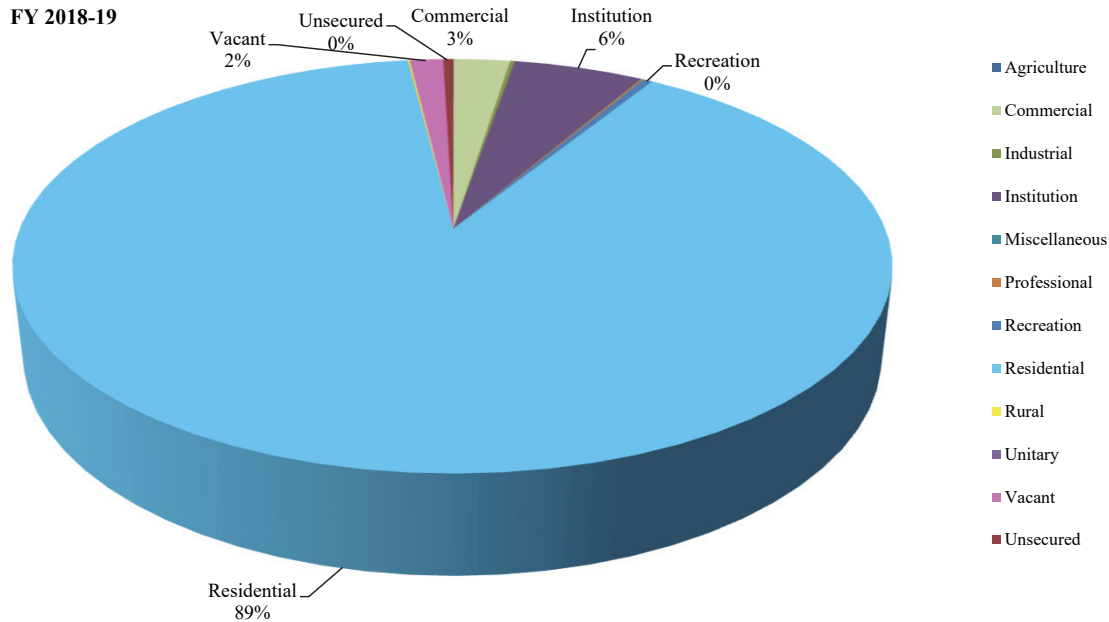
(a) Total tax rate is represented by TRA 15-002.

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

Source: Contra Costa County Assessor data, MuniServices, LLC / an Avenue Insights & Analytics Company

TOWN OF MORAGA
ASSESSED VALUE OF PROPERTY BY USE CODE
 Last Seven Fiscal Years (2)

FY 2018-19



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

Notes:

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

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

TOWN OF MORAGA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Five Fiscal Years

	2014-15	2015-16	2016-17	2017-18	2018-19
Basic City and County Levy (1%)					
TOWN OF MORAGA	0.052732	0.052732	0.052732	0.052732	0.052732
COUNTY OF CONTRA COSTA	0.947268	0.947268	0.947268	0.947268	0.947268
Total 1% Basic Levy	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
BART	0.004500	0.002600	0.008000	0.008400	0.007000
EAST BAY REG PK BD	0.008500	0.006700	0.003200	0.002100	0.002100
ACALANES UNION	0.035000	0.033200	0.032300	0.032500	0.032300
MORAGA ELEM BOND	0.024300	0.022900	0.022400	0.048300	0.044800
COMMUNITY COLLEGE	0.025200	0.022000	0.012000	0.011400	0.011000
Total Override Rate	0.097500	0.087400	0.077900	0.102700	0.097200
TOTAL TAX RATE	1.097500	1.087400	1.077900	1.102700	1.097200

Notes:

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

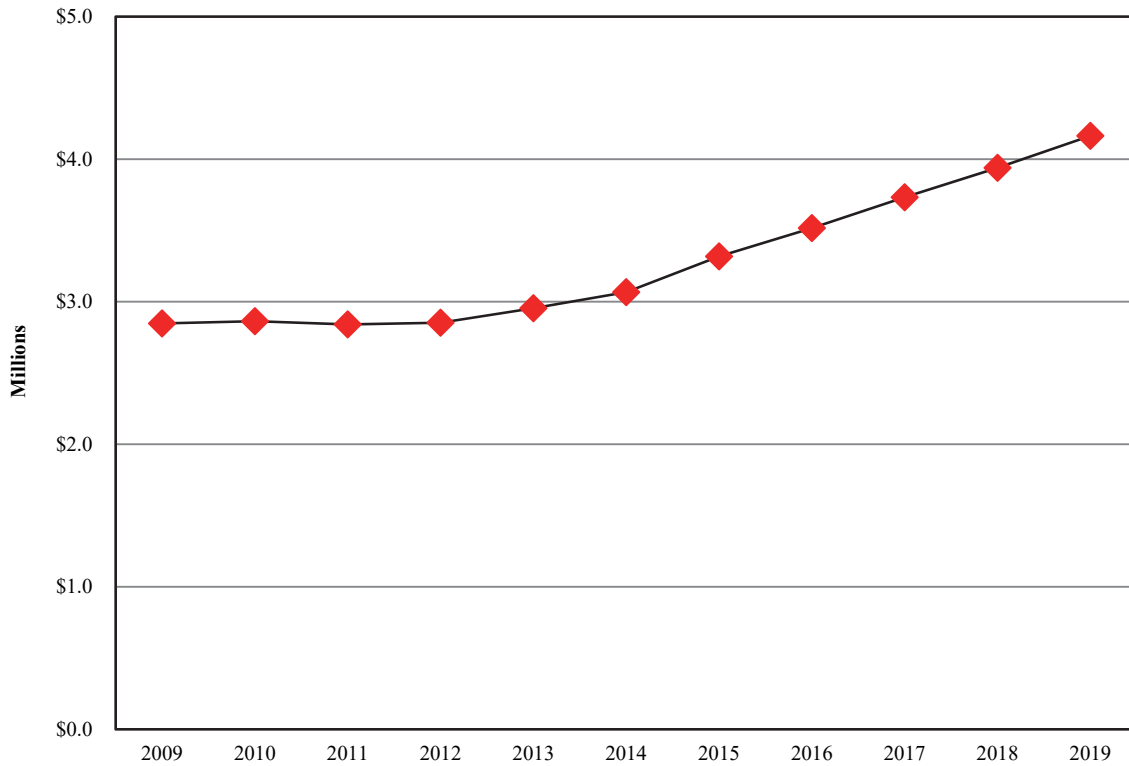
Source: County Auditor/Controller data, MuniServices, LLC / an Avenu Insights & Analytics Company

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

Taxpayer	2018-19		2009-10	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Pwrp-Moraga Lp	\$39,385,371	0.93%		
Russell J Bruzzone Inc	23,062,412	0.54%	\$20,387,165	0.69%
Summerhill RI LLC	20,011,055	0.47%		
Asc Moraga LLC	12,987,135	0.31%		
Vanguard Apartments LLC	11,743,335	0.28%	3,610,457	0.12%
Summerhill Camino Ricardo LLC	11,620,027	0.27%		
Moraga Country Club HOA	9,910,419	0.23%		
Gage George Tre	9,235,264	0.22%	10,937,259	0.37%
Bigbury Company N V	8,487,334	0.20%	7,499,207	0.25%
Moraga 1 Inv LLC	8,000,000	0.19%		
Gkhh Royale Investments Lp	7,732,394	0.18%	7,288,477	0.25%
Markets Angelos	7,700,000	0.18%	7,672,949	0.26%
Vio At Moraga LLC	6,690,142	0.16%		
Sabrina Holding LLC	5,599,800	0.13%		
Jaber Philip J Tre	5,558,860	0.13%		
Kn Productions Inc	5,463,897	0.13%	4,827,733	0.16%
Moraga Builders Corp	5,398,632	0.13%	4,770,096	0.16%
Logos Property Investment W	5,211,790	0.12%		
Saint Mary's College of CA	4,397,531	0.10%		
348 Park LLC	4,227,840	0.10%		
Vrionis Michael G & Maria S	4,186,051	0.10%	3,698,668	0.12%
Bruner Barbara M Tre	4,166,929	0.10%		
Moraga Cc Holdings LLC	4,054,887	0.10%	3,027,133	0.10%
Moraga Creekside LLC	3,980,020	0.09%		
348 Rheem Boulevard LLC	3,940,619	0.09%		
Pk I Rheem Valley Lp			23,421,875	0.79%
Oakmont Of Moraga LLC			10,427,527	0.35%
Moraga Town of			6,835,646	0.23%
Puri Mahesh K & Mino			4,601,154	0.16%
Beeri Giora			3,521,358	0.12%
Ct Operating Partnership Lp			3,368,136	0.11%
Sandelman Sanford			3,364,529	0.11%
Jaber George H Tre			3,287,412	0.11%
Aaaaa Rent A Space Moraga Ltd.			3,196,686	0.11%
Cedercreutz Mons			3,136,806	0.11%
Miller George R & Kathleen C			3,121,200	0.11%
Albert Bruce R			2,805,800	0.09%
Isaksson Rolf T & Barbara Tre			2,793,000	0.09%
Ansari Mohammadali Jaberi			2,762,500	0.09%
Doyle Patrick K Tre			2,711,822	0.09%
Total Top 25 Taxpayers	\$232,751,744	5.49%	\$153,074,595	5.17%
Total Taxable Value	\$4,238,323,316	100.00%	\$2,959,125,947	100.00%

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

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



Fiscal Year	Property Tax Levied and Collected	Percent of Total Tax Collections to Tax Levy
	(a)	(b)
2009	\$2,847,381	100%
2010	2,863,268	100%
2011	2,840,520	100%
2012	2,852,542	100%
2013	2,953,989	100%
2014	3,067,058	100%
2015	3,317,612	100%
2016	3,516,304	100%
2017	3,732,878	100%
2018	3,939,215	100%
2019	4,163,616	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, 2019**

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

(a) November 2012 Measure K voter-approved local add-on sales tax.

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

Source: State of California Board of Equalization

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

2018-19		2009-10	
Taxpayer	Business Type	Taxpayer	Business Type
7-Eleven Food Stores	Grocery W/Beer/Wine	7-Eleven Food Stores	Grocery W/Beer/Wine
Arco AM/PM Mini Marts	Service Stations	American Gas	Service Stations
Chevron Service Stations	Service Stations	Asia Palace Restaurant	Restaurants W/Onsale
CVS/Pharmacy	Drug Stores	Barnes & Noble Bookstores	Stationery/Books
Dollar Tree Stores	Variety Stores	Blue Cat	Light Industry
Dover Saddlery	Sporting Goods	Chevron Service Stations	Service Stations
Golden Palace Restaurant	Restaurants W/Onsale	CVS/Pharmacy	Drug Stores
Homegoods	Home Furnishings	Homegoods	Home Furnishings
La Penne Pizza Pub & Pizza	Restaurants W/Beer	La Penne Pizza Pub	Restaurants W/Beer
McCaulou Department Store	Department Stores	McCaulou Department Store	Department Stores
Moraga Auto Care & Service	Vehicle Repair	Moraga Auto Care & Service	Vehicle Repair
Moraga Country Club	Personal Services	Moraga Country Club	Personal Services
Moraga Hardware & Lumber	Building Matls Store	Moraga Hardware & Lumber	Building Matls Store
Moraga Service Center	Service Stations	Moraga Service Center	Service Stations
Moraga Star Service Stations	Service Stations	Moraga Wines & Spirits	Liquor Stores
Moraga Wines & Spirits	Liquor Stores	Nation's Giant Hamburgers	Fast Food Restaurant
Mountain Mike's Pizza	Restaurants W/Beer	Orchard Supply Hardware	Hardware Stores
Nation's Giant Hamburgers	Fast Food Restaurant	Ristorante Amoroma	Restaurants W/Onsale
Orchard Supply Hardware	Hardware Stores	Safeway Stores	Supermarkets
Pumping Essentials	Office Machines	Shell Service Stations	Service Stations
Ristorante Amoroma	Restaurants W/Onsale	Sodexho Mariott Management	Fast Food Restaurant
Safeway Stores	Supermarkets	TJ Maxx	Family Apparel
Sodexho Mariott Management	Fast Food Restaurant	Tuesday Morning	Home Furnishings
TJ Maxx	Family Apparel	Union 76 Service Stations	Service Stations
Valero Service Stations	Service Stations	Valero Service Stations	Service Stations

Note:

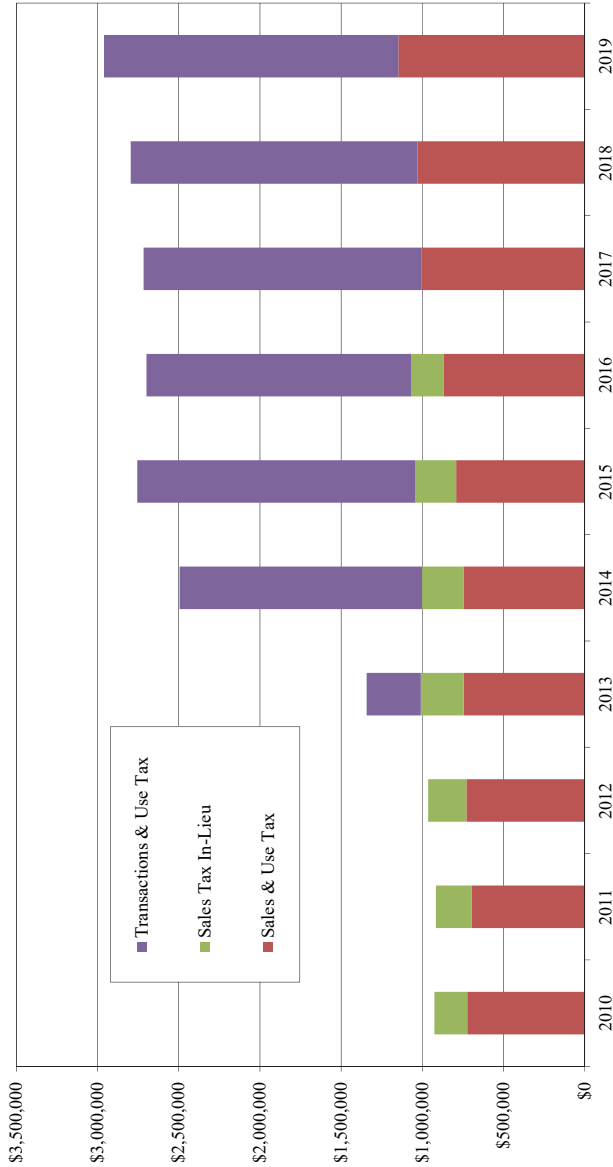
(1) Taxpayers listed in alphabetical order.

Source: MuniServices, LLC / an Avenu Insights & Analytics Company

**TOWN OF MORAGA
SALES TAX REVENUES**

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)



Fiscal Year	Sales & Use Tax	Sales Tax In-Lieu	Transactions & Use Tax	All Sales Tax Total	Percent Change
2010	\$723,246	\$202,550		\$925,796	3.5%
2011	695,885	220,460		916,345	-1.0%
2012	728,891	235,322		964,213	5.2%
2013	746,182	263,557		1,342,747	39.3%
2014	746,643	255,268	\$333,008	2,494,796	85.8%
2015	791,900	253,333	1,492,885	2,755,146	10.4%
2016	867,823	201,338	1,709,913	2,698,602	-2.1%
2017	1,006,620	0	1,629,441	2,715,945	0.6%
2018	1,029,173	0	1,709,325	2,795,331	2.9%
2019	1,148,212	0	1,766,158	2,960,025	5.9%

(a) The Town of Moraga's Sales Tax is comprised of 0.75% of the Bradley Burns 1% base share from Contra Costa County and 0.25% in Sales Tax In Lieu (e.g., the State "Triple Flip"). Excludes State Sales Tax for Public Safety (Proposition 172).

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

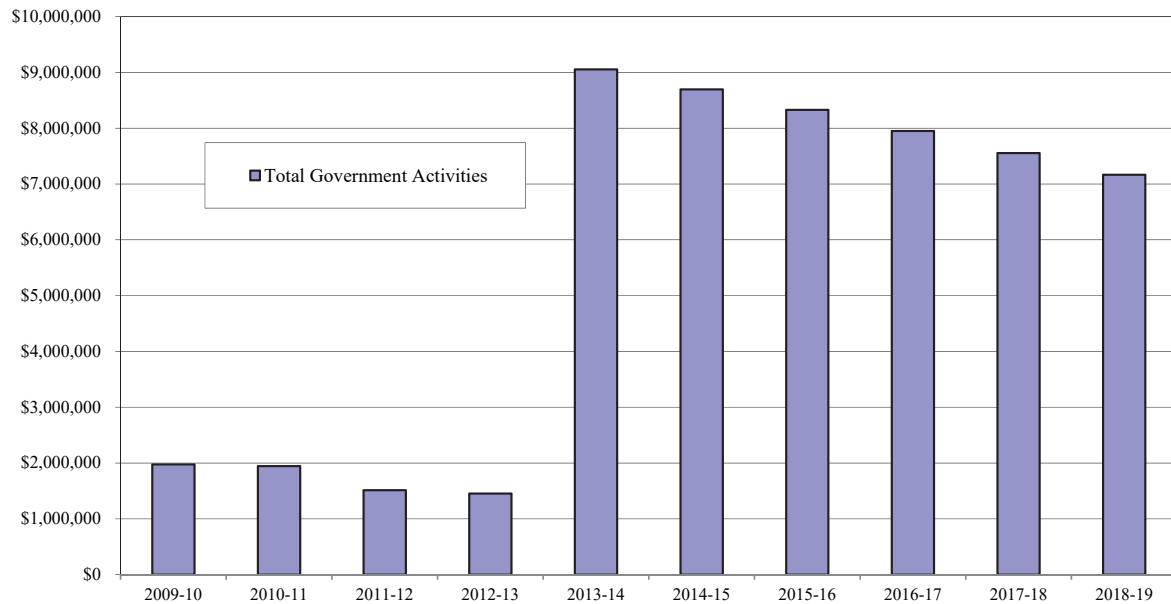
Source: *Town of Moraga: Basic Financial Statements, Governmental Funds Statement of Revenues Expenditures and Changes in Fund Balance*

TOWN OF MORAGA
TAXABLE RETAIL SALES
(Dollars in Thousands)

<u>Year</u>	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2007	178	\$71,413	400	\$81,538
2008	175	71,029	381	78,865
2009	(a) 231	69,248	341	76,004
2010	(a) 246	72,537	346	78,752
2011	(a) 221	78,327	323	86,329
2012	(a) 231	78,942	340	89,214
2013	(a) 219	81,136	319	90,353
2014	(a) 214	83,425	306	92,997
2015	(a) 211	80,531	335	90,281
2016	(a) 210	78,532	340	88,058
2017	(a) 207	78,332	333	90,380

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

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		
2009-10	\$1,525,000	\$450,000	\$1,975,000		
2010-11	1,495,000	450,000	1,945,000		
2011-12	1,440,000	73,916	1,513,916		
2012-13	1,380,000	73,916	1,453,916	0.16%	\$89.93
2013-14	8,991,950	62,464	9,054,414	0.95%	553.85
2014-15	8,648,952	47,537	8,696,489	0.91%	528.15
2015-16	8,295,956	32,162	8,328,118	0.82%	504.34
2016-17	7,932,959	16,321	7,949,280	0.74%	476.69
2017-18	7,554,962	0	7,554,962	0.65%	444.64
2018-19	7,166,965	0	7,166,965	0.58%	423.18

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

Source: Town of Moraga: Basic Financial Statements

TOWN OF MORAGA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2019

2018-19 Assessed Valuation

\$4,263,677,456

	Total Debt Outstanding	Percent Applicable To Town of Moraga (a)	Amount Applicable To Town of Moraga
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Overlapping Tax and Assessment Debt:			
Bay Area Rapid Transit District	\$809,660,000	0.567%	\$4,590,772
Contra Costa Community College District	397,065,000	2.087%	8,286,747
Acalanes Union High School District	180,724,470	11.953%	21,601,996
Moraga School District	13,155,000	97.712%	12,854,014
Orinda Union School District	4,640,000	0.220%	10,208
East Bay Regional Park District	178,710,000	0.898%	1,604,816
Total Gross Overlapping Tax and Assessment Debt	\$1,583,954,470		\$48,948,552
Direct and Overlapping General Fund Debt			
Contra Costa County General Fund Obligation	\$261,890,558	2.079%	\$5,444,705
Contra Costa County Pension Obligation Bonds	122,585,000	2.079%	2,548,542
Contra Costa Community College District Certificates of Participation	225,000	2.087%	4,696
Orinda Union School District Certificates of Participation	2,780,000	0.220%	6,116
Moraga-Orinda Fire Protection District General Fund Obligations	3,384,000	37.621%	1,273,095
Moraga-Orinda Fire Protection District Pension Obligation Bonds	11,465,000	37.621%	4,313,248
Town of Moraga Certificates of Participation	6,985,000	100%	6,985,000
Town of Moraga Certificates of Participation - Unamortized Bond Premium	181,965	100.000%	181,965
Town of Moraga Energy Efficiency Loan - Direct Debt	0	100.000%	0
Total Gross Direct and Overlapping General Fund Debt	\$409,496,523		\$20,757,366
Less: Contra Costa County Obligations supported by revenue funds			2,136,569
Total Net Direct and Overlapping General Fund Debt			\$18,620,797
Total Direct Debt			\$6,985,000
Total Gross Overlapping Debt			\$62,720,918
Total Net Overlapping Debt			\$60,584,349
Gross Combined Total Debt			\$69,705,918 (2)
Net Combined Total Debt			\$67,569,349

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

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

RATIOS TO ASSESSED VALUATION:

Total Overlapping Tax and Assessment Debt	1.15%
Total Direct Debt	0.16%
Total Gross Combined Debt	1.63%
Total Net Combined Debt	1.58%

TOWN OF MORAGA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2019

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$4,238,323,316</u>
--	------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$158,937,124</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><u>\$158,937,124</u></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 Five Fiscal Years

Fiscal Year	Population	(a)	Personal Income	Per Capita		Median Age	Public School Enrollment	County Unemployment		City Unemployment Rate (%)	(d)	County Population
				Personal Income	Income			Rate (%)	Rate (%)			
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

Notes:

- Fiscal Year 2012-13 was the Town's first CAFR publication, therefore prior year data is unavailable.
 The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.
- (a) Population projections are provided by the California Department of Finance Projections.
 - (b) Income data is provided by the U.S. Census Bureau, 2010 American Community Survey.
 - (c) Student enrollment reflects the total number of students enrolled in the Moraga School District only. Any other school districts within the Town are not accounted for in this statistic.
 - (d) Town unemployment rate was not available from EDD. Therefore, town unemployment data is from www.areavibes.com.

Source: MuniServices, LLC / an Avenu Insights & Analytics Company

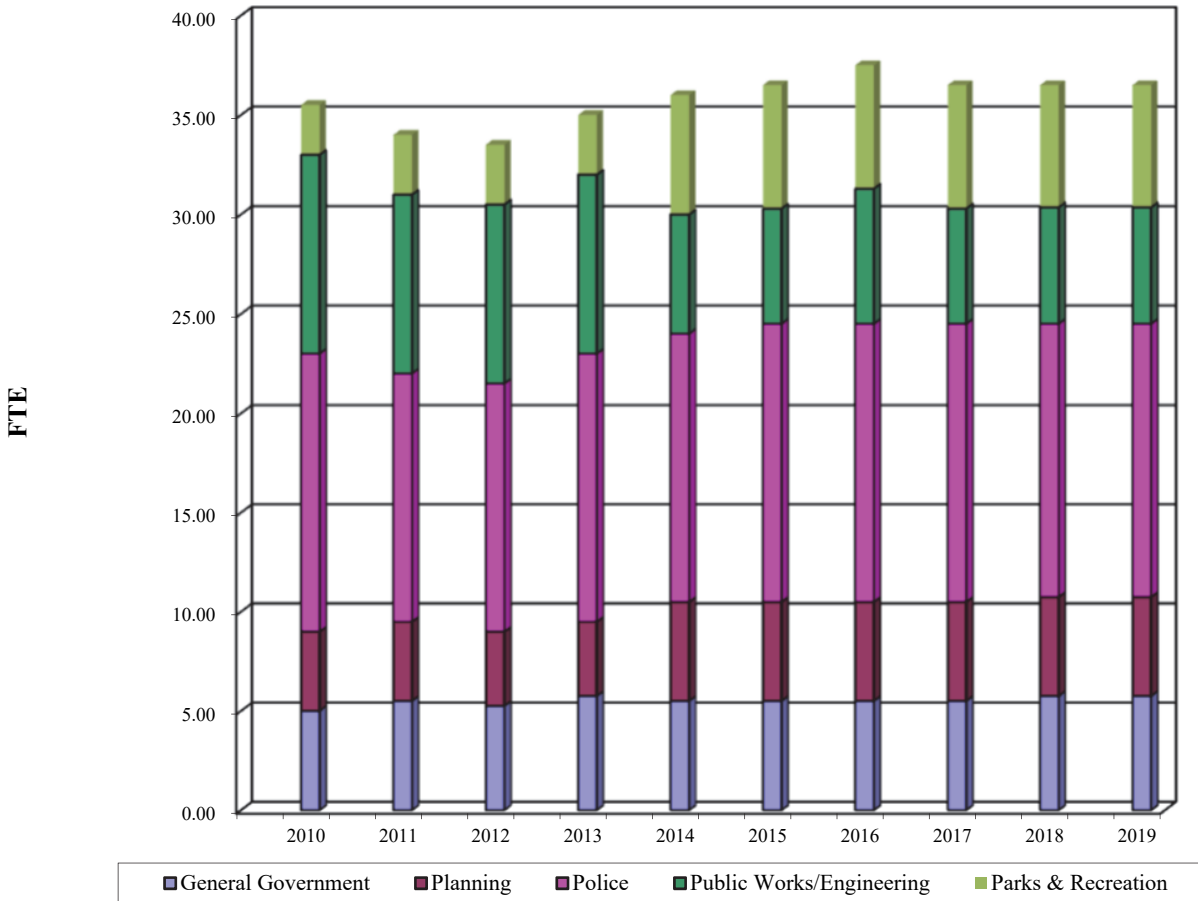
TOWN OF MORAGA
PRINCIPAL EMPLOYERS (CONTRA COSTA COUNTY)
Current Year (a)

Employer Name	Location	Industry	Employer Size
Bart	Richmond	Transit Lines	1000 - 4999
Bio-Rad Laboratories Inc	Hercules	Physicians & Surgeons Equip & Supls-Mfrs	1000 - 4999
Broadspectrum Americas	Richmond	Oil Refiners (mfrs)	500 - 999
Chevron Corp	San Ramon	Oil Refiners (mfrs)	10000+
Chevron Global Downstream LLC	San Ramon	Petroleum Products (whls)	1000 - 4999
Chevron Richmond Refinery	Richmond	Oil Refiners (mfrs)	1000 - 4999
Chevron Technology Ventures	San Ramon	Technology Assistance Programs	1000 - 4999
Contra Costa Regional Med Ctr	Martinez	Hospitals	1000 - 4999
Job Connections	Danville	Personnel Consultants	1000 - 4999
John Muir Clinical Lab	Walnut Creek	Laboratories-Medical	500 - 999
John Muir Medical Ctr	Concord	Hospitals	1000 - 4999
John Muir Medical Ctr	Walnut Creek	Hospitals	1000 - 4999
John Muir Medical Ctr-Concord	Concord	Medical Centers	1000 - 4999
Kaiser Permanente Antioch Med	Antioch	Hospitals	1000 - 4999
Kaiser Permanente Walnut Creek	Walnut Creek	Hospitals	1000 - 4999
La Raza Market	Richmond	Grocers-Retail	1000 - 4999
Martinez Medical Offices	Martinez	Clinics	1000 - 4999
Robert Half Intl	San Ramon	Employment Agencies & Opportunities	500 - 999
Santa Fe Pacific Pipe Lines	Richmond	Pipe Line Companies	500 - 999
Shell Oil Products	Martinez	Oil & Gas Producers	500 - 999
Saint Mary's College of CA	Moraga	Schools-Universities & Colleges Academic	1000 - 4999
Sutter Delta Medical Ctr	Antioch	Hospitals	500 - 999
Tesoro Golden Eagle Refinery	Pacheco	Service Stations-Gasoline & Oil	500 - 999
US Veterans Medical Ctr	Martinez	Outpatient Services	500 - 999
Uss Posco Industries	Pittsburg	Steel Mills (mfrs)	1000 - 4999

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2019 2nd Edition.

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

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



Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	5.00	5.50	5.25	5.75	5.50	5.50	5.50	5.50	5.75	5.75
Planning	4.00	4.00	3.75	3.75	5.00	5.00	5.00	5.00	5.00	5.00
Police	14.00	12.50	12.50	13.50	13.50	14.00	14.00	14.00	13.75	13.75
Public Works/Engineering	10.00	9.00	9.00	9.00	6.00	5.80	6.80	5.80	5.86	5.86
Parks & Recreation	2.50	3.00	3.00	3.00	6.00	6.20	6.20	6.20	6.14	6.14
Total FTE	35.50	34.00	33.50	35.00	36.00	36.50	37.50	36.50	36.50	36.50

Source: Town of Moraga Adopted Budget Documents

**TOWN OF MORAGA
OPERATING INDICATORS BY FUNCTION**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FUNCTION										
Police										
(a)										
Crime by type:										
Homicide	0	0	0	0	0	0	0	0	1	0
Foreble Rape	4	0	5	1	4	1	1	1	2	0
Robbery	2	3	1	0	0	0	2	2	2	2
Assault	22	27	17	40	30	19	20	14	14	5
Burglary	34	39	34	29	39	33	41	24	12	19
Larceny	140	173	122	112	90	104	136	95	72	36
Motor Vehicle Theft	5	10	17	11	21	12	24	24	8	4
Total crime by type	207	252	196	193	184	169	224	160	111	66
Public Works										
Potholes repaired (square miles)				140	140	140	140	140	140	140
Street Sweeping (miles)				104	104	108	104	104	112	112
Volume of material removed (cubic yards)				80	65	80	75	75	80	80
Storm Drains:										
Catch basins cleaned				20	15	16	18	15	18	18
Volume of material removed (cubic yards)				12	10	8	10	10	11	11
Community Facilities										
Parks and recreation class offerings				194	162	176	165	165	119	137
Parks and recreation class participants				2,262	2,046	2,214	1,843	1,713	1,135	1,611

- (a) FY 2012-13 was the Town's first CAFR publication, therefore not all prior year data is available.
 (b) Crime statistics as reported to the Department of Justice.
 (c) Parks and recreation data is based on an "academic year" of Fall through Summer.
 (d) 2019 crime statistics through 6/30/19

Source: Town Departments

TOWN OF MORAGA
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Years

(a)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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
(b)										
Public Works										
Streets (miles of)				56	56	56	56	56	56	56
Street lights				974	976	976	1,054	1,054	1,054	1,054
Traffic signals				9.5	9.5	9.5	9.5	9.5	9.5	9.5
(c)				30	30	45	45	45	45	45
Storm drains pipes (miles of)				1,824	1,824	2,350	2,350	2,350	2,350	2,350
Storm drainage inlets					2	2	2	2	2	2
High Visibility Crosswalks										
Community Facilities										
Parks	3	3	3	3	3	3	3	3	3	3
Park acreage	57	57	57	57	57	57	57	57	57	57
Open space acreage	250	250	250	250	250	250	250	250	250	250
(d)										
Libraries	1	1	1	1	1	1	1	1	1	1

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

(b) The Moraga-Orinda Fire District provides fire services.

(c) Moraga shares responsibility of one traffic signal located at Moraga Way @ Ivy Drive with the City of Orinda.

(d) Contra Costa County leases the Town's building and operates library services.

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