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## Moraga's New and Improved Financial Report

*By Sophie Braccini*

It was not the usual financial report that Moraga's administrative services director, Stephanie Hom, presented to the Town Council on Jan. 8; it was the town's first ever Comprehensive Annual Financial Report - containing much more information than a basic financial report, it is a document that tells a story. The fiscal year 2012-13 report details the town's financial picture, often in plain English, and includes historical demographic, economic and financial data. "If you compared what has been done here with what was done five years ago, you would not think this is the same town," said Councilmember Mike Metcalf, who praised Hom's rare zeal and qualified her work as terrific; he was echoed by the other council members.

Hom explained that since the town contracted debt, such as with the road repair funding model, and since the rules in the financial world have become stricter, the town is required to submit more detailed information, drilling into the assessed value of town property and historical revenue data. Hom expanded on the requirements to produce the CAFR that will be easier to update year after year.

The 100-page document contains three parts. The introductory section is a narrative developed by Hom and Jill Keimach, the town manager. "It is a more subjective outlook of the town, where you can elaborate more," said Hom. "It explains our philosophy and the way we conduct our business." It talks about the economic condition of the town and compares some aspects to the rest of Contra Costa County. For anyone new to Moraga, or not yet aware of how the town works and is managed, it is a very interesting and easy read.

The financial section includes all the elements of the previous basic financial reports but adds explanations and analysis - such as one of the entries in the notes section that details pension plans and how the town paid off its unfunded liabilities before joining CalPERS' state-wide pools.

The bottom line is that the town's reserve is now at 51.8 percent of the year's expenditures. In addition, the town has \$2.16 million in the one-time developer fee fund. The town ended the fiscal year with a surplus of \$386,000 in its general fund. Expenditures increased by 3.8 percent; the sales tax revenue was \$1,343,000 (of which \$333,000 was generated by Measure K), exceeding expectations. Property tax revenue, at \$3,070,000, was stable and represents 50 percent of the town's revenue.

The last part of the document is a statistical section that provides historical context for understanding what the financial statement says about the town's financial health. It shows that the town's net position has steadily grown over the years, with a stable property tax revenue and a slowly growing sales tax revenue; it shows the evolution of the town's debt, as well as the larger tax payers and sales tax producers, 10 years ago and now; and it gives long term perspective on property value and demographics.

The CAFR is available and searchable at [www.moraga.ca.gov](http://www.moraga.ca.gov). Look in Documents and Resources under the Administrative Services menu. Hom is so proud of her first Moraga CAFR that she sent it to the Government Finance Officers Association in the hope of receiving a Certificate of Achievement for Excellence in Financial Reporting for the town; it would be the first such award in Lamorinda. She expects to receive a response within a month.

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