Moraga School District

Audit Report
June 30, 2021

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

OTHER INDEPENDENT AUDITORS' REPORTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Governing Board
Moraga School District
Moraga, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Moraga School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Moraga School District'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 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 entity'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 entity'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 Moraga School District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the basic financial statements, the Moraga School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which established accounting and financial reporting standards for the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of District contributions for pensions be presented to supplement the basic financial statements. Such information, although not 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Moraga School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents 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. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 on our consideration of Moraga School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Moraga School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Moraga School District's internal control over financial reporting and compliance.

Christy White, Inc

San Diego, California
December 21, 2021

MORAGA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

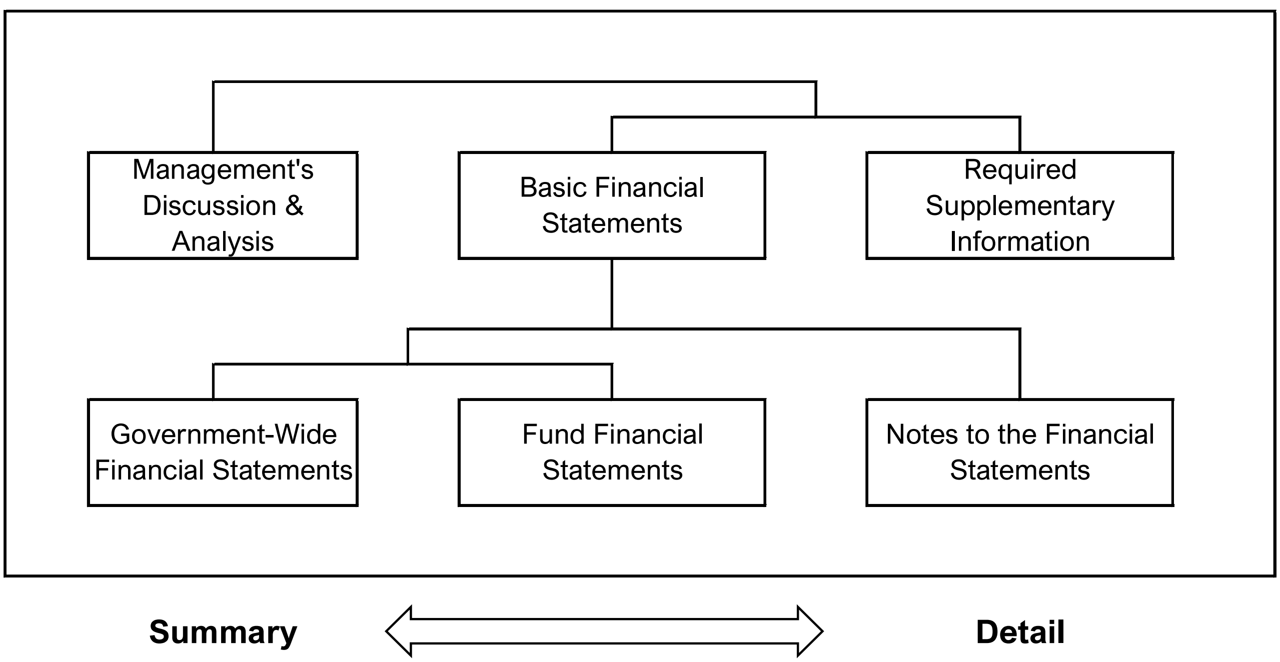
Our discussion and analysis of Moraga School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position was $(2,853,364) at June 30, 2021. This was a decrease of $1,508,890 from the prior year, after restatement.
- Overall expenditures were $27,891,691 which exceeded revenues of $26,382,801.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.

- **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.

  - **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explains and supports the financial statements.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance, and general administration. Local control formula funding and federal and state grants finance most of these activities.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was $(2,853,364) at June 30, 2021, as reflected in the table below. Of this amount, $(14,717,116) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2021	**2020**	**Net Change**
ASSETS			
Current and other assets	$ 21,483,960	$ 18,677,907	$ 2,806,053
Capital assets	39,345,643	25,854,482	13,491,161
Total Assets	60,829,603	44,532,389	16,297,214
DEFERRED OUTFLOWS OF RESOURCES	6,117,110	6,529,623	(412,513)
LIABILITIES			
Current liabilities	5,198,105	3,997,497	1,200,608
Long-term liabilities	63,063,087	45,459,396	17,603,691
Total Liabilities	68,261,192	49,456,893	18,804,299
DEFERRED INFLOWS OF RESOURCES	1,538,885	3,007,542	(1,468,657)
NET POSITION			
Net investment in capital assets	5,160,802	8,667,053	(3,506,251)
Restricted	6,702,950	3,285,856	3,417,094
Unrestricted	(14,717,116)	(13,355,332)	(1,361,784)
Total Net Position	$ (2,853,364)	$ (1,402,423)	$ (1,450,941)

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

	Governmental Activities		
	2021	**2020**	**Net Change**
REVENUES			
Program revenues			
Charges for services	$ 185,309	$ 197,327	$ (12,018)
Operating grants and contributions	3,786,548	1,397,513	2,389,035
General revenues			
Property taxes	16,093,513	16,234,363	(140,850)
Unrestricted federal and state aid	4,389,558	5,059,423	(669,865)
Other	1,927,873	3,391,049	(1,463,176)
Total Revenues	26,382,801	26,279,675	103,126
EXPENSES			
Instruction	16,422,911	15,920,428	502,483
Instruction-related services	3,220,608	2,906,819	313,789
Pupil services	1,478,090	1,208,933	269,157
General administration	2,255,233	2,110,650	144,583
Plant services	2,401,150	2,400,072	1,078
Ancillary and community services	965,228	1,207,526	(242,298)
Debt service	1,148,471	742,021	406,450
Other outgo	-	216,800	(216,800)
Total Expenses	27,891,691	26,713,249	1,178,442
Change in net position	(1,508,890)	(433,574)	(1,075,316)
Net Position - Beginning, as Restated*	(1,344,474)	(968,849)	(375,625)
Net Position - Ending	$ (2,853,364)	$ (1,402,423)	$ (1,450,941)

**Beginning net position was restated for the 2021 year only.*

The cost of all our governmental activities this year was $27,891,691 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was $16,093,513 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

In the table below, we have presented the net cost of each of the District's functions. Net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2021	2020
Instruction	$ 13,614,436	$ 14,770,297
Instruction-related services	2,855,835	2,731,546
Pupil services	1,042,968	1,002,594
General administration	2,216,841	2,078,753
Plant services	2,180,733	2,376,149
Ancillary and community services	963,454	1,200,249
Debt service	1,034,087	742,021
Transfers to other agencies	(102,904)	216,800
Total Expenses	$ 23,805,450	$ 25,118,409

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $18,129,298, which is more. than this year's restated beginning fund balance of $17,114,931. The District's General Fund had $275,662 more in operating revenues than expenditures for the year ended June 30, 2021. The District's Building Fund had $11,144,767 less in operating revenues than expenditures for the year ended June 30, 2021, and net other financing sources of $8,886,935 due to the issuance of Election 2016, Series C, general obligation bonds, leading to a net decrease in fund balance of $2,277,832. The District's Special Reserve Fund for Capital Outlay Projects had $2,735,647 less in operating revenues than expenditures for the year ended June 30, 2021, and net other financing sources of $7,344,996 due to the issuance of an energy loan, leading to a net increase in fund balance of $4,609,349.

CURRENT YEAR BUDGET 2020-2021

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2020-2021, the District had invested $39,345,643 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2021	2020	Net Change
CAPITAL ASSETS			
Land	$ 2,639,887	$ 2,639,887	$ -
Construction in progress	17,407,628	16,712,005	695,623
Land improvements	6,222,492	6,222,492	-
Buildings & improvements	34,123,307	20,497,714	13,625,593
Furniture & equipment	694,925	671,526	23,399
Accumulated depreciation	(21,742,596)	(20,889,142)	(853,454)
Total Capital Assets	$ 39,345,643	$ 25,854,482	$ 13,491,161

Long-Term Liabilities

At year-end, the District had $63,063,087 in long-term Liabilities, an increase of 38.72% from last year – as shown in the table below. (More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.)

	Governmental Activities		
	2021	2020	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	$ 31,825,602	$ 24,565,402	$ 7,260,200
Energy loan	7,344,996	-	7,344,996
Compensated absences	47,529	53,756	(6,227)
Total OPEB liability	22,397	19,509	2,888
Net pension liability	25,210,553	22,833,462	2,377,091
Less: current portion of long-term liabilities	(1,387,990)	(2,012,733)	624,743
Total Long-term Liabilities	$ 63,063,087	$ 45,459,396	$ 17,603,691

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

In its March 2021 and June 2021 quarterly reports, the UCLA Anderson Forecast anticipated a robust recovery from the COVID-19–induced recession that began in March 2020. However, in its September 2021 quarterly report, hopes for blockbuster economic growth have been tempered by the spread of the delta variant and stagnating vaccination rates, which in turn have led to consumer caution and supply constraints. As a result, what could have been a couple of years of blockbuster economic performance will now likely feature solid but unspectacular growth. The economy is currently down 5.3 million payroll jobs from its pre-COVID peak, and there is little evidence to suggest that the expiration of enhanced unemployment benefits will lead to a surge in job applications.

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. Governor Gavin Newsom's "California Comeback Plan" includes a mix of ongoing and one-time investments of $100 billion made possible by an unanticipated surge in state revenues and robust federal stimulus funding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (continued)

Landmark legislation passed in year 2013 reformed California school district finance by creating the Local Control Funding Formula (LCFF). The LCFF is designed to provide a flexible funding mechanism that links student achievement to state funding levels. The LCFF provides a per-pupil base grant amount, by grade span, that is augmented by supplemental funding for targeted student groups in low-income brackets, those that are English language learners and foster youth.

Factors related to LCFF that the District is monitoring include: (1) estimates of funding in the next budget year and beyond; (2) the Local Control and Accountability Plan (LCAP) that aims to link student accountability measurements to funding allocations; (3) ensuring the integrity of reporting student data through the California Longitudinal Pupil Achievement Data System (CALPADS); and (4) meeting annual compliance and audit requirements.

The May 2021 Budget Revision provides additional funding to further reduce the funding deferrals that were included in the 2020-21 Enacted Budget. The Governor's Budget in January proposed paying down $9.2 billion of the K–12 deferrals. The May 2021 Budget Revision proposes paying down an additional $1.1 billion, leaving a balance of $2.6 billion at the end of the 2021–22 fiscal year.

The District participates in state employee pensions plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2021. The amount of the liability is material to the financial position of the District. Beginning in 2021-22, the CalSTRS Board has limited authority to increase or decrease rates by a maximum of 1% annually (not to exceed 20.25% of creditable compensation), the projected employer contribution rate for 2021-22 is 16.92%. The CalPERS Board adopted an employer contribution rate of 22.91% for 2021-22. The projected increased pension costs to school employers remain a significant fiscal factor.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

All of these factors were considered in preparing the District's budget for the 2021-22 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Moraga School District, Business Office, 1540 School Street, Moraga, California 94556.

MORAGA SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	$ 19,424,264
Accounts receivable	2,059,696
Capital assets, not depreciated	20,047,515
Capital assets, net of accumulated depreciation	19,298,128
Total Assets	60,829,603
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	5,888,293
Deferred outflows related to OPEB	2,592
Deferred amount on refunding	226,225
Total Deferred Outflows of Resources	6,117,110
LIABILITIES	
Accrued liabilities	3,810,115
Long-term liabilities, current portion	1,387,990
Long-term liabilities, non-current portion	63,063,087
Total Liabilities	68,261,192
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	1,375,118
Deferred inflows related to OPEB	163,767
Total Deferred Inflows of Resources	1,538,885
NET POSITION	
Net investment in capital assets	5,160,802
Restricted:	
Capital projects	5,134,376
Debt service	513,875
Educational programs	994,461
Food service	1,409
Associated student body	58,829
Unrestricted	(14,717,116)
Total Net Position	$ (2,853,364)

The accompanying notes are an integral part of these financial statements.

MORAGA SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	$ 16,422,911	$ 90,321	$ 2,718,154	$ (13,614,436)
Instruction-related services				
Instructional supervision and administration	733,499	6,351	41,434	(685,714)
Instructional library, media, and technology	777,405	1,289	214,351	(561,765)
School site administration	1,709,704	-	101,348	(1,608,356)
Pupil services				
Home-to-school transportation	68,112	1,952	8,861	(57,299)
Food services	4,960	-	-	(4,960)
All other pupil services	1,405,018	9,917	414,392	(980,709)
General administration				
Centralized data processing	495,480	-	-	(495,480)
All other general administration	1,759,753	5,636	32,756	(1,721,361)
Plant services	2,401,150	2,967	217,450	(2,180,733)
Ancillary services	21,054	-	-	(21,054)
Community services	944,174	1,133	641	(942,400)
Interest on long-term debt	1,148,471	-	-	(1,148,471)
Other outgo	-	65,743	37,161	102,904
Total Governmental Activities	$ 27,891,691	$ 185,309	$ 3,786,548	(23,919,834)
	General revenues			
	Taxes and subventions			
	Property taxes, levied for general purposes			11,467,728
	Property taxes, levied for debt service			1,606,963
	Property taxes, levied for other specific purposes			3,018,822
	Federal and state aid not restricted for specific purposes			4,389,558
	Interest and investment earnings			76,788
	Miscellaneous			1,851,085
	Subtotal, General Revenue			22,410,944
	CHANGE IN NET POSITION			(1,508,890)
	Net Position - Beginning, as Restated			(1,344,474)
	Net Position - Ending			$ (2,853,364)

The accompanying notes are an integral part of these financial statements.

MORAGA SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 6,195,954	$ 5,580,485	$ 6,035,033	$ 1,612,792	$ 19,424,264
Accounts receivable	2,059,696	-	-	-	2,059,696
Total Assets	$ 8,255,650	$ 5,580,485	$ 6,035,033	$ 1,612,792	$ 21,483,960
LIABILITIES					
Accrued liabilities	$ 1,131,361	$ 820,953	$ 1,369,818	$ 32,530	$ 3,354,662
Total Liabilities	1,131,361	820,953	1,369,818	32,530	3,354,662
FUND BALANCES					
Nonspendable	28,700	-	-	-	28,700
Restricted	912,926	4,759,532	4,665,215	1,580,262	11,917,935
Assigned	595,899	-	-	-	595,899
Unassigned	5,586,764	-	-	-	5,586,764
Total Fund Balances	7,124,289	4,759,532	4,665,215	1,580,262	18,129,298
Total Liabilities and Fund Balances	$ 8,255,650	$ 5,580,485	$ 6,035,033	$ 1,612,792	$ 21,483,960

The accompanying notes are an integral part of these financial statements.

MORAGA SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total Fund Balance - Governmental Funds			$ 18,129,298
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:			
Capital assets:			
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:			
Capital assets	$	61,088,239	
Accumulated depreciation		(21,742,596)	39,345,643
Deferred amount on refunding:			
In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial statements:			226,225
Unmatured interest on long-term debt:			
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:			(455,453)
Long-term liabilities:			
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:			
Total general obligation bonds	$	31,825,602	
Energy loan		7,344,996	
Compensated absences		47,529	
Total OPEB liability		22,397	
Net pension liability		25,210,553	(64,451,077)
Deferred outflows and inflows of resources relating to pensions:			
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.			
Deferred outflows of resources related to pensions	$	5,888,293	
Deferred inflows of resources related to pensions		(1,375,118)	4,513,175
Deferred outflows and inflows of resources relating to OPEB:			
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.			
Deferred outflows of resources related to OPEB	$	2,592	
Deferred inflows of resources related to OPEB		(163,767)	(161,175)
Total Net Position - Governmental Activities			$ (2,853,364)

The accompanying notes are an integral part of these financial statements.

MORAGA SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	$ 15,457,600	$ -	$ -	$ -	$ 15,457,600
Federal sources	1,100,836	-	-	-	1,100,836
Other state sources	2,783,591	-	-	7,164	2,790,755
Other local sources	5,494,338	36,088	270	2,213,221	7,743,917
Total Revenues	24,836,365	36,088	270	2,220,385	27,093,108
EXPENDITURES					
Current					
Instruction	15,833,014	-	-	-	15,833,014
Instruction-related services					
Instructional supervision and administration	721,141	-	-	-	721,141
Instructional library, media, and technology	712,121	-	-	-	712,121
School site administration	1,620,667	-	-	-	1,620,667
Pupil services					
Home-to-school transportation	61,990	-	-	-	61,990
Food services	-	-	-	4,015	4,015
All other pupil services	1,350,444	-	-	-	1,350,444
General administration					
Centralized data processing	456,579	-	-	-	456,579
All other general administration	1,575,565	-	-	25,000	1,600,565
Plant services	2,178,628	13,530	-	-	2,192,158
Facilities acquisition and maintenance	-	11,167,325	2,735,917	444,989	14,348,231
Ancillary services	15,968	-	-	3,359	19,327
Community services	34,586	-	-	786,626	821,212
Debt service					
Principal	-	-	-	2,950,000	2,950,000
Interest and other	-	-	-	1,105,749	1,105,749
Total Expenditures	24,560,703	11,180,855	2,735,917	5,319,738	43,797,213
Excess (Deficiency) of Revenues Over Expenditures	275,662	(11,144,767)	(2,735,647)	(3,099,353)	(16,704,105)
Other Financing Sources (Uses)					
Transfers in	-	-	-	5,000	5,000
Other sources	-	8,866,935	7,344,996	1,506,541	17,718,472
Transfers out	(5,000)	-	-	-	(5,000)
Net Financing Sources (Uses)	(5,000)	8,866,935	7,344,996	1,511,541	17,718,472
NET CHANGE IN FUND BALANCE	270,662	(2,277,832)	4,609,349	(1,587,812)	1,014,367
Fund Balance - Beginning, as Restated	6,853,627	7,037,364	55,866	3,168,074	17,114,931
Fund Balance - Ending	$ 7,124,289	$ 4,759,532	$ 4,665,215	$ 1,580,262	$ 18,129,298

The accompanying notes are an integral part of these financial statements.

MORAGA SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Governmental Funds		$ 1,014,367

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	$ 14,344,615	
Depreciation expense:	(853,454)	13,491,161

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 2,950,000

Debt proceeds:

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were: (17,718,472)

Deferred amounts on refunding:

In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was: (114,384)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was: (91,614)

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was: 6,227

(Continued on next page)

MORAGA SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued
FOR THE YEAR ENDED JUNE 30, 2021

Postemployment benefits other than pensions (OPEB):		
In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:		13,248
Pensions:		
In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was:		(1,222,699)
Amortization of debt issuance premium or discount:		
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:		163,276
Change in Net Position of Governmental Activities	$	(1,508,890)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Moraga School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual.* The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-8 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no such component units.

C. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District'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. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements. The fund financial statements provide information about the District's funds,. Separate statements for each fund category – governmental– are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Major Governmental Funds

General Fund: The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

Building Fund: This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code Section* 15146) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section* 17462) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section* 41003).

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of General Fund moneys for capital outlay purposes (*Education Code Section* 42840).

Non-Major Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

Student Activity Fund: This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84.

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by the District for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code Section* 8200 et seq.) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (*Education Code Section* 8328).

Cafeteria Special Revenue Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections* 38090–38093). The Cafeteria Special Revenue Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections* 38091 and 38100).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Capital Project Funds: Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by trust funds).

Capital Facilities Fund: This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections* 17620–17626). The authority for these levies may be county/city ordinances (*Government Code Sections* 65970–65981) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section* 66006).

Debt Service Funds: Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code Sections* 15125–15262). The board of supervisors of the county issues the bonds. The *proceeds* from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

D. Basis of Accounting – Measurement Focus

Government-Wide Financial Statements
The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the 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.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

Governmental Funds
Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Revenues – Exchange and Non-Exchange Transactions
Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, “available” means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue
Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

Expenses/Expenditures
On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

Cash and Cash Equivalents
The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments
Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Inventories
Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

Capital Assets
The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of $5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Buildings and Improvements	25 to 50 years
Furniture and Equipment	5 to 10 years
Vehicles	8 years

Interfund Balances
On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

Compensated Absences
Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Compensated Absences (continued)
Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken because such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Accrued Liabilities and Long-Term Obligations
All payables, accrued liabilities, and long-term obligations are reported in the government-wide. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Postemployment Benefits Other Than Pensions (OPEB)
For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 – June 30, 2021

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Premiums and Discounts
In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Deferred Inflows of Resources
In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Deferred Outflows/Deferred Inflows of Resources (continued)
In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans (the Plans) of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance
Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Fund Balance (continued)
Unassigned - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities columns of the statement of activities.

G. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

H. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

J. New Accounting Pronouncements

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This standard's primary objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2019. The District has implemented this Statement as of June 30, 2021.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. This standard's primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has not yet determined the impact on the financial statements.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This standard's primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2021. The District has not yet determined the impact on the financial statements.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This standard's primary objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. A portion of this statement was effective upon issuance, while the majority of this statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This standard's primary objectives are to increase consistency and comparability related to reporting fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and to enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The statement is effective for periods beginning after June 15, 2021. The District has not yet determined the impact on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

		Governmental Activities
Investment in county treasury	$	13,354,029
Cash on hand and in banks		59,756
Cash with fiscal agent (Bank of America)		5,978,897
Cash in revolving fund		28,700
Local agency investment fund (LAIF)		2,882
Total	$	19,424,264

B. Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section* 41001. The Contra Costa County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Cash with Fiscal Agent – Cash with fiscal agent consist of energy loan funds, held at the Bank of America.

Local Agency Investment Fund (LAIF) – The District is considered to be 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 fair value of the District's investment in the pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the LAIF, which is recorded on the amortized cost basis.

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table on the following page identifies the investment types permitted by California Government Code.

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations (continued)

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U. S. Treasury Obligations	5 years	None	None
U. S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately $13,374,191 and an amortized book value of $13,354,029. The average weighted maturity for this pool is 300 days. Investments consist of amounts on deposit with the Local Agency Investment Fund with an amortized book value of $2,882 which approximates the fair value.

E. Credit Risk

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. The investments in the County Treasury are not required to be rated. As of June 30, 2021, the pooled investments in the County Treasury were not rated.

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2021, the District's bank balance was not exposed to custodial credit risk.

NOTE 2 – CASH AND INVESTMENTS (continued)

G. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Contra Costa County Treasury Investment Pool and Local Agency Investment Funds are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The District's fair value measurements at June 30, 2021 were as follows:

	Uncategorized
Investment in county treasury	$ 13,374,191
Local agency investment fund (LAIF)	2,882
Total	$ 13,377,073

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2021 consisted of the following:

	General Fund
Federal Government	
Categorical aid	$ 445,811
State Government	
Apportionment	987,591
Categorical aid	500,299
Lottery	125,280
Local Government	
Other local sources	715
Total	$ 2,059,696

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 01, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	$ 2,639,887	$ -	$ -	$ 2,639,887
Construction in progress	16,712,005	13,240,390	12,544,767	17,407,628
Total Capital Assets not Being Depreciated	19,351,892	13,240,390	12,544,767	20,047,515
Capital assets being depreciated				
Land improvements	6,222,492	-	-	6,222,492
Buildings & improvements	20,497,714	13,625,593	-	34,123,307
Furniture & equipment	671,526	23,399	-	694,925
Total Capital Assets Being Depreciated	27,391,732	13,648,992	-	41,040,724
Less Accumulated Depreciation				
Land improvements	5,001,886	105,776	-	5,107,662
Buildings & improvements	15,379,328	723,748	-	16,103,076
Furniture & equipment	507,928	23,930	-	531,858
Total Accumulated Depreciation	20,889,142	853,454	-	21,742,596
Governmental Activities				
Capital Assets, net	$ 25,854,482	$ 26,035,928	$ 12,544,767	$ 39,345,643

Depreciation expense was charged to various government functions as follows:

Instruction	$ 566,106
Instructional supervision and administration	22,069
Instructional library, media, and technology	17,982
School site administration	58,930
Home-to-school transportation	6,122
Food services	945
All other pupil services	24,233
Centralized data processing	9,206
All other general administration	52,405
Plant services	64,602
Ancillary services	1,727
Community services	29,127
Total	$ 853,454

NOTE 5 – INTERFUND TRANSACTIONS

During the year ended June 30, 2021, the General Fund transferred $5,000 to the Non-Major Cafeteria Fund for program contributions.

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2021 consisted of the following:

	General Fund	Non-Major Governmental Funds	District-Wide	Governmental Activities
Payroll	$ 732,232	$ 32,530	$ -	$ 764,762
Construction	-	-	-	2,190,771
Vendors payable	399,129	-	-	399,129
Unmatured interest	-	-	455,453	455,453
Total	$ 1,131,361	$ 32,530	$ 455,453	$ 3,810,115

NOTE 7 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2021 consisted of the following:

	Balance July 01, 2020	Additions	Deductions	Balance June 30, 2021	Balance Due In One Year
Governmental Activities					
General obligation bonds	$ 23,450,000	$ 9,000,000	$ 2,950,000	$ 29,500,000	$ 1,059,495
Unamortized premium	1,115,402	1,373,476	163,276	2,325,602	163,276
Total general obligation bonds	24,565,402	10,373,476	3,113,276	31,825,602	1,222,771
Energy loan	-	7,344,996	-	7,344,996	165,219
Compensated absences	53,756	-	6,227	47,529	-
Total OPEB liability	19,509	2,888	-	22,397	-
Net pension liability	22,833,462	2,377,091	-	25,210,553	-
Total	$ 47,472,129	$ 20,098,451	$ 3,119,503	$ 64,451,077	$ 1,387,990

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.
- Payments for the energy loan will be made in the Special Reserve Fund for Capital Outlay Projects.

A. General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2020	Additions	Deductions	Bonds Outstanding June 30, 2021
2012 Refunding Bonds	5/15/2012	5/15/2020	1.00 - 5.00%	$7,875,000	$ 945,000	$ -	$ 945,000	$ -
Election 2016, Series A	3/22/2017	8/1/2042	3.00 - 4.00%	12,000,000	10,505,000	-	-	10,505,000
Election 2016, Series B	10/1/2019	8/1/2044	3.00 - 4.00%	12,000,000	12,000,000	-	950,000	11,050,000
Election 2016, Series C	9/16/2020	8/1/2044	0.20 - 4.00%	9,000,000	-	9,000,000	1,055,000	7,945,000
					$ 23,450,000	$ 9,000,000	$ 2,950,000	$ 29,500,000

In May 2012, the District issued $7,875,000 in general obligation bonds to refund $8,030,000 of outstanding 2002 Refunding bonds originally issued in the aggregate principal of $12,815,000. The bonds bear interest from 1.00% to 5.00% and are due in annual installments with the final payment made May 15, 2021.

NOTE 7 – LONG-TERM LIABILITIES (continued)

A. General Obligation Bonds (continued)

At an election held on November 8, 2016, voters provided the District with the ability to issue up to $33,000,000 of General Obligation Bonds. The bonds were approved to finance the repair, renovation and/or construction of school facilities. In March 2017, the District issued $12,000,000 of 2016 Series A general obligation bonds with interest rates ranging from 3.00% to 4.00% and are due in annual installments through August 2043. The annual requirements to amortize the 2016 Series A bonds outstanding at June 30, 2021 are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	$ -	$ 394,338	$ 394,338
2023	-	394,338	394,338
2024	-	394,338	394,338
2025	195,000	394,338	589,338
2026	225,000	386,538	611,538
2027 - 2031	2,015,000	2,092,925	4,107,925
2032 - 2036	2,800,000	1,345,925	4,145,925
2037 - 2041	4,220,000	702,138	4,922,138
2042 - 2044	1,050,000	39,375	1,089,375
Total	$ 10,505,000	$ 6,144,253	$ 16,649,253

In October 2019, the District issued $12,000,000 of 2016 Series B general obligation bonds with interest rates ranging from 3.00% to 4.00% and are due in annual installments through August 2044. The annual requirements to amortize the 2016 Series B bonds outstanding at June 30, 2021 are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	$ 980,000	$ 380,950	$ 1,360,950
2023	195,000	341,750	536,750
2024	230,000	333,950	563,950
2025	115,000	324,750	439,750
2026	135,000	320,150	455,150
2027 - 2031	1,030,000	1,501,750	2,531,750
2032 - 2036	1,740,000	1,261,700	3,001,700
2037 - 2041	2,620,000	947,300	3,567,300
2042 - 2045	4,005,000	361,150	4,366,150
Total	$ 11,050,000	$ 5,773,450	$ 16,823,450

In September 2020, the District issued $9,000,000 of 2016 Series C general obligation bonds with interest rates ranging from 0.20% to 4.00% and are due in annual installments through August 2044. The annual requirements to amortize the 2016 Series C bonds outstanding at June 30, 2021 are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	$ 125,000	$ 317,800	$ 442,800
2023	80,000	312,800	392,800
2024	70,000	309,600	379,600
2025	85,000	306,800	391,800
2026	105,000	303,400	408,400
2027 - 2031	830,000	1,438,000	2,268,000
2032 - 2036	1,470,000	1,223,800	2,693,800
2037 - 2041	2,335,000	865,200	3,200,200
2042 - 2045	2,845,000	250,200	3,095,200
Total	$ 7,945,000	$ 5,327,600	$ 13,272,600

NOTE 7 – LONG-TERM LIABILITIES (continued)

B. Energy Loan

On January 20, 2021, the Moraga School District (District) entered into a lease agreement with Bank of America Public Capital Corp (Corporation) in the amount of $7,344,996 to fund energy projects at various school sites. The term of the lease agreement commenced January 1, 2021, and ends January 20, 2041, with an interest rate of 2.358% per annum.

Year Ended June 30,	Energy Loan Payment	
2022	$	342,769
2023		386,125
2024		394,775
2025		403,703
2026		412,918
2027 - 2031		2,213,577
2032 - 2036		2,467,095
2037 - 2041		2,821,369
Total minimum lease payments		9,442,331
Less amount representing interest		(2,097,335)
Present value of minimum lease payments	$	7,344,996

C. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2021 amounted to $47,529. This amount is included as part of long-term liabilities in the government-wide financial statements.

D. Other Postemployment Benefits

The District's beginning total OPEB liability was $19,509 and increased by $2,888 during the year ended June 30, 2021. The ending total OPEB liability at June 30, 2021 was $22,397. See Note 9 for additional information regarding the total OPEB liability.

E. Net Pension Liability

The District's beginning net pension liability was $22,833,462 and increased by $2,377,091 during the year ended June 30, 2021. The ending net pension liability at June 30, 2021 was $25,210,553. See Note 10 for additional information regarding the net pension liability.

NOTE 8 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2021:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Revolving cash	$ 28,700	$ -	$ -	$ -	$ 28,700
Total non-spendable	28,700	-	-	-	28,700
Restricted					
Educational programs	912,926	-	-	81,535	994,461
Food service	-	-	-	1,409	1,409
Associated student body	-	-	-	58,829	58,829
Capital projects	-	4,759,532	4,665,215	469,161	9,893,908
Debt service	-	-	-	969,328	969,328
Total restricted	912,926	4,759,532	4,665,215	1,580,262	11,917,935
Assigned					
Textbook adoption	73,129	-	-	-	73,129
Curriculum and instruction	166,846	-	-	-	166,846
Technology replacement/upgrade	330,924	-	-	-	330,924
Safety	25,000	-	-	-	25,000
Total assigned	595,899	-	-	-	595,899
Unassigned	5,586,764	-	-	-	5,586,764
Total Fund Balance	$ 7,124,289	$ 4,759,532	$ 4,665,215	$ 1,580,262	$ 18,129,298

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than three percent of General Fund expenditures and other financing uses.

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Moraga School District's defined benefit OPEB plan, Moraga School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single employer defined benefit plan administered by the district. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75**.**

B. Benefits Provided

The eligibility requirements and benefits provided by the Plan are described below.

	Number of participants
Inactive employees receiving benefits	-
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	38
Total number of participants**	38

*Information not provided
**As of the June 30, 2020 valuation date

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

C. Contributions

For fiscal year 2020-2021, the District did not contribute to the Plan.

D. Plan Membership

Membership of the Plan consisted of the following:

	Certificated
Benefit types provided	Medical, dental and vision
Duration of Benefits	36 months but not beyond age 65
Required Service	10 years in the last 15 years prior to retirement
Minimum Age	55
Dependent Coverage	No
District Contribution %	100%
District Cap	$200 per month

E. Total OPEB Liability

The Moraga School District's total OPEB liability of $22,397 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Economic assumptions:

Inflation	2.75%
Salary increases	2.75%
Discount rate	2.16%
Healthcare cost trend rates	4.00%

Non-economic assumptions:

Mortality:	
Classified	2017 CalPERS Active Mortality for Miscellaneous Employees Table
Retirement rates:	
Classified	Hired before 1/1/2013: 2017 CalPERS Retirement Rates for School Employees 2.0%@55 Hired after 12/31/2012: 2017 CalPERS Retirement Rates for Miscellaneous Employees 2%@62
Service Requirement:	
Classified	100% at 10 years of service

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

F. Actuarial Assumptions and Other Inputs (continued)

Non-economic assumptions (continued):
The actuarial assumptions used in the June 30, 2020 valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2020.

The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed sixteen years.

G. Changes in Total OPEB Liability

	June 30, 2021
Total OPEB Liability	
Service cost	$ 2,394
Interest on total OPEB liability	456
Changes of assumptions	38
Net change in total OPEB liability	2,888
Total OPEB liability - beginning	19,509
Total OPEB liability - ending	$ 22,397
Covered-employee payroll	$ 2,520,956
District's total OPEB liability as a percentage of covered-employee payroll	0.89%

H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Moraga School District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16 percent) or one percentage point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Valuation Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	$ 23,454	$ 22,397	$ 21,364

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The District's retiree health benefit is a fixed dollar amount and is not expected to increase along with increases in healthcare costs, the trend rate assumption doesn't have an impact on the measured liability.

J. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Moraga School District recognized OPEB expense of $13,248. At June 30, 2021, the Moraga School District reported deferred outflows and deferred inflow of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 161,744
Changes in assumptions	2,592	2,023
Total	$ 2,592	$ 163,767

Amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	$ 280	$ 16,378
2023	280	16,378
2024	280	16,378
2025	280	16,378
2026	280	16,378
Thereafter	1,192	81,877
Total	$ 2,592	$ 163,767

NOTE 10 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
STRS Pension	$ 17,486,521	$ 4,323,499	$ 1,300,805	$ 2,102,461
PERS Pension	7,724,032	1,564,794	74,313	1,477,387
Total	$ 25,210,553	$ 5,888,293	$ 1,375,118	$ 3,579,848

A. California State Teachers' Retirement System (CalSTRS)

Plan Description
The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

Benefits Provided
The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.

2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

Contributions
Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2021, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2021 was 19.10% of annual payroll reduced to 16.15% pursuant to California Senate Bill 90 (SB 90). The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were $1,609,307 for the year ended June 30, 2021.

NOTE 10 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately $992,150 to CalSTRS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$	17,486,521
State's proportionate share of the net pension liability associated with the District		9,014,231
Total	$	26,500,752

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.018 percent, which did not change from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of $2,102,461. In addition, the District recognized pension expense and revenue of $281,843 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 415,379	$ -
Differences between expected and actual experience	30,856	493,150
Changes in assumptions	1,705,183	-
Changes in proportion and differences between District contributions and proportionate share of contributions	562,774	807,655
District contributions subsequent to the measurement date	1,609,307	-
Total	$ 4,323,499	$ 1,300,805

NOTE 10 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The $1,609,307 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	$ 449,863	$ 436,549
2023	845,032	401,903
2024	905,917	290,210
2025	342,753	75,425
2026	88,892	72,358
2027	81,735	24,360
Total	$ 2,714,192	$ 1,300,805

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions.

NOTE 10 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Assumptions (continued)

Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2021, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Public Equity	42%	4.80%
Real Estate	15%	3.60%
Private Equity	13%	6.30%
Fixed Income	12%	1.30%
Risk Mitigating Strategies	10%	1.80%
Inflation Sensitive	6%	3.30%
Cash/Liquidity	2%	-0.40%
	100%	

*20-year geometric average

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 26,419,698	$ 17,486,521	$ 10,110,926

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

NOTE 10 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description
The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Benefits Provided
The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions
Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2021 was 22.68% of annual payroll reduced to 20.70% pursuant to California Senate Bill 90 (SB 90). Contributions to the plan from the District were $747,842 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2021, the District reported a liability of $7,724,032 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.025 percent, which was an increase of 0.001 percent from its proportion measured as of June 30, 2019.

NOTE 10 – PENSION PLANS (continued)

C. California Public Employees' Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2021, the District recognized pension expense of $1,477,387. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 160,790	$ -
Differences between expected and actual experience	383,088	-
Changes in assumptions	28,324	-
Changes in proportion and differences between District contributions and proportionate share of contributions	244,750	74,313
District contributions subsequent to the measurement date	747,842	-
Total	$ 1,564,794	$ 74,313

The $747,842 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	$ 282,826	$ 74,313
2023	251,732	-
2024	205,613	-
2025	76,781	-
Total	$ 816,952	$ 74,313

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	7.15%
Salary Increases	Varies by Entry Age and Service

NOTE 10 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS) (continued)

Actuarial Assumptions (continued)
CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS' membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

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, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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 (11-60 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 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 geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*	Real Return Years 11+**
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	-0.92%
	100.0%		

*An expected inflation of 2.00% used for this period.
**An expected inflation of 2.92% used for this period.

Discount Rate
The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS' website.

NOTE 10 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS) (continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 11,104,705	$ 7,724,032	$ 4,918,244

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2021.

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2021.

C. Construction Commitments

As of June 30, 2021, the District had commitments with respect to unfinished capital projects of $2,737,667.

NOTE 12 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in three joint ventures under joint powers authorities (JPAs), the Contra Costa County Schools Insurance Group (CCCSIG) for workers' compensation and health insurance; the Contra Costa and Solano Counties School District's Self-Insurance Authority for property and liability insurance; and the Schools Self-Insurance of Contra Costa County (SSICCC) for dental and vision coverage. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements. However, fund transactions between the JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

NOTE 13 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Refunded Debt

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2021, the deferred amount on refunding was $226,225.

B. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2021, total deferred outflows related to pensions was $5,888,293 and total deferred inflows related to pensions was $1,375,118.

C. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 9. At June 30, 2021, total deferred outflows related to other postemployment benefits was $2,592 and total deferred inflows related to other postemployment benefits was $163,767.

NOTE 14 – PARCEL TAXES

The Moraga School District has two existing school parcel taxes: Measure M ($192/parcel) and Measure K ($325/parcel). The tax was passed to maintain the high quality of Moraga Schools; continue funding for effective math, science, music and arts program; maintain manageable class sizes, keep schools safe and well maintained, keep school libraries open, keep classroom technically up to date; and attract and retain the best qualified teachers. Revenue of $2,994,925 and expenditures of $2,994,925 for the Measure M & K parcel tax for the year ended June 30, 2021 are included in these audited financial statements.

NOTE 15 – RESTATEMENT OF NET POSITION AND FUND BALANCE

The amounts previously reported at June 30, 2020 as the ending net position for Governmental Activities and the ending fund balance for the Student Activity Fund have been restated due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. Based on the clarifications provided by GASB Statement No. 84 and California Education Code regarding associated student body (ASB) accounts, it has been determined that the District's ASB accounts are not fiduciary because they do not meet the criteria established by GASB Statement No. 84, paragraph 11(c)(2) regarding administrative involvement. The June 30, 2020 ending balances have been restated as follows:

	Governmental Activities
Net Position - Beginning, as Previously Reported	$ (1,402,423)
Restatement	57,949
Net Position - Beginning, as Restated	$ (1,344,474)

	Student Activity Fund
Fund Balance - Beginning, as Previously Reported	$ -
Restatement	57,949
Fund Balance - Beginning, as Restated	$ 57,949

REQUIRED SUPPLEMENTARY INFORMATION

MORAGA SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual* (Budgetary Basis)	Variances - Final to Actual
REVENUES				
LCFF sources	$ 14,211,632	$ 15,399,449	$ 15,457,600	$ 58,151
Federal sources	409,401	1,143,795	1,100,836	(42,959)
Other state sources	1,549,046	3,169,448	3,242,789	73,341
Other local sources	5,503,030	5,530,893	5,489,732	(41,161)
Total Revenues	21,673,109	25,243,585	25,290,957	47,372
EXPENDITURES				
Certificated salaries	9,813,409	10,353,695	10,353,224	471
Classified salaries	3,763,205	3,813,589	3,816,825	(3,236)
Employee benefits	6,408,896	6,451,252	6,310,602	140,650
Books and supplies	677,363	1,060,718	978,959	81,759
Services and other operating expenditures	2,761,614	3,098,802	3,102,694	(3,892)
Capital outlay	4,000	29,202	23,399	5,803
Other outgo				
Transfers of indirect costs	(74,000)	(25,000)	(25,000)	-
Total Expenditures	23,354,487	24,782,258	24,560,703	221,555
Excess (Deficiency) of Revenues Over Expenditures	(1,681,378)	461,327	730,254	268,927
Other Financing Sources (Uses)				
Transfers out	(22,795)	(5,000)	(5,000)	-
Net Financing Sources (Uses)	(22,795)	(5,000)	(5,000)	-
NET CHANGE IN FUND BALANCE	(1,704,173)	456,327	725,254	268,927
Fund Balance - Beginning	5,465,598	5,903,247	5,903,247	-
Fund Balance - Ending	$ 3,761,425	$ 6,359,574	$ 6,628,501	$ 268,927

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- The amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay, in accordance with the fund type definitions promulgated by GASB Statement No. 54.
- Audit adjustment of $459,198 is not included in the actual revenues and expenditures reported in this schedule.

See accompanying notes to required supplementary information.

MORAGA SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability				
Service cost	$ 2,394	$ 20,862	$ 19,512	$ 18,990
Interest on total OPEB liability	456	6,985	6,139	6,034
Difference between expected and actual experience	-	(194,094)	-	-
Changes of assumptions	38	(2,429)	3,386	-
Benefits payments	-	(1,922)	(9,124)	(8,773)
Net change in total OPEB liability	2,888	(170,598)	19,913	16,251
Total OPEB liability - beginning	19,509	190,107	170,194	153,943
Total OPEB liability - ending	$ 22,397	$ 19,509	$ 190,107	$ 170,194
Covered-employee payroll	$ 2,520,956	$ 2,811,448	$ 2,871,455	$ 2,871,455
District's total OPEB liability as a percentage of covered-employee payroll	0.89%	0.69%	6.62%	5.93%

See accompanying notes to required supplementary information.

MORAGA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.018%	0.018%	0.017%	0.017%	0.018%	0.019%	0.017%
District's proportionate share of the net pension liability	$ 17,486,521	$ 15,861,952	$ 15,644,617	$ 15,694,758	$ 14,479,186	$ 8,129,877	$ 6,194,029
State's proportionate share of the net pension liability associated with the District	9,014,231	8,653,823	8,957,319	9,284,962	8,173,860	4,809,606	3,664,365
Total	$ 26,500,752	$ 24,515,775	$ 24,601,936	$ 24,979,720	$ 22,653,046	$ 12,939,483	$ 9,858,394
District's covered payroll	$ 9,865,757	$ 9,422,934	$ 9,178,346	$ 8,978,474	$ 8,928,258	$ 8,526,262	$ 7,720,436
District's proportionate share of the net pension liability as a percentage of its covered payroll	177.2%	168.3%	170.5%	174.8%	162.2%	95.4%	80.2%
Plan fiduciary net position as a percentage of the total pension liability	71.8%	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See accompanying notes to required supplementary information.

MORAGA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.025%	0.024%	0.025%	0.026%	0.026%	0.032%	0.025%
District's proportionate share of the net pension liability	$ 7,724,032	$ 6,971,510	$ 6,565,009	$ 6,298,260	$ 5,199,672	$ 4,666,960	$ 2,792,699
District's covered payroll	$ 3,665,127	$ 2,849,101	$ 2,871,455	$ 3,326,872	$ 3,199,642	$ 3,032,701	$ 2,580,808
District's proportionate share of the net pension liability as a percentage of its covered payroll	210.7%	244.7%	228.6%	189.3%	162.5%	153.9%	108.2%
Plan fiduciary net position as a percentage of the total pension liability	70.0%	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See accompanying notes to required supplementary information.

MORAGA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 1,609,307	$ 1,678,955	$ 1,534,054	$ 1,324,435	$ 1,129,492	$ 956,602	$ 771,576
Contributions in relation to the contractually required contribution*	(1,609,307)	(1,678,955)	(1,534,054)	(1,324,435)	(1,129,492)	(956,602)	(771,576)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 9,668,794	$ 9,865,757	$ 9,422,934	$ 9,178,346	$ 8,978,474	$ 8,928,258	$ 8,526,262
Contributions as a percentage of covered payroll	16.64%	17.02%	16.28%	14.43%	12.58%	10.71%	9.05%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

MORAGA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 747,842	$ 719,634	$ 600,107	$ 516,648	$ 462,036	$ 377,701	$ 344,409
Contributions in relation to the contractually required contribution*	(747,842)	(719,634)	(600,107)	(516,648)	(462,036)	(377,701)	(344,409)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,521,020	$ 3,665,127	$ 2,849,101	$ 2,871,455	$ 3,326,872	$ 3,199,642	$ 3,032,701
Contributions as a percentage of covered payroll	21.24%	19.63%	21.06%	17.99%	13.89%	11.80%	11.36%

*Amounts do not include on-behalf contributions

See accompanying notes to required supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in Total OPEB Liability and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, including the total OPEB liability as a percentage of covered-employee payroll.

Changes in Benefit Terms

There were no changes in benefit terms since the prior measurement date.

Changes in Assumptions

The interest assumption changed from 2.20% to 2.16% since the prior measurement date.

Schedule of the District's Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

Changes in Assumptions

There were no changes in economic assumptions since the previous valuations for CalSTRS and CalPERS.

Schedule of District Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2021, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Classified salaries	$ 3,813,589	$ 3,816,825	$ 3,236

SUPPLEMENTARY INFORMATION

MORAGA SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Passed through California Department of Education:			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	$ 26,594
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	17,488
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	10,000
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	331,491
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	20,572
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	4,278
Subtotal Special Education Cluster			356,341
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	112,243
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	24,663
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	38,999
Subtotal Education Stabilization Fund Discretionary Grants			175,905
Total U. S. Department of Education			586,328
U. S. DEPARTMENT OF THE TREASURY:			
Passed through California Department of Education:			
COVID-19 Emergency Acts Funding:			
Coronavirus Relief Fund (CRF): Learning Loss Mitigation **[1]**	21.019	25516	494,251
Total U. S. Department of the Treasury			494,251
Total Federal Expenditures			$ 1,080,579

[1] - Major Program

See accompanying notes to supplementary information.

MORAGA SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2021

Grade Level	2020-21 Planned Number of Days	2020-21 Actual Number of Days	Credited Days Per the Approved Form J-13A*	Status
Kindergarten	180	179	1	Complied
Grade 1	180	179	1	Complied
Grade 2	180	179	1	Complied
Grade 3	180	179	1	Complied
Grade 4	180	179	1	Complied
Grade 5	180	179	1	Complied
Grade 6	180	179	1	Complied
Grade 7	180	179	1	Complied
Grade 8	180	179	1	Complied

*The District received an approved Form J-13A for 1 instructional day.

See accompanying notes to supplementary information.

MORAGA SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

	2022 (Budget)	2021	2020	2019
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	$ 23,623,629	$ 25,290,957	$ 23,455,506	$ 23,230,763
Expenditures And Other Financing Uses	23,553,668	24,565,703	23,670,665	22,692,807
Net change in Fund Balance	$ 69,961	$ 725,254	$ (215,159)	$ 537,956
Ending Fund Balance	$ 6,698,462	$ 6,628,501	$ 5,903,247	$ 6,118,406
Available Reserves*	$ 4,592,320	$ 5,586,764	$ 710,120	$ 5,092,506
Available Reserves As A Percentage Of Outgo	19.50%	22.74%	3.00%	22.44%
Long-term Liabilities	$ 63,063,087	$ 64,451,077	$ 47,472,129	$ 35,999,732
Average Daily Attendance At P-2***	1,654	1,808	1,808	1,812

The General Fund ending fund balance has increased by $510,095 over the past two years. The fiscal year *2020-2021* budget projects an increase of $69,961. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating surplus during the *2020-2021* fiscal year. Total long-term obligations have increased by $28,451,345 over the past two years.

Average daily attendance has decreased by 4 ADA over the past two years. A further decrease of 154 ADA is anticipated during the *2020-2021* fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund.

**The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay in accordance with the fund type definitions promulgated by GASB Statement No. 54 and an audit adjustment of $459,198 is not included in the actual revenues and expenditures reported in this schedule.

***Due to the COVID-19 pandemic, Average Daily Attendance at P-2 was not reported in 2021. Funding was based on Average Daily Attendance at P-2 as reported in 2020.

MORAGA SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Reserve Fund for Other Than Capital Outlay Projects
June 30, 2021, annual financial and budget report fund balance	$ 6,628,501	$ 954,986
Adjustments and reclassifications:		
Increase (decrease) in total fund balances:		
Fund balance transfer (GASB 54)	954,986	(954,986)
Accounts receivable	(459,198)	-
Net adjustments and reclassifications	495,788	(954,986)
June 30, 2021, audited financial statement fund balance	$ 7,124,289	$ -

See accompanying notes to supplementary information.

MORAGA SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2021

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds
ASSETS						
Cash and investments	$ 58,829	$ 114,065	$ 1,409	$ 469,161	$ 969,328	$ 1,612,792
Total Assets	$ 58,829	$ 114,065	$ 1,409	$ 469,161	$ 969,328	$ 1,612,792
LIABILITIES						
Accrued liabilities	$ -	$ 32,530	$ -	$ -	$ -	$ 32,530
Total Liabilities	-	32,530	-	-	-	32,530
FUND BALANCES						
Restricted	58,829	81,535	1,409	469,161	969,328	1,580,262
Total Fund Balances	58,829	81,535	1,409	469,161	969,328	1,580,262
Total Liabilities and Fund Balance	$ 58,829	$ 114,065	$ 1,409	$ 469,161	$ 969,328	$ 1,612,792

See accompanying notes to supplementary information.

MORAGA SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Student Activity Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds
REVENUES						
Other state sources	$ -	$ -	$ -	$ -	$ 7,164	$ 7,164
Other local sources	4,239	531,712	-	71,395	1,605,875	2,213,221
Total Revenues	4,239	531,712	-	71,395	1,613,039	2,220,385
EXPENDITURES						
Current						
Pupil services						
Food services	-	-	4,015	-	-	4,015
General administration						
All other general administration	-	25,000	-	-	-	25,000
Facilities acquisition and maintenance	-	13,255	-	431,734	-	444,989
Ancillary services	3,359	-	-	-	-	3,359
Community services	-	786,626	-	-	-	786,626
Debt service						
Principal	-	-	-	-	2,950,000	2,950,000
Interest and other	-	-	-	-	1,105,749	1,105,749
Total Expenditures	3,359	824,881	4,015	431,734	4,055,749	5,319,738
Excess (Deficiency) of Revenues Over Expenditures	880	(293,169)	(4,015)	(360,339)	(2,442,710)	(3,099,353)
Other Financing Sources (Uses)						
Transfers in	-	-	5,000	-	-	5,000
Other sources	-	-	-	-	1,506,541	1,506,541
Net Financing Sources (Uses)	-	-	5,000	-	1,506,541	1,511,541
NET CHANGE IN FUND BALANCE	880	(293,169)	985	(360,339)	(936,169)	(1,587,812)
Fund Balance - Beginning, as Restated	57,949	374,704	424	829,500	1,905,497	3,168,074
Fund Balance - Ending	$ 58,829	$ 81,535	$ 1,409	$ 469,161	$ 969,328	$ 1,580,262

See accompanying notes to supplementary information.

The Moraga School District was established in 1864 and is comprised of an area of approximately 7 square miles located in Contra Costa County. There were no changes in the boundaries of the District during the current year. The District operates three elementary schools and one intermediate schools.

GOVERNING BOARD

Member	Office	Term Expires
Janelle Chng	President	2024
Richard Severy	Vice President	2024
Heather Davis	Member	2022
Jon Nickens	Member	2022
Larry Jacobs	Member	2022

DISTRICT ADMINISTRATORS

Bruce K. Burns
Superintendent

Daniela Parasidis
Chief Business Official

See accompanying notes to supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenue, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2021 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2021.

	AL Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		$ 1,100,836
Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	(20,257)
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		$ 1,080,579

The District has not elected to use the 10 percent de minimis indirect cost rate.

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with article 8 (commencing with section 46200) of chapter 2 of part 26 of the *Education Code.*

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

Combining Statements – Non-Major Funds

These statements provide information on the District’s non-major funds.

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

OTHER INDEPENDENT AUDITORS' REPORTS

CHRISTY WHITE
Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

Governing Board
Moraga School District
Moraga, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Moraga School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Moraga School District's basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Moraga School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Moraga School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Moraga School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Moraga School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White, Inc

San Diego, California
December 21, 2021

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditors' Report

Governing Board
Moraga School District
Moraga, California

Report on Compliance for Each Major Federal Program

We have audited Moraga School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Moraga School District's major federal programs for the year ended June 30, 2021. Moraga School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Moraga School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Moraga School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Moraga School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Moraga School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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Report on Internal Control Over Compliance

Management of Moraga School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Moraga School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Moraga School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc

San Diego, California
December 21, 2021

REPORT ON STATE COMPLIANCE

Independent Auditors' Report

Governing Board
Moraga School District
Moraga, California

Report on State Compliance

We have audited Moraga School District's compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810 that could have a direct and material effect on each of Moraga School District's state programs for the fiscal year ended June 30, 2021, as identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Moraga School District's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about Moraga School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Moraga School District's compliance with those requirements.

Opinion on State Compliance

In our opinion, Moraga School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2021.

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Charter Schools	
Independent Study-Course Based; for charter schools	Not Applicable
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Charter School Facility Grant Program	Not Applicable

Christy White, Inc

San Diego, California
December 21, 2021

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MORAGA SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENTS	
Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	No
Identification of major programs:	

AL Number(s)	Name of Federal Program or Cluster
21.019	Coronavirus Relief Fund (CRF): Learning Loss Mitigation

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	No
STATE AWARDS	
Internal control over state programs:	
Material weaknesses identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for state programs:	Unmodified

FIVE DIGIT CODE	AB 3627 FINDING TYPE
20000	Inventory of Equipment
30000	Internal Control

There were no financial statement findings for the year ended June 30, 2021.

FIVE DIGIT CODE	**AB 3627 FINDING TYPE**
50000	Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2021.

MORAGA SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2021.

MORAGA SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

There were no findings or questioned costs for the year ended June 30, 2020.