



Financial Statements  
June 30, 2024

# Madera Unified School District

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## Independent Auditor's Report

To the Governing Board  
Madera Unified School District  
Madera, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madera Unified School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Madera Unified School District, as of June 30, 2024, 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's net OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability – MPP program, schedule of the District's proportionate share of the net pension liability, and schedule of

the District's contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the financial statements. The other information comprises the Local Education Agency Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fresno, California  
December 11, 2024



## ***Madera Unified School District***

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### **Board of Trustees**

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**Todd Lile, Superintendent**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

This section of Madera Unified School District (the District) annual financial report presents the District's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024, with comparative information for the fiscal year ended June 30, 2023.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts; management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are Government-Wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the Government-Wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



**Figure A-1. Organization of Madera Unified’s  
Annual Financial Report**

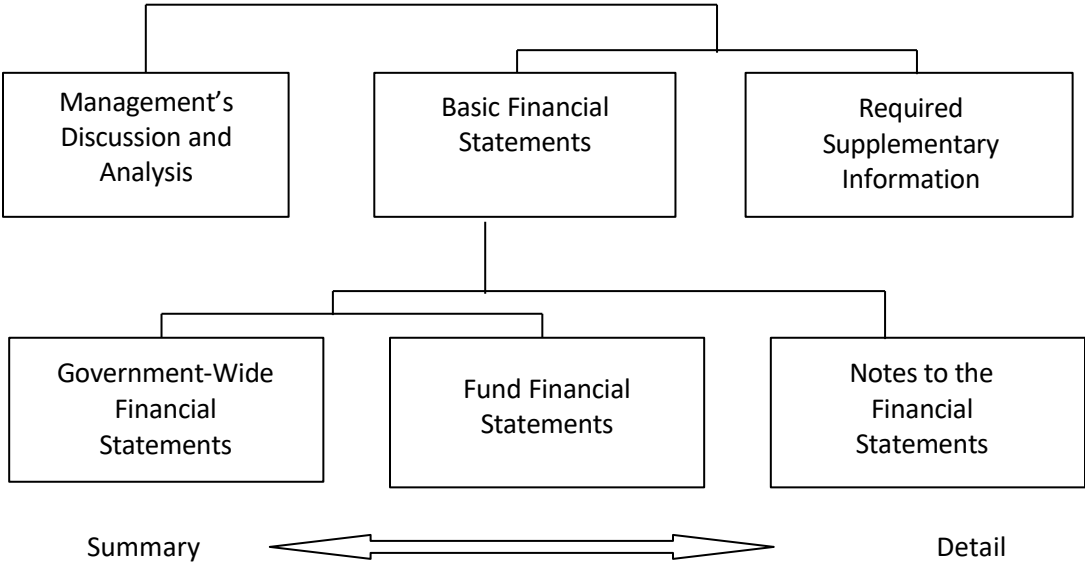


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2. Major Features of the Government-Wide and Fund Financial Statements

Type of Statements	Government-Wide	Fund Financial Statements
Scope	Entire District, except fiduciary activities	The activities of the District that are not proprietary in nature.
Required financial statements	<ul style="list-style-type: none"> <li>•Statement of net position</li> <li>•Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>•Balance sheet</li> <li>•Statement of revenues, expenditures and changes in fund balances</li> <li>•Reconciliation to government-wide financial statements</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

## **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 District's assets (including capital assets), deferred outflows of resources, as well as liabilities (including long-term liabilities), and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

These two Government-Wide statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the Government-Wide financial statements the District's activities are combined into one category:

- Governmental activities - The District's basic services are included here, such as regular and special education, transportation, food services, adult education and administration. Property taxes, state formula aid and fees charged, finance most of these activities.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.
- The District establishes other funds to control and manage money for particular purposes (like food services and adult education) or to show that it is properly using certain revenues.

The District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements 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. Because this information does not encompass the additional long-term focus of the Government-Wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's combined net position was \$441,152,917 on June 30, 2024, increasing by \$56,970,235 (see Table A-1).

Table A-1

	Governmental Activities	
	2024	2023
<b>Assets</b>		
Current and other assets	\$ 423,513,473	\$ 398,479,792
Capital assets	543,416,030	517,839,714
Total assets	966,929,503	916,319,506
Deferred Outflows of Resources	110,760,214	89,217,420
<b>Liabilities</b>		
Current liabilities	42,445,432	46,467,309
Long-term liabilities	566,734,614	539,079,328
Total liabilities	609,180,046	585,546,637
Deferred Inflows of Resources	27,356,754	35,807,607
<b>Net Position</b>		
Net investment in capital assets	316,623,071	290,333,488
Restricted	157,222,633	153,636,336
Unrestricted (deficit)	(32,692,787)	(59,787,142)
Total net position	\$ 441,152,917	\$ 384,182,682

**Changes in net position.** The District's total governmental revenues were \$497,413,227 (see Table A-2). Property taxes and state aid formula accounted for most of the District's revenue, with federal and state unrestricted aid contributing \$276,483,320 and property taxes contributing \$50,844,922. Another \$145,657,353 came from operating grants, \$7,644,277 came from capital grants, \$1,783,651 came from fees charged for services, and \$14,999,704 came from miscellaneous sources including developer fees.

The total cost of all governmental programs and services was \$440,442,992. The District's expenses are primarily related to educating and caring for students (78 percent). The purely administrative activities of the District accounted for just six percent of the total cost.

Total revenues surpassed expenses, increasing net position \$56,970,235 over last year. Governmental activities contributed to the District's healthier fiscal status.

Table A-2

	Governmental Activities	
	2024	2023
<b>Revenues</b>		
Program revenues		
Charges for services and sales	\$ 1,783,651	\$ 2,480,444
Operating grants and contributions	145,657,353	195,254,815
Capital grants and contributions	7,644,277	6,109,790
General revenues		
Federal and State aid not restricted	276,483,320	254,186,361
Property taxes	50,844,922	46,610,845
Other general revenues	14,999,704	3,712,120
<b>Total revenues</b>	<b>497,413,227</b>	<b>508,354,375</b>
<b>Expenses</b>		
Instruction-related	268,904,367	234,174,001
Pupil services	75,465,593	58,562,272
Administration	27,768,889	37,986,707
Plant services	33,552,902	31,673,924
All other services	34,751,241	29,252,214
<b>Total expenses</b>	<b>440,442,992</b>	<b>391,649,118</b>
Change in net position	<b>\$ 56,970,235</b>	<b>\$ 116,705,257</b>

### Governmental Activities

The District strives to uphold its fiduciary duties by protecting and preserving the fiscal prosperity of the District. Adherence to the Madera Unified mission statement of establishing a financially sound and effective organization plays a pivotal role in creating a safe and orderly learning environment, that will result in the greatest student achievement. Our goal is long-term stability to ensure that our focus remain true to providing a quality education, and safe and appropriate facilities for our students.

Table A-3 presents the cost of the District's major activities: instruction-related, pupil services, administration, plant services, and all other services. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table A-3	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction-related	\$ 268,904,367	\$ 234,174,001	\$ (177,897,097)	\$ (98,870,492)
Pupil services	75,465,593	58,562,272	(40,540,501)	(22,448,729)
Administration	27,768,889	37,986,707	(19,238,090)	(27,482,562)
Plant services	33,552,902	31,673,924	(28,574,785)	(28,690,458)
All other services	34,751,241	29,252,214	(19,107,238)	(10,311,828)
Total	<u>\$ 440,442,992</u>	<u>\$ 391,649,118</u>	<u>\$ (285,357,711)</u>	<u>\$ (187,804,069)</u>

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The strong financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$381,068,041 which was an increase of \$29,055,558 over the prior year. Below is a summary of some of the changes:

Table A-4	Balances and Activity			
		Revenues and Other Financing Sources	Expenditures and Other Financing Uses	
Governmental Fund	July 1, 2023			June 30, 2024
General	\$ 165,146,811	\$ 439,722,211	\$ 419,962,153	\$ 184,906,869
Building	37,928,303	1,820,559	7,824,174	31,924,688
County School Facilities	50,197,232	9,016,830	6,124,343	53,089,719
Special Reserve for Capital Outlay Projects	72,873,469	23,460,292	10,751,534	85,582,227
Non-Major Governmental Funds:				
Student Activities	841,779	1,211,965	1,100,537	953,207
Adult Education	550,415	1,919,479	1,863,520	606,374
Child Development	512,349	4,705,244	3,668,022	1,549,571
Cafeteria	7,772,774	22,806,139	24,987,238	5,591,675
Capital Facilities	7,028,003	3,319,437	4,403,737	5,943,703
Bond Interest and Redemption	8,419,293	12,904,059	11,190,562	10,132,790
COP Debt Service	742,055	78,208,766	78,163,603	787,218
Total	<u>\$ 352,012,483</u>	<u>\$ 599,094,981</u>	<u>\$ 570,039,423</u>	<u>\$ 381,068,041</u>

- The increase in the General Fund Balance of \$19,760,058 is due primarily to an increase in Local Control Funding Formula, state learning loss mitigation funds, and cost management.
- The Building Fund decreased by \$6,003,615 due to continued construction costs.
- The County School Facilities Fund increased by \$2,892,487 due to an increase in interest.
- The Special Reserve Fund for Capital Outlay Projects increased by \$12,708,758 due to contributions from the General Fund for future capital projects.

### **General Fund Budgetary Highlights**

Four budget periods occur during the year, as the District revises its budget and addresses any changes in revenues and expenditures. The Budget Advisory Committee members met four times during this fiscal year. The committee reviewed the budget and discussed the financial process. Federal and State revenue revisions were made during the year, increasing estimates as it became apparent that actual increases would be realized. Corresponding expenditure revisions were implemented to reflect increasing estimates. For 2024-2025, the committee is scheduled to meet four times. The committee includes Governing Board members, community members, and District administrators. Our goal is transparency, timely information, and community and District input.

The District budgeted a decrease in General Fund balance of \$20,894,852. Revenues and sources were \$3,367,431 less than budgeted and expenditures and uses were \$44,022,341 less than budgeted, leaving the fund with an increase of \$19,760,058.

## **CAPITAL ASSETS AND LONG-TERM LIABILITIES**

### **Capital Assets**

By the end of fiscal year 2024, the District had invested \$543,416,030 in a broad range of capital assets, right-to-use leased assets, and right-to-use subscription IT assets (net of depreciation and amortization), including land and construction in progress, buildings and land improvements, furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets (see Table A-5). This amount represents an increase of \$25,576,316 (net of accumulated depreciation and amortization) over last year. The additions mostly included completion of construction projects at Matilda Torres High School and various other modernizations that are ongoing.

Table A-5

	Governmental Activities	
	2024	2023
Land and construction in progress	\$ 81,485,210	\$ 51,765,095
Buildings and land improvements	427,376,046	433,598,487
Furniture and equipment	23,771,754	21,470,162
Right-to-use leased assets	10,464,758	10,742,622
Right-to-use subscription IT assets	318,262	263,348
Total	<u>\$ 543,416,030</u>	<u>\$ 517,839,714</u>

We present more detailed information about our capital assets, right-to-use leased assets, and right-to-use subscription IT assets in the Notes to Financial Statements.

### Long-Term Liabilities

At year-end the District had \$566,734,614 long-term liabilities outstanding – an increase of 5.13% from last year (see Table A-6).

Table A-6

	Governmental Activities	
	2024	2023
Long-Term Liabilities		
General obligation bonds	\$ 175,945,187	\$ 179,953,873
Certificates of participation	72,795,000	82,970,000
Unamortized debt premiums	18,385,245	13,736,692
Financed purchase agreement	930,347	1,281,317
Leases	11,934,014	11,726,598
Classified early retirement liabilities	622,269	894,660
PARS early retirement program	1,378,139	2,067,208
Compensated absences	737,255	681,680
Net OPEB liability	22,874,729	23,257,774
Aggregate net pension liability	<u>261,132,429</u>	<u>222,509,526</u>
Total	<u>\$ 566,734,614</u>	<u>\$ 539,079,328</u>

The District's Moody's bond rating as of the most recent bond issuance was "Aa3". In addition, the District's certificates of participation S&P rating at the time of their last issuance was "AA".

At year-end, the District has an aggregate net pension liability of \$261,132,429 versus \$222,509,526 last year, an increase of \$38,622,903. The District also reported deferred outflows of resources from pension activities of \$102,983,885, and deferred inflows of resources from pension activities of \$16,942,636. This results in a net reduction to the District's net position related to the pension activities of \$175,091,180.

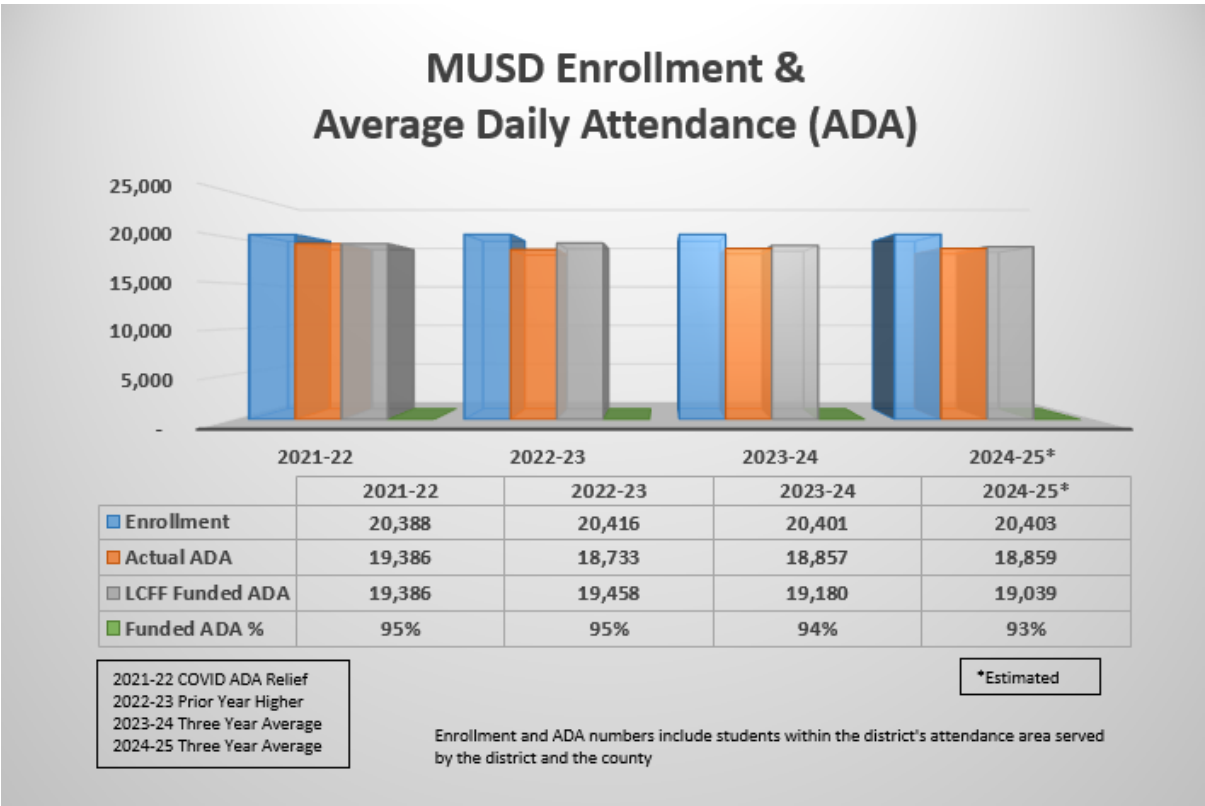
We present more detailed information about our long-term liabilities in the Notes to Financial Statements.



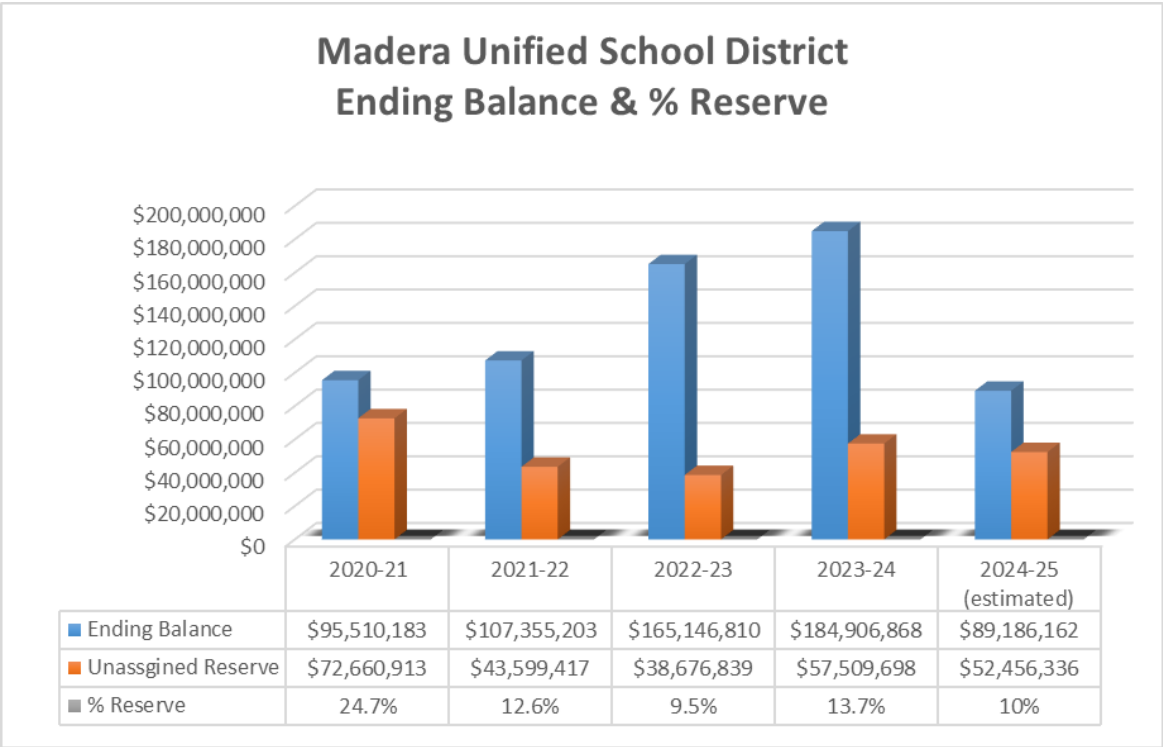
FACTORS BEARING ON THE DISTRICT’S FUTURE

The District closely monitors its budget every month and has a multi-year projection for three years. The Local Control Funding Formula (LCFF) calculator is updated four times per year and revenue projections are evaluated. The 2023-2024 LCFF revenue included an 8.22% cost-of-living (COLA), while the LCFF for 2024-2025 will be funded with 1.07% COLA only. The list below are factors that could impact financial stability in the future:

- The 2023-2024 enrollment reflected in the LCFF calculator is 20,402, this count includes 20,142 students served by the District and 260 students served by the county office of education (COE). The actual average daily attendance (ADA) was reported at 18,857 for this year. The District was funded using the last three-prior year average of 19,180 ADA.
- The 2024-2025 school year began on August 12, 2024. The District will be reporting enrollment on the census day, the first Wednesday in October to the California Longitudinal Pupil Achievement Data System (CALPADS). The enrollment projection for this school year was estimated at 20,403. This count includes 20,143 students for the District and 260 from the COE. The District’s enrollment has not seen the pre-pandemic growth, for this reason, a conservative approach is been used to estimate future enrollment. The Local Control Funding Formula (LCFF) has been calculated using the estimated funded ADA at 19,039.



- The District in collaboration with its union partners were able to negotiate a two-year settlement expiring on June 30, 2024. All employees received a 6% salary increase in 2022-2023 and 4% salary increase for 2023-2024. Negotiations for fiscal year 2024-25 are still pending.
- We continue the construction plans for the King Hussein School, a new K-8 elementary school. The school opening is estimated for August 2026. The Torres High School stadium and the solar system project at all our schools and some departments have been completed. The plans to develop a new athletic complex and to upgrade school facilities for the Expanded Learning Opportunities Program are underway. These upgrades will include modernization to the athletic fields and new sound systems and lights in the cafeteria stages to offer highly engaging after school activities.
- Increases in Step/Column, CalSTRS, and CalPERS and Health/Welfare costs continue to be monitored and are a major concern of the District. These increases are included in the multi-year projection which includes the current fiscal year and two future years. The multi-year projection is fundamental for financial and budget decisions related to future educational services for the students of Madera Unified School District.
- The General Fund ending balance as of June 30, 2024, is \$185 million and a reserve of 13.7%. The ending balance includes \$105 million from Unrestricted funds and \$80 million from Restricted funds. The focus will be on maximizing the use of One-Time funds due to the restrictive nature and reserve local resources for future expenditures.
- As part of the recently enacted 2024-2025 Budget Act, the final budget included withdrawals from the PSSSA to fund programs in 2023-2024 thereby eliminating the balance in the Public School System Stabilization Account (PSSSA). In accordance with EC Section 42127.01(e), the statutory limitation on school district reserves is no longer in effect for the 2024-2025 budget period. The District will continue to maintain a minimum of 10% reserve.
- The Governing Board has committed a portion of the ending balance with resolution No.41-2021-2022 to protect the Board goals and District initiatives. The committed funds are excluded from the reserve calculation. The committed reserve funds include the following:
  - Unrestricted Lottery Textbooks - \$10.4 million
  - LCFF Concentration Funds - \$13.6 million
  - Unrestricted LCFF Funds - \$22 million (to cover salaries & benefits currently paid with One-Time Funds until 2028)
- The District's ending balance in the General Fund shows the good management of the District's finances and the prudence of the Governing Board's decisions. Maintaining a healthy reserve allows the District to manage cash flow, mitigate funding, address unexpected costs, save for large purchases, and reduce borrowing costs.



The District has been awarded a total of \$201 million in COVID-19 Relief funds and other One-Time Funds. These funds have brought an opportunity for the District to find ways to take advantage of this unique situation to benefit the District in future years. Using this approach, the District is maximizing the use of these funds to fund new programs such as Elementary Elective classes, Teacher Mentor program, after-school tutoring, Year-Round certificated substitutes and Strategic Academic Planning at all schools.

All the COVID-19 Relief funds have depleted in 2023-2024. The only grants left are the Arts, Music and Instructional Supplies with \$7.7 million and the Learning Recovery Emergency Block Grant with \$25.8 million. The table below shows the prior year expenditures and the current year budgeted amounts. Any funds not spent in the current year will carry over to future years until the funds are depleted, making sure they are spent by the deadline.

Resource	Fund Type	Deadline	Award Amount	Spent 2020-2024	Budgeted 2024-25*	Balance
32200	LLM - CRF	5/31/2021	\$ 21,376,099	\$ 21,376,099	\$ -	\$ -
74200	LLM - Prop 98	6/30/2021	\$ 1,926,829	\$ 1,926,829	\$ -	\$ -
32100	ESSER I	9/30/2022	\$ 7,079,582	\$ 7,079,582	\$ -	\$ -
32110	ESSER Comm School	9/30/2022	\$ 999,999	\$ 999,999	\$ -	\$ -
32150	LLM - GEER	9/30/2022	\$ 828,940	\$ 828,940	\$ -	\$ -
32120	ESSER II	9/30/2023	\$ 30,562,526	\$ 30,562,526	\$ -	\$ -
32160	ELO-G (State Reserve)	9/30/2023	\$ 2,424,773	\$ 2,424,773	\$ -	\$ -
32170	ELO-G (ESSER II)	9/30/2023	\$ 559,493	\$ 559,493	\$ -	\$ -
74220	IPI	9/30/2024	\$ 8,695,440	\$ 8,695,440	\$ -	\$ -
74250	ELO-G*	9/30/2024	\$ 7,482,227	\$ 7,482,227	\$ -	\$ -
74260	ELO-G - Paras*	9/30/2024	\$ 1,572,979	\$ 1,572,979	\$ -	\$ -
32180	ELO-G (ESSER III)	9/30/2024	\$ 1,558,941	\$ 1,558,941	\$ -	\$ -
32190	ELO-G (Learning Loss)	9/30/2024	\$ 2,687,345	\$ 2,687,345	\$ -	\$ -
32130	ESSER III	9/30/2024	\$ 54,962,207	\$ 54,962,207	\$ -	\$ -
32140	ESSER III (LLM)	9/30/2024	\$ 13,740,552	\$ 13,740,552	\$ -	\$ -
67620	Arts, Music & IM Grant	6/30/2026	\$ 11,345,832	\$ 3,585,157	\$ 7,760,675	\$ -
74350	Learning Recovery Grant	6/30/2028	\$ 32,913,163	\$ 7,023,895	\$ 25,889,268	\$ -
			\$ -	\$ -		\$ -
			<b>\$ 200,716,927</b>	<b>\$ 167,066,984</b>	<b>\$ 33,649,943</b>	<b>\$ -</b>

\*Budgeted amounts includes the following:

Encumbered:	\$ 12,230,858
Spent:	\$ 1,885,710
Available Budget:	\$ 19,533,375
	<b>\$ 33,649,943</b>

Madera Unified School District's goal is to maintain a balanced budget, minimal debt, competitive salaries; and most importantly, rigorous programs and high-quality education for our students.

#### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Madera Unified School District, 1902 Howard Road, Madera, California 93637.

Madera Unified School District  
Statement of Net Position  
June 30, 2024

	<u>Governmental Activities</u>
Assets	
Deposits and investments	\$ 405,589,231
Receivables	16,398,363
Prepaid expense	106,443
Stores inventories	1,419,436
Capital assets not depreciated or amortized	81,485,210
Capital assets, net of accumulated depreciation and amortization	<u>461,930,820</u>
Total assets	<u>966,929,503</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to OPEB	7,776,329
Deferred outflows of resources related to pensions	<u>102,983,885</u>
Total deferred outflows of resources	<u>110,760,214</u>
Liabilities	
Accounts payable	30,543,689
Unearned revenue	11,901,743
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	10,979,427
Long-term liabilities other than OPEB and pensions due in more than one year	271,748,029
Net other postemployment benefits liability (OPEB)	22,874,729
Aggregate net pension liabilities	<u>261,132,429</u>
Total liabilities	<u>609,180,046</u>
Deferred Inflows of Resources	
Deferred charge on refunding	3,328,491
Deferred inflows of resources related to OPEB	7,085,627
Deferred inflows of resources related to pensions	<u>16,942,636</u>
Total deferred inflows of resources	<u>27,356,754</u>
Net Position	
Net investment in capital assets	316,623,071
Restricted for	
Debt service	10,920,008
Capital projects	59,033,422
Educational programs	81,602,887
Child nutrition	4,713,109
Student activities	953,207
Unrestricted (deficit)	<u>(32,692,787)</u>
Total net position	<u><u>\$ 441,152,917</u></u>

Madera Unified School District

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 223,435,783	\$ 12,074	\$ 69,289,598	\$ 7,644,277	\$ (146,489,834)
Instruction-related activities					
Supervision of instruction	17,653,555	5,849	11,596,012	-	(6,051,694)
Instructional library, media, and technology	3,033,642	2,070	77,521	-	(2,954,051)
School site administration	24,781,387	200	2,379,669	-	(22,401,518)
Pupil services					
Home-to-school transportation	9,676,526	-	-	-	(9,676,526)
Food services	25,867,487	157,709	21,956,219	-	(3,753,559)
All other pupil services	39,921,580	21,158	12,790,006	-	(27,110,416)
Administration					
Data processing	6,684,309	-	276,113	-	(6,408,196)
All other administration	21,084,580	6,274	8,248,412	-	(12,829,894)
Plant services	33,552,902	883,083	4,095,034	-	(28,574,785)
Ancillary services	16,292,554	-	11,588,412	-	(4,704,142)
Enterprise services	350,843	-	-	-	(350,843)
Interest on long-term liabilities	11,486,616	-	-	-	(11,486,616)
Other outgo	6,621,228	695,234	3,360,357	-	(2,565,637)
Total governmental activities	<u>\$ 440,442,992</u>	<u>\$ 1,783,651</u>	<u>\$ 145,657,353</u>	<u>\$ 7,644,277</u>	<u>(285,357,711)</u>
General Revenues and Subventions					
Property taxes, levied for general purposes					36,849,554
Property taxes, levied for debt service					12,640,714
Taxes levied for other specific purposes					1,354,654
Federal and State aid not restricted to specific purposes					276,483,320
Interest and investment earnings					12,925,037
Interagency revenues					675,555
Miscellaneous					<u>1,399,112</u>
Subtotal, general revenues and subventions					<u>342,327,946</u>
Change in Net Position					56,970,235
Net Position - Beginning					<u>384,182,682</u>
Net Position - Ending					<u>\$ 441,152,917</u>

Madera Unified School District  
Balance Sheet – Governmental Funds  
June 30, 2024

	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Deposits and investments	\$ 230,872,082	\$ 34,648,477	\$ 50,591,039	\$ 65,829,997	\$ 23,647,636	\$ 405,589,231
Receivables	13,307,350	-	-	-	3,091,013	16,398,363
Due from other funds	1,065,312	-	2,705,488	20,000,000	126,911	23,897,711
Prepaid expenditures	106,443	-	-	-	-	106,443
Stores inventories	544,010	-	-	-	875,426	1,419,436
<b>Total assets</b>	<b>\$ 245,895,197</b>	<b>\$ 34,648,477</b>	<b>\$ 53,296,527</b>	<b>\$ 85,829,997</b>	<b>\$ 27,740,986</b>	<b>\$ 447,411,184</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 29,471,795	\$ 18,301	\$ 206,808	\$ 247,770	\$ 599,015	\$ 30,543,689
Due to other funds	20,126,911	2,705,488	-	-	1,065,312	23,897,711
Unearned revenue	11,389,622	-	-	-	512,121	11,901,743
<b>Total liabilities</b>	<b>60,988,328</b>	<b>2,723,789</b>	<b>206,808</b>	<b>247,770</b>	<b>2,176,448</b>	<b>66,343,143</b>
<b>Fund Balances</b>						
Nonspendable	700,453	-	-	-	880,566	1,581,019
Restricted	80,053,316	31,924,688	53,089,719	-	24,079,598	189,147,321
Committed	46,067,496	-	-	-	287,489	46,354,985
Assigned	682,348	-	-	85,582,227	316,885	86,581,460
Unassigned	57,403,256	-	-	-	-	57,403,256
<b>Total fund balances</b>	<b>184,906,869</b>	<b>31,924,688</b>	<b>53,089,719</b>	<b>85,582,227</b>	<b>25,564,538</b>	<b>381,068,041</b>
<b>Total liabilities and fund balances</b>	<b>\$ 245,895,197</b>	<b>\$ 34,648,477</b>	<b>\$ 53,296,527</b>	<b>\$ 85,829,997</b>	<b>\$ 27,740,986</b>	<b>\$ 447,411,184</b>

Madera Unified School District  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2024

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Total Fund Balance - Governmental Funds		\$ 381,068,041
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 712,732,692	
Accumulated depreciation and amortization is	<u>(169,316,662)</u>	
Net capital assets		543,416,030
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Net other postemployment benefits (OPEB) liability	7,776,329	
Aggregate net pension liability	<u>102,983,885</u>	
Total deferred outflows of resources		110,760,214
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Debt refundings (deferred charge on refunding)	(3,328,491)	
Net other postemployment benefits (OPEB) liability	(7,085,627)	
Aggregate net pension liability	<u>(16,942,636)</u>	
Total deferred inflows of resources		(27,356,754)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(261,132,429)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(22,874,729)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
General obligation bonds including unamortized premiums	(164,323,621)	
Certificates of participation	(78,201,174)	
Financed purchase agreement	(930,347)	
Leases	(11,934,014)	
Classified early retirement program	(622,269)	
PARS early retirement program	(1,378,139)	
Compensated absences	(737,255)	
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	<u>(24,600,637)</u>	
Total long-term liabilities		<u>(282,727,456)</u>
Total net position - governmental activities		<u>\$ 441,152,917</u>



**Madera Unified School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds**  
**Year Ended June 30, 2024**

	General Fund	Building Fund	County School Facilities Fund
<b>Revenues</b>			
Local Control Funding Formula (LCFF)	\$ 306,444,751	\$ -	\$ -
Federal sources	46,761,233	-	-
Other State sources	67,619,595	-	6,547,340
Other local sources	18,246,690	1,820,559	2,469,490
Total revenues	<u>439,072,269</u>	<u>1,820,559</u>	<u>9,016,830</u>
<b>Expenditures</b>			
Current			
Instruction	210,603,512	-	-
Instruction-related activities			
Supervision of instruction	16,416,976	-	-
Instructional library, media, and technology	2,898,109	-	-
School site administration	23,160,184	-	-
Pupil services			
Home-to-school transportation	9,253,717	-	-
Food services	971,082	-	-
All other pupil services	38,024,310	-	-
Administration			
Data processing	6,552,262	-	-
All other administration	19,293,585	-	-
Plant services	40,095,195	-	-
Ancillary services	14,559,875	-	-
Other outgo	6,621,228	-	-
Enterprise services	335,905	-	-
Facility acquisition and construction	4,093,086	7,824,174	6,124,343
Debt service			
Principal	745,992	-	-
Interest and other	335,760	-	-
Total expenditures	<u>393,960,778</u>	<u>7,824,174</u>	<u>6,124,343</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>45,111,491</u>	<u>(6,003,615)</u>	<u>2,892,487</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	47,504	-	-
Proceeds from COP issuance, par	-	-	-
Proceeds from COP issuance, premium	-	-	-
Sources from leases	322,556	-	-
Sources from subscription-based IT arrangements	279,882	-	-
Payments into escrow for refunding	-	-	-
Transfers out	(26,001,375)	-	-
Net Financing Sources (Uses)	<u>(25,351,433)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	19,760,058	(6,003,615)	2,892,487
Fund Balance - Beginning	165,146,811	37,928,303	50,197,232
Fund Balance - Ending	<u>\$ 184,906,869</u>	<u>\$ 31,924,688</u>	<u>\$ 53,089,719</u>

**Madera Unified School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds**  
**Year Ended June 30, 2024**

	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Local Control Funding Formula (LCFF)	\$ -	\$ -	\$ 306,444,751
Federal sources	-	18,467,386	65,228,619
Other State sources	-	10,497,307	84,664,242
Other local sources	2,460,292	17,934,839	42,931,870
Total revenues	<u>2,460,292</u>	<u>46,899,532</u>	<u>499,269,482</u>
Expenditures			
Current			
Instruction	-	3,523,689	214,127,201
Instruction-related activities			
Supervision of instruction	-	486,380	16,903,356
Instructional library, media, and technology	-	-	2,898,109
School site administration	-	601,472	23,761,656
Pupil services			
Home-to-school transportation	-	-	9,253,717
Food services	-	23,851,612	24,822,694
All other pupil services	-	74,357	38,098,667
Administration			
Data processing	-	-	6,552,262
All other administration	-	908,696	20,202,281
Plant services	118,982	1,083,124	41,297,301
Ancillary services	-	1,100,537	15,660,412
Other outgo	-	-	6,621,228
Enterprise services	-	-	335,905
Facility acquisition and construction	10,632,552	3,168,168	31,842,323
Debt service			
Principal	-	8,185,000	8,930,992
Interest and other	-	10,149,165	10,484,925
Total expenditures	<u>10,751,534</u>	<u>53,132,200</u>	<u>471,793,029</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,291,242)</u>	<u>(6,232,668)</u>	<u>27,476,453</u>
Other Financing Sources (Uses)			
Transfers in	21,000,000	6,178,890	27,226,394
Proceeds from COP issuance, par	-	63,045,000	63,045,000
Proceeds from COP issuance, premium	-	8,951,667	8,951,667
Sources from leases	-	-	322,556
Sources from subscription-based IT arrangements	-	-	279,882
Payments into escrow for refunding	-	(71,020,000)	(71,020,000)
Transfers out	-	(1,225,019)	(27,226,394)
Net Financing Sources (Uses)	<u>21,000,000</u>	<u>5,930,538</u>	<u>1,579,105</u>
Net Change in Fund Balances	12,708,758	(302,130)	29,055,558
Fund Balance - Beginning	<u>72,873,469</u>	<u>25,866,668</u>	<u>352,012,483</u>
Fund Balance - Ending	<u>\$ 85,582,227</u>	<u>\$ 25,564,538</u>	<u>\$ 381,068,041</u>

# Madera Unified School District

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2024

Total Net Change in Fund Balances - Governmental Funds	\$ 29,055,558
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Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expense in the Statement of Activities.

This is the amount by which capital outlay exceeds depreciation and amortization expense in the period.

Capital outlay	\$ 42,283,886
Depreciation and amortization expense	<u>(16,707,570)</u>

Net expense adjustment	25,576,316
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The District issued capital appreciation general obligations bonds. The accretion of interest on the general obligation bonds during the current fiscal year was	(1,976,314)
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Right-to-use leased assets acquired this year were financed with leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.	(322,556)
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Right-to-use subscription IT assets acquired this year were financed with Subscription-Based IT Arrangements (SBITAs). The amount financed by the SBITAs is reported in the governmental funds as a source of financing. On the other hand, the SBITAs are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.	(279,882)
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In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) and special termination benefits (early retirements) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Special termination benefits is the difference between the amount awarded and the amount paid. Compensated absences is the difference between vacation earned and used.	905,885
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# Madera Unified School District

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2024

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and aggregate net pension liability during the year.	(4,522,028)
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.	(395,692)
Proceeds received from certificates of participation are a revenue in the governmental funds, but increase long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.	(63,045,000)
Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium on issuance recognized	(8,951,667)
Premium amortization	4,303,114
Deferred charge on refunding amortization	(3,328,491)
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	5,985,000
Certificates of participation	73,220,000
Financed purchase agreement	350,970
Leases	115,140
Subscription-based IT arrangements	279,882
Change in net position of governmental activities	<u>\$ 56,970,235</u>

**Note 1 - Summary of Significant Accounting Policies****Financial Reporting Entity**

The Madera Unified School District (the District) was established in 1966, under the laws of the State of California. The District operates under a locally-elected seven-member Board form of government and provides educational services to grades K - 12 and adults, as mandated by the State and/or Federal agencies. The District operates eighteen elementary schools, three middle schools, three comprehensive high schools, two alternative education schools, one community day school, and one adult education school.

A reporting entity is comprised of the primary government 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, boards, and agencies that are not legally separate from the District. For Madera Unified School District, this includes general operations, food service, and student related activities of the District.

**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. For financial reporting purposes, the component unit described below has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 80, Blending Requirements For Certain Component Units and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the benefit of the District.

The Madera Unified School District Financing Corporation financial activity is presented in the financial statements as the COP Debt Service Fund. Certificates of participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements.

**Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are all governmental.

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

**Major Governmental Funds**

**General Fund** The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

**Building Fund** The Building 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.

**County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

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

**Non-Major Governmental Funds**

**Special Revenue Funds** The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activities Fund** The Student Activities Fund is used to account separately for local revenues generated for and expenditures used by school sites to support their student body activities including student clubs, general operations, scholarships and athletics.
- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.
- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is 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).

**Capital Project Funds** The Capital Project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

**Debt Service Funds** The Debt Service funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term liabilities.

- **Bond Interest and Redemption Fund** The Bond Interest and Redemption Fund is used for the repayment of bonds issued for the District (*Education Code* Sections 15125-15262).
- **COP Debt Service Fund** The COP Debt Service Fund is used to account for the interest and redemption of principal of Certificates of Participation.

#### **Basis of Accounting - Measurement Focus**

**Government-Wide Financial Statements** The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which differs from the manner in which governmental fund financial statements are prepared.

The government-wide *Statement of Activities* presents a comparison between expenses, both direct and indirect, and program revenues for each governmental function. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation of capital assets and amortization of leased assets and subscription IT assets. 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 the 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. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position 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.

**Fund Financial Statements** Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major governmental funds are aggregated and presented in a single column.

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

**Revenues – Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on 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 that 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. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**Unearned Revenue** Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.



**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

### **Investments**

Investments held 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 pools are determined by the program sponsor.

The District's investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

### **Prepaid Expenditures (Expenses)**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

### **Stores Inventories**

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental type funds when consumed rather than when purchased.

### **Capital Assets, Depreciation, and Amortization**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. 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, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

### **Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the *Statement of Net Position*.

### **Compensated Absences**

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

### **Accrued Liabilities and Long-Term Liabilities**

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide financial statements. 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 liabilities of the governmental funds.

However, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

### **Debt Issuance Costs and Premiums**

In the government-wide financial statements, long-term liabilities are reported as liabilities in the governmental activities statement of net position. Debt premiums related to those obligations are deferred and amortized over the life of the bonds using the straight-line method.

In governmental fund financial statements, debt premiums, as well as debt issuance costs are recognized in the period the debt is issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for pension related items and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for deferred charges on refunding of debt, for pension related items and for OPEB related items.

The deferred amounts related to pension and OPEB relate to differences between expected and actual experience, changes of assumptions, and other pension and OPEB related changes.

### **Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District Plan and the MPP's fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

**Leases**

The District recognizes a lease liability and an intangible right-to-use leased asset (leased asset) in the government-wide financial statements. At the commencement of the lease term, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over the lease term or useful life of the underlying asset.

**Subscriptions**

The District recognizes a subscription liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the subscription term, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over the subscription term or useful life of the underlying asset.

**Fund Balances - Governmental Funds**

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

**Nonspendable** - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business official may assign amounts for specific purposes.

**Unassigned** - all other spendable amounts.

### **Spending Order Policy**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

### **Minimum Fund Balance Policy**

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted one-time expenditures. The policy states that the District intends to maintain unassigned fund balance, which includes a reserve for economic uncertainties, of no more than ten percent of the District's General Fund expenditures and other financing uses.

### **Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of 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. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$157,222,633 of restricted net position.

### **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 on the financial statements. Interfund transfers are eliminated in the governmental activities column of the *Statement of Activities*.

## 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.

## 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 of Madera bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

## Note 2 - Deposits and Investments

### Summary of Deposits and Investments

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

Governmental funds	<u><u>\$ 405,589,231</u></u>
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Deposits and investments as of June 30, 2024, consist of the following:

Cash on hand and in banks	\$ 739,860
Cash in revolving	55,140
Investments	<u>404,794,231</u>
Total deposits and investments	<u><u>\$ 405,589,231</u></u>

## 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; and collateralized mortgage obligations.

**Investment in County Treasury** - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts 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.

### General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

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

### 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 has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchases a combination of shorter term and longer term investments and which also times cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of \$404,794,231 in the Madera County Treasury Investment Pool that has an average weighted maturity of 653 days.

**Credit Risk - Investments**

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment with the Madera County Treasury Investment Pool is currently not rated, nor is it required to be rated.

**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 (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, \$502,775 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

**Note 3 - Receivables**

Receivables at June 30, 2024, consisted of intergovernmental grants, entitlements, and local sources. All receivables are considered collectible in full.

	General Fund	Non-Major Governmental Funds	Total
Federal Government			
Categorical aid	\$ 10,746,339	\$ 2,303,968	\$ 13,050,307
State Government			
Categorical aid	2,120,547	741,127	2,861,674
Local Sources	440,464	45,918	486,382
Total	<u>\$ 13,307,350</u>	<u>\$ 3,091,013</u>	<u>\$ 16,398,363</u>



**Note 4 - Capital Assets**

Capital assets activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated or amortized				
Land	\$ 22,493,332	\$ 2,345,926	\$ -	\$ 24,839,258
Construction in progress	29,271,763	32,831,098	(5,456,909)	56,645,952
Total capital assets not being depreciated or amortized	51,765,095	35,177,024	(5,456,909)	81,485,210
Capital assets being depreciated and amortized				
Land improvements	26,795,145	1,304,552	-	28,099,697
Buildings and improvements	524,489,711	4,652,338	-	529,142,049
Furniture and equipment	55,585,469	6,004,443	(33,315)	61,556,597
Right-to-use leased buildings and improvements	11,318,020	322,556	-	11,640,576
Right-to-use leased furniture and equipment	133,659	-	-	133,659
Right-to-use subscription IT assets	395,022	279,882	-	674,904
Total capital assets being depreciated and amortized	618,717,026	12,563,771	(33,315)	631,247,482
Total capital assets	670,482,121	47,740,795	(5,490,224)	712,732,692
Accumulated depreciation and amortization				
Land improvements	(13,599,095)	(1,278,511)	-	(14,877,606)
Buildings and improvements	(104,087,274)	(10,900,820)	-	(114,988,094)
Furniture and equipment	(34,115,307)	(3,702,851)	33,315	(37,784,843)
Right-to-use leased buildings and improvements	(666,095)	(581,326)	-	(1,247,421)
Right-to-use leased furniture and equipment	(42,962)	(19,094)	-	(62,056)
Right-to-use subscription IT assets	(131,674)	(224,968)	-	(356,642)
Total accumulated depreciation and amortization	(152,642,407)	(16,707,570)	33,315	(169,316,662)
Net depreciable and amortizable capital assets	466,074,619	(4,143,799)	-	461,930,820
Governmental activities capital assets, net	\$ 517,839,714	\$ 31,033,225	\$ (5,456,909)	\$ 543,416,030

Depreciation and amortization expense were charged to governmental functions as follows:

Governmental Activities	
Instruction	\$ 8,346,317
Supervision of instruction	648,470
Instructional library, media, and technology	111,181
School site administration	911,577
Home-to-school transportation	355,004
Food services	952,282
All other pupil services	1,461,594
Ancillary services	600,786
Enterprise	12,886
All other administration	775,028
Data processing	345,024
Plant services	2,187,421
	<u>2,187,421</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 16,707,570</u>

## Note 5 - Interfund Transactions

### Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2024, between major and non-major governmental funds are as follows:

Funds	Due from Other Funds	Due to Other Funds
Major Governmental Funds		
General	\$ 1,065,312	\$ 20,126,911
Building	-	2,705,488
County School Facilities	2,705,488	-
Special Reserve Fund for Capital Outlay Projects	20,000,000	-
Non-Major Governmental Funds		
Adult Education	-	75,913
Child Development	100,488	396,033
Cafeteria	26,423	545,862
Capital Facilities	-	47,504
	<u>-</u>	<u>47,504</u>
Total	<u>\$ 23,897,711</u>	<u>\$ 23,897,711</u>

# Madera Unified School District

Notes to Financial Statements

June 30, 2024

The General Fund owes the Special Reserve Fund for Capital Outlay Projects for capital project costs.	\$ 20,000,000
The General Fund owes the Child Development Non-Major Governmental Fund for a temporary loan.	100,488
The General Fund owes the Cafeteria Non-Major Governmental Fund for indirect costs.	26,423
The Adult Education Non-Major Governmental Fund owes the General Fund for miscellaneous costs.	75,913
The Child Development Non-Major Governmental Fund owes the General Fund for indirect cost.	313,350
The Child Development Non-Major Governmental Fund owes the General Fund for an expense transfer.	82,683
The Cafeteria Non-Major Governmental Fund owes the General Fund for indirect costs.	537,780
The Cafeteria Non-Major Governmental Fund owes the General Fund for miscellaneous costs.	8,082
The Building Fund owes the County School Facilities Fund for capital project costs.	2,705,488
The Capital Facilities Non-Major Governmental Fund owes the General Fund for the allowable three percent developer administration fee.	47,504
	<u>47,504</u>
Total Interfund Receivables/Payables	<u>\$ 23,897,711</u>

## Operating Transfers

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2024, consist of the following:

The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for future new school construction needs.	\$ 21,000,000
The General Fund transferred to the COP Debt Service Non-Major Governmental Fund for the annual COP debt service payment.	5,001,375
The Capital Facilities Non-Major Governmental Fund transferred to the COP Debt Service Non-Major Governmental Fund for debt service payment.	1,177,515
The Capital Facilities Non-Major Governmental Fund transferred to the General Fund for the allowable three percent developer administration fee.	47,504
	<u>47,504</u>
Total	<u>\$ 27,226,394</u>

**Note 6 - Prepaid Expenditures**

Prepaid expenditures at June 30, 2024, consist of the following:

	General Fund
Travel and conferences	\$ 106,443

**Note 7 - Accounts Payable**

Accounts payable at June 30, 2024, consist of the following:

	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Vendor payables	\$ 18,195,792	\$ 18,301	\$ 206,808	\$ 247,770	\$ 512,712	\$ 19,181,383
LCFF apportionment	2,504,632	-	-	-	-	2,504,632
Accrued salaries and benefits	8,771,371	-	-	-	86,303	8,857,674
Total	<u>\$ 29,471,795</u>	<u>\$ 18,301</u>	<u>\$ 206,808</u>	<u>\$ 247,770</u>	<u>\$ 599,015</u>	<u>\$ 30,543,689</u>

**Note 8 - Unearned Revenue**

Unearned revenue at June 30, 2024, consists of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	\$ 9,140,168	\$ -	\$ 9,140,168
State categorical aid	2,249,454	512,121	2,761,575
Total	<u>\$ 11,389,622</u>	<u>\$ 512,121</u>	<u>\$ 11,901,743</u>

**Note 9 - Long-Term Liabilities Other than OPEB and Pensions**

**Summary**

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 179,953,873	\$ 1,976,314	\$ (5,985,000)	\$ 175,945,187	\$ 6,720,000
Certificates of participation	82,970,000	63,045,000	(73,220,000)	72,795,000	2,730,000
Unamortized debt premiums	13,736,692	8,951,667	(4,303,114)	18,385,245	-
Financed purchase agreement	1,281,317	-	(350,970)	930,347	362,921
Leases	11,726,598	322,556	(115,140)	11,934,014	157,284
Subscription-based IT arrangements	-	279,882	(279,882)	-	-
Classified early retirement program	894,660	58,933	(331,324)	622,269	320,153
PARS early retirement program	2,067,208	-	(689,069)	1,378,139	689,069
Compensated absences	681,680	55,575	-	737,255	-
Total	<u>\$ 293,312,028</u>	<u>\$ 74,689,927</u>	<u>\$ (85,274,499)</u>	<u>\$ 282,727,456</u>	<u>\$ 10,979,427</u>

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local tax revenues. The COP Debt Service Fund makes payments for the certificates of participation. The premiums will be amortized over the life of the related debt. Payments on the financed purchase agreement, subscription-based IT arrangements, and early retirement programs are made by the General Fund. The leases are paid by the fund using the right-to-use asset. The compensated absences will be paid by the fund for which the employee worked.

# Madera Unified School District

## Notes to Financial Statements

June 30, 2024

### General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Series	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2024
<b>Current Interest Bonds</b>								
12/3/14	2014	8/2023	3.0-5.0%	\$ 15,535,000	\$ 2,120,000	\$ -	\$ (2,120,000)	\$ -
8/3/16	2006-Series 2016	8/2040	2.5-2.875%	4,501,000	4,501,000	-	-	4,501,000
6/1/17	2014-Series 2017	8/2046	2.0-5.0%	63,000,000	59,495,000	-	(245,000)	59,250,000
6/26/19	2018-Series 2019	8/2048	3.0-5.0%	35,000,000	29,540,000	-	-	29,540,000
8/4/20	2018-Series 2020	8/2050	2.375-4.0%	35,000,000	34,450,000	-	-	34,450,000
8/4/20	2022-Series 2022			6,765,000	6,765,000	-	(885,000)	5,880,000
<b>Capital Appreciation Bonds</b>								
5/1/05	2002-Series 2005	8/2029	4.77-5.23%	13,329,104	8,281,964	-	(970,800)	7,311,164
	Accreted interest			-	12,637,172	971,567	(1,429,200)	12,179,539
3/1/06	2002-Series 2006	8/2029	4.68%	1,885,059	1,258,419	-	(154,572)	1,103,847
	Accreted interest			-	1,724,627	137,771	(180,428)	1,681,970
3/1/07	2006-Series 2007	8/2031	4.41-4.52%	9,308,839	9,308,539	-	-	9,308,539
	Accreted interest			-	9,872,152	866,976	-	10,739,128
<b>Total</b>					<u>\$ 179,953,873</u>	<u>\$ 1,976,314</u>	<u>\$ (5,985,000)</u>	<u>\$ 175,945,187</u>

### Debt Service Requirements to Maturity

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2025	\$ 1,350,000	\$ 5,103,663	\$ 6,453,663
2026	1,705,000	5,038,463	6,743,463
2027	1,990,000	4,959,213	6,949,213
2028	2,290,000	4,866,913	7,156,913
2029	2,830,000	4,756,362	7,586,362
2030-2034	12,941,000	22,296,538	35,237,538
2035-2039	24,410,000	18,753,160	43,163,160
2040-2044	36,790,000	12,440,974	49,230,974
2045-2049	40,700,000	4,095,543	44,795,543
2050-2051	8,615,000	207,874	8,822,874
<b>Total</b>	<u>\$ 133,621,000</u>	<u>\$ 82,518,703</u>	<u>\$ 216,139,703</u>

# Madera Unified School District

Notes to Financial Statements

June 30, 2024

The capital appreciation bonds mature as follows:

Bonds Maturing Fiscal Year	Initial Bond Value	Accreted Interest	Accreted Obligation	Unaccreted Interest	Maturity Value
2025	\$ 2,288,538	\$ 3,081,462	\$ 5,370,000	\$ -	\$ 5,370,000
2026	2,267,996	3,084,133	5,352,129	257,871	5,610,000
2027	2,251,773	3,079,915	5,331,688	528,312	5,860,000
2028	2,235,956	3,075,293	5,311,249	813,751	6,125,000
2029	2,218,873	3,073,152	5,292,025	1,112,975	6,405,000
2030-2032	6,460,414	9,206,682	15,667,096	5,067,904	20,735,000
Total	<u>\$ 17,723,550</u>	<u>\$ 24,600,637</u>	<u>\$ 42,324,187</u>	<u>\$ 7,780,813</u>	<u>\$ 50,105,000</u>

## Certificates of Participation

In February 2014, the District, pursuant to a lease/purchase agreement with the Madera Unified School District Financing Corporation, issued \$16,745,000 in Certificates of Participation. The proceeds were used to refund the \$16,235,000 remaining balance of the 2004 Certificates of Participation. The certificates were issued at an interest rate of 3.87% and the certificates have a final maturity to occur on September 1, 2033. At June 30, 2024, the principal balance outstanding was \$9,750,000.

In March 2024, the District, pursuant to a lease/purchase agreement with the Madera Unified School District Financing Corporation, issued \$63,045,000 in Certificates of Participation. The proceeds were used to refund the remaining principal balance on the 2019 certificates of participation issuance. The certificates were issued at an interest rate of 5.00% and the certificates have a final maturity to occur on September 1, 2044. At June 30, 2024, the principal balance outstanding was \$63,045,000.

Year Ending June 30,	Principal	Interest	Total
2025	\$ 2,730,000	\$ 3,238,267	\$ 5,968,267
2026	2,830,000	3,336,337	6,166,337
2027	2,960,000	3,201,360	6,161,360
2028	3,095,000	3,060,128	6,155,128
2029	3,250,000	2,912,069	6,162,069
2030-2034	18,650,000	12,081,218	30,731,218
2035-2039	16,975,000	7,780,625	24,755,625
2040-2044	21,305,000	2,981,125	24,286,125
2045	1,000,000	25,000	1,025,000
Total	<u>\$ 72,795,000</u>	<u>\$ 38,616,129</u>	<u>\$ 111,411,129</u>

**Financed Purchase Agreement**

The District has entered into an energy retrofit agreement which is, in substance, a purchase and is reported as a financed purchase. The District's liability on the agreement is summarized below:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 362,921	\$ 28,117	\$ 391,038
2026	375,137	15,901	391,038
2027	192,289	3,230	195,519
Total	<u>\$ 930,347</u>	<u>\$ 47,248</u>	<u>\$ 977,595</u>

**Leases**

The District has entered into agreements to lease various facilities and equipment. The District's liability on lease agreements is summarized below:

Lease	Leases Outstanding July 1, 2023	Addition	Payments	Leases Outstanding June 30, 2024
Madera TEC	\$ 10,365,648	\$ -	\$ 155,772	\$ 10,521,420
Madera TEC Equipment	92,003	-	(18,903)	73,100
Madera Adult School	1,268,947	-	(222,454)	1,046,493
325 S. Schnoor	-	166,075	(23,653)	142,422
345 S. Schnoor	-	156,481	(5,902)	150,579
Total	<u>\$ 11,726,598</u>	<u>\$ 322,556</u>	<u>\$ (115,140)</u>	<u>\$ 11,934,014</u>

**Madera Technical Exploration Center**

The District entered an agreement to lease Madera Technical Exploration Center for thirty-five years, beginning in March, 2021. Under the terms of the lease, the District pays quarterly payments of \$15,000 until June 2028, at which time the quarterly payment increases to \$131,250, which amounts to total principal and interest payments of \$15,120,000. The annual interest rate charged on the lease is 2.07%. At June 30, 2024, the District has recognized a right-to-use leased asset of \$10,026,698 and a lease liability of \$10,521,420 related to this agreement. During the fiscal year, the District recorded \$286,478 in amortization expense and \$215,773 in interest expense for the right-to-use the building.



Madera Technical Exploration Center Equipment Lease Agreement

The District entered an agreement to lease equipment at Madera Technical Exploration Center for seven years, beginning in March, 2021. Under the terms of the lease, the District pays quarterly payments of \$5,000, which amounts to total principal and interest payments of \$140,000. The annual interest rate charged on the lease is 1.29%. At June 30, 2024, the District has recognized a right-to-use leased asset of \$133,659 and a lease liability of \$73,100 related to this agreement. During the fiscal year, the District recorded \$19,094 in amortization expense and \$1,096 in interest expense for the right-to-use the equipment.

Madera Adult School

The District renewed an agreement to lease Madera Adult School for five years on May 23, 2023. Under the terms of the lease, the District pays monthly payments of \$22,375 which increases 3% annually, which amounted to total principal and interest costs of \$1,425,519. The annual interest rate charged on the lease is 4%. At June 30, 2024, the District has recognized a right-to-use leased asset of \$1,291,322 and a lease liability of \$1,046,493 related to this agreement. During the fiscal year, the District recorded \$258,264 in amortization expense and \$46,721 in interest expense for the right-to-use the equipment.

Expanded Learning Opportunities Program Facilities (Schnoor)

The District entered into two agreements to lease various facilities for the Expanded Learning Opportunities program. Under the terms of the agreements, the District pays monthly payments of approximately \$7,000 until July 2028. The base monthly payment will increase annually by 3%. The annual interest rate charged on the leases is 10%. At June 30, 2024, the District has recognized a right-to-use leased asset of \$322,556 and a lease liability of \$293,001 related to this agreement. During the fiscal year, the District recorded \$36,584 in amortization expense and \$14,086 in interest expense for the right-to-use the building.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 157,284	\$ 284,112	\$ 441,396
2026	181,110	271,128	452,238
2027	206,850	256,554	463,404
2028	319,737	240,246	559,983
2029	305,923	226,729	532,652
2030-2034	1,587,662	1,037,338	2,625,000
2035-2039	1,760,320	864,680	2,625,000
2040-2044	1,951,755	673,245	2,625,000
2045-2049	2,164,008	460,992	2,625,000
2050-2054	2,399,343	225,657	2,625,000
2055-2057	900,022	18,727	918,749
Total	<u>\$ 11,934,014</u>	<u>\$ 4,559,408</u>	<u>\$ 16,493,422</u>

### Subscriptions-Based Information Technology Arrangements (SBITAs)

The District entered into various SBITAs for the general operations of the District. The subscription term of the SBITAs started in July 2022 and end in June 2026. At June 30, 2024, the District recognized a right-to-use subscriptions IT asset of \$674,904 and no SBITA liability related to this agreement. During the fiscal year, the District recorded \$224,968 in amortization expense, \$279,882 and \$9,467 in principal and interest expenditures, respectively. The SBITAs have an interest rate that ranges from 4% - 5%.

### Classified Early Retirement Program

The District has entered into contracts with certain eligible employees whereby a predetermined percentage of the employees final years' salary will be paid for a 60-month period for Certificated employees and a 36-month period for Classified employees and continued medical insurance coverage equivalent to the medical plan in effect for all Classified employees until age 65. The outstanding contract amount for this purpose is \$622,269.

### PARS Early Retirement Program

The District has entered into an agreement with the Public Agency Retirement System (PARS) to provide an early retirement incentive to qualified certificated employees. The District is required to make annual payments to the program for the benefit of participating retirees. The District's outstanding obligation at June 30, 2024, is \$1,378,139.

### Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2024, amounted to \$737,255.

### Note 10 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2024, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Plan	\$ 21,920,411	\$ 7,776,329	\$ 7,085,627	\$ 3,087,737
Medicare Premium Payment (MPP) Program	954,318	-	-	6,971
Total	<u>\$ 22,874,729</u>	<u>\$ 7,776,329</u>	<u>\$ 7,085,627</u>	<u>\$ 3,094,708</u>

The details of each plan are as follows:

**District Plan**

**Plan Administration**

The District’s governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. There are no required contributions to the trust. Contributions are made based on the availability of funds and administrations directives.

The Public Agency Retirement Services (PARS) administers the District’s Postemployment Benefits Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Financial information for PARS can be found on the PARS website at: <http://www.pars.org>.

**Plan Membership**

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	99
Active employees	<u>2,317</u>
Total	<u><u>2,416</u></u>

**Benefits Provided**

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District’s governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

**Contributions**

The contribution requirements of the Plan members and the District are established and may be amended by the District, the Madera Unified Teachers Association (MUTA), the local California Service Employees Association (CSEA), and unrepresented groups. Voluntary contributions based on projected pay-as-you-go financing requirements, and any additional amounts to prefund benefits with the District, MUTA, CSEA, and the unrepresented groups are based on availability of funds. For the measurement period of June 30, 2024, the District contributed \$2,699,016 to the Plan, of which \$2,199,016 was used for current premiums and \$500,000 was used to fund the OPEB Trust.

**Net OPEB Liability of the District**

The District's net OPEB liability of \$21,920,411 was measured as of June 30, 2024, by applying certain roll-forward procedures to the total OPEB liability determined by an actuarial valuation as of June 30, 2023. The components of the net OPEB liability of the District at June 30, 2024, were as follows:

Total OPEB liability	\$ 33,651,255
Plan fiduciary net position	<u>(11,730,844)</u>
Net OPEB liability	<u>\$ 21,920,411</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>34.86%</u>

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%, average, including inflation
Discount rate	6.00%
Investment rate of return	6.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years; Medicare ages: 4.50% for 2023-2029 and 4.00% for 2030 and later years.
Retirees' share of benefit-related costs	Employee pays excess premiums over \$1,489/month, scheduled to increase by 3.0% a year.

The preretirement and postretirement mortality rates for active certificated employees and certificated retiree members were based on the CalSTRS Experience Analysis (2015-2018) and for active classified employees and classified retiree members were based on the CalPERS Experience Study (2000-2019).

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actual experience study for the period June 30, 2021 to June 30, 2023.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound real return plus inflation. The table below provides the long-term expected real rates of return by asset class.

# Madera Unified School District

Notes to Financial Statements

June 30, 2024

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	60%	4.4%
U.S. Fixed	35%	1.8%
Cash Equivalents	5%	0.2%

## Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2023	\$ 32,329,477	\$ 10,019,050	\$ 22,310,427
Service cost	1,552,863	-	1,552,863
Interest	1,967,931	-	1,967,931
Contributions - employer	-	2,699,016	(2,699,016)
Benefit payments	(2,199,016)	(2,199,016)	-
Net investment income	-	1,244,159	(1,244,159)
Administrative expense	-	(32,365)	32,365
Net change in total OPEB liability	1,321,778	1,711,794	(390,016)
Balance, June 30, 2024	\$ 33,651,255	\$ 11,730,844	\$ 21,920,411

Changes in Benefit Terms - There were no changes in the benefit terms since the previous valuation.

Changes of Assumptions - There was a change in the health care cost trend rate from 6.00% to 5.50%

## Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (5.00%)	\$ 24,628,483
Current discount rate (6.00%)	21,920,411
1% increase (7.00%)	19,413,056

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rate:

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (4.50%)	\$ 18,195,129
Current healthcare cost trend rate (5.50%)	21,920,411
1% increase (6.50%)	26,343,358

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the District recognized OPEB expense of \$3,087,737. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,401,228	\$ 2,006,775
Changes of assumptions	1,933,355	4,347,127
Net difference between projected and actual earnings on OPEB plan investments	441,746	731,725
Total	\$ 7,776,329	\$ 7,085,627

The deferred outflows of resources and deferred inflows of resources related to the difference between projected and actual earnings on OPEB trust investments will be amortized over a closed five-year period and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 77,053
2026	52,775
2027	(168,097)
2028	(168,097)
2029	(42,242)
Thereafter	(41,371)
Total	\$ (289,979)

The deferred outflows of resources and deferred inflows of resources related to differences between the expected and actual experience and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARS�) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 71,321
2026	197,176
2027	197,174
2028	239,420
2029	172,609
Thereafter	102,981
Total	<u>\$ 980,681</u>

### Medicare Premium Payment (MPP) Program

#### Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

#### Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

### Net OPEB Liability and OPEB Expense

At June 30, 2024, the District reported a liability of \$954,318 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.3145% and 0.2876%, resulting in a net increase in the proportionate share of 0.0269%.

For the year ended June 30, 2024, the District recognized OPEB expense of \$6,971.

### Actuarial Methods and Assumptions

The June 30, 2023 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total OPEB liability to June 30, 2023, using the assumptions listed in the following table:

Measurement Date	June 30, 2023	June 30, 2022
Valuation Date	June 30, 2022	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.65%	3.54%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2022, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 179 or an average of 0.13% of the potentially eligible population (138,780).



The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2023, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

### Discount Rate

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2023, was 3.65%, which is an increase of 0.11% from 3.54% as of June 30, 2022.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (2.65%)	\$ 1,037,147
Current discount rate (3.65%)	954,318
1% increase (4.65%)	882,297

### Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (3.50% Part A and 4.40% Part B)	\$ 878,067
Current Medicare costs trend rates (4.50% Part A and 5.40% Part B)	954,318
1% increase (5.50% Part A and 6.40% Part B)	1,040,402

**Note 11 - Fund Balances**

Fund balances are composed of the following elements:

	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
<b>Nonspendable</b>						
Revolving cash	\$ 50,000	\$ -	\$ -	\$ -	\$ 5,140	\$ 55,140
Stores inventories	544,010	-	-	-	875,426	1,419,436
Prepaid expenditures	106,443	-	-	-	-	106,443
Total nonspendable	700,453	-	-	-	880,566	1,581,019
<b>Restricted</b>						
Legally restricted programs	80,053,316	-	-	-	1,549,571	81,602,887
Student activities	-	-	-	-	953,207	953,207
Food service	-	-	-	-	4,713,109	4,713,109
Capital projects	-	31,924,688	53,089,719	-	5,943,703	90,958,110
Debt service	-	-	-	-	10,920,008	10,920,008
Total restricted	80,053,316	31,924,688	53,089,719	-	24,079,598	189,147,321
<b>Committed</b>						
Positions moved to ESSER III	22,000,000	-	-	-	-	22,000,000
Adult education program	-	-	-	-	287,489	287,489
Concentration funds for unduplicated	13,614,028	-	-	-	-	13,614,028
Textbooks	10,453,468	-	-	-	-	10,453,468
Total committed	46,067,496	-	-	-	287,489	46,354,985
<b>Assigned</b>						
Vacation accruals	682,348	-	-	-	316,885	999,233
Capital projects	-	-	-	85,582,227	-	85,582,227
Total assigned	682,348	-	-	85,582,227	316,885	86,581,460
<b>Unassigned</b>						
Reserve for economic uncertainties	12,580,791	-	-	-	-	12,580,791
Remaining unassigned	44,822,465	-	-	-	-	44,822,465
Total unassigned	57,403,256	-	-	-	-	57,403,256
<b>Total</b>	<b>\$ 184,906,869</b>	<b>\$ 31,924,688</b>	<b>\$ 53,089,719</b>	<b>\$ 85,582,227</b>	<b>\$ 25,564,538</b>	<b>\$ 381,068,041</b>

**Note 12 - Risk Management****Property and Liability**

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2024, the District contracted with the California Risk Management Authority (CRMA) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**Workers' Compensation**

The District pays for workers' compensation through the California Risk Management Authority.

**Employee Medical Benefits**

The District has contracted with California's Valued Trust to provide employee medical, dental and vision benefits. Benefits are self-funded and are paid out of the assets of the Trust. Each participating school district's contribution to the Trust is determined by the collective bargaining agreement between the individual district and CTA or California School Employees Association and/or by the participating agreement between the district and the Trust with respect to employees not covered by a collective bargaining agreement. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow.

**Note 13 - Employee Retirement Systems**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 161,938,920	\$ 63,360,647	\$ 15,339,197	\$ 26,703,019
CalPERS	99,193,509	39,623,238	1,603,439	18,233,232
Total	<u>\$ 261,132,429</u>	<u>\$ 102,983,885</u>	<u>\$ 16,942,636</u>	<u>\$ 44,936,251</u>

The details of each plan are as follows:

### **California State Teachers' Retirement System (CalSTRS)**

#### **Plan Description**

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

#### **Benefits Provided**

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

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

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	2% at 60	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	60	62
Retirement age	2.0% - 2.4%	2.0% - 2.4%
Monthly benefits as a percentage of eligible compensation	10.25%	10.205%
Required employee contribution rate	19.10%	19.10%
Required employer contribution rate	10.828%	10.828%
Required state contribution rate		

### Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were \$25,723,218.

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

At June 30, 2024, 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:

Total net pension liability, including State share	
Proportionate share of net pension liability	\$ 161,938,920
State's proportionate share of the net pension liability	<u>77,589,490</u>
Total	<u>\$ 239,528,410</u>

The net pension liability was measured as of June 30, 2023. 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 and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.2126% and 0.1916%, resulting in a net increase in the proportionate share of 0.0210%.

# Madera Unified School District

## Notes to Financial Statements

June 30, 2024

For the year ended June 30, 2024, the District recognized pension expense of \$26,703,019. In addition, the District recognized pension expense and revenue of \$10,554,314 for support provided by the State. At June 30, 2024, 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
Pension contributions subsequent to measurement date	\$ 25,723,218	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	23,280,848	6,674,643
Differences between projected and actual earnings on pension plan investments	693,165	-
Differences between expected and actual experience in the measurement of the total pension liability	12,725,731	8,664,554
Changes of assumptions	937,685	-
Total	<u>\$ 63,360,647</u>	<u>\$ 15,339,197</u>

The 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 subsequent fiscal year.

The deferred outflows of resources and deferred inflows of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (5,094,722)
2026	(7,984,324)
2027	13,121,042
2028	651,169
Total	<u>\$ 693,165</u>

The deferred outflows of resources and deferred inflows of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 4,276,212
2026	2,909,901
2027	4,062,181
2028	3,172,300
2029	2,789,084
Thereafter	4,395,389
Total	<u>\$ 21,605,067</u>

#### Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

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 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. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Real estate	15%	4.05%
Private equity	14%	6.75%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.05%

#### Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP'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 total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 271,639,616
Current discount rate (7.10%)	161,938,920
1% increase (8.10%)	70,819,706



## California Public Employees Retirement System (CalPERS)

### Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:  
<https://www.calpers.ca.gov/page/forms-publications>.

### Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	26.680%	26.680%

### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$14,691,006.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$99,193,509. The net pension liability was measured as of June 30, 2023. 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. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.2740% and 0.2597%, resulting in a net increase in the proportionate share of 0.0143%.

For the year ended June 30, 2024, the District recognized pension expense of \$18,233,232. At June 30, 2024, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 14,691,006	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	6,147,292	79,972
Differences between projected and actual earnings on pension plan investments	10,595,284	-
Differences between expected and actual experience in the measurement of the total pension liability	3,619,851	1,523,467
Changes of assumptions	4,569,805	-
	<u>\$ 39,623,238</u>	<u>\$ 1,603,439</u>
Total	<u>\$ 39,623,238</u>	<u>\$ 1,603,439</u>

The 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 subsequent fiscal year.

The deferred outflows of resources and deferred inflows of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 1,976,433
2026	1,170,888
2027	7,118,228
2028	329,735
Total	<u>\$ 10,595,284</u>

The deferred outflows of resources and deferred inflows of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 5,985,973
2026	4,861,036
2027	1,886,500
Total	<u>\$ 12,733,509</u>

### Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity - cap-weighted	30%	4.54%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	(5%)	(0.59%)

#### Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (5.90%)	\$ 143,408,174
Current discount rate (6.90%)	99,193,509
1% increase (7.90%)	62,651,095

**Social Security**

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use Social Security as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 6.2% of an employee's gross earnings. An employee is required to contribute 6.2% of his or her gross earnings to the pension plan.

**On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$12,410,569 (10.828% of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements and have been included in the calculation of available reserves.

**Note 14 - Commitments and Contingencies****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, 2024.

**Litigation**

The District is not currently a party to any legal proceedings.

### Construction Commitments

As of June 30, 2024, the District had the following commitments with respect to the unfinished capital projects:

Capital Projects	Remaining Construction Commitment	Expected Date of Completion
Matilda Torres High School - new stadium	\$ 1,800,000	September 2024
New school - King Husein Elementary School	21,000,000	July 2026
Universal transitional kindergarten buildings at Lincoln Elementary School	6,900,000	July 2025
Universal transitional kindergarten buildings at Pershing Elementary School, Alpha Elementary School, and Rose Elementary School	<u>11,600,000</u>	August 2025
Total	<u><u>\$ 41,300,000</u></u>	

### Note 15 - Participation in Public Entity Risk Pools

The District is a member of the California Risk Management Authority (CRMA) and the California's Valued Trust (CVT) public entity risk pools. The District pays an annual premium to these entities for its property and liability, workers' compensation and employee benefits coverage. The relationship between the District and the pools is such that they are not component units of the District for financial reporting purposes.

The entities have budgeting and financial reporting requirements independent of member units and its financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the entities.

The District has appointed one member to the governing board of CRMA and CVT.

During the year ended June 30, 2024, the District made payment of \$2,476,509 to CRMA for property and liability, and \$2,443,883 for workers' compensation coverage.

During the year ended June 30, 2024, the District made payment of \$48,375,996 to CVT for employee benefits.

### Note 16 - Subsequent Events

#### General Obligation Bonds, Election 2018, Series 2024

In October 2024, the District issued \$50,000,000 of general obligation bonds for the purpose to finance the planning, site development, construction and equipping of a certain TK-8 school site, fund capitalized interest through April 27, 2027, and to pay related costs of issuance. The bonds mature from February 1, 2025 through August 1, 2050, with an interest rate of 5.00%.



Required Supplementary Information  
June 30, 2024

## Madera Unified School District

**Madera Unified School District**  
**Budgetary Comparison Schedule – General Fund**  
**Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
<b>Revenues</b>				
Local Control Funding Formula	\$ 307,312,504	\$ 305,670,126	\$ 306,444,751	\$ 774,625
Federal sources	39,999,078	58,472,431	46,761,233	(11,711,198)
Other State sources	47,313,255	66,683,805	67,619,595	935,790
Other local sources	7,702,850	12,203,280	18,246,690	6,043,410
<b>Total revenues</b>	<b>402,327,687</b>	<b>443,029,642</b>	<b>439,072,269</b>	<b>(3,957,373)</b>
<b>Expenditures</b>				
Current				
Certificated salaries	140,436,913	141,590,599	143,006,187	(1,415,588)
Classified salaries	50,846,398	56,224,416	56,346,559	(122,143)
Employee benefits	106,958,874	107,916,506	107,137,156	779,350
Books and supplies	23,368,990	59,516,683	20,545,740	38,970,943
Services and operating expenditures	35,493,106	55,693,861	51,108,636	4,585,225
Other outgo	4,714,923	5,517,525	5,607,849	(90,324)
Capital outlay	18,656,855	18,122,489	9,126,899	8,995,590
Debt service				
Debt service - principal	350,971	350,971	745,992	(395,021)
Debt service - interest and other	40,069	40,069	335,760	(295,691)
<b>Total expenditures</b>	<b>380,867,099</b>	<b>444,973,119</b>	<b>393,960,778</b>	<b>51,012,341</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>21,460,588</b>	<b>(1,943,477)</b>	<b>45,111,491</b>	<b>47,054,968</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	60,000	60,000	47,504	(12,496)
Sources from leases	-	-	322,556	322,556
Sources from subscription-based IT arrangements	-	-	279,882	279,882
Transfers out	(28,001,375)	(19,001,375)	(26,001,375)	(7,000,000)
Other uses	(10,000)	(10,000)	-	10,000
<b>Net financing sources (uses)</b>	<b>(27,951,375)</b>	<b>(18,951,375)</b>	<b>(25,351,433)</b>	<b>(6,400,058)</b>
<b>Net Change in Fund Balances</b>	<b>(6,490,787)</b>	<b>(20,894,852)</b>	<b>19,760,058</b>	<b>40,654,910</b>
<b>Fund Balance - Beginning</b>	<b>165,146,811</b>	<b>165,146,811</b>	<b>165,146,811</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 158,656,024</b>	<b>\$ 144,251,959</b>	<b>\$ 184,906,869</b>	<b>\$ 40,654,910</b>



**Madera Unified School District**  
Schedule of Changes in the District's Net OPEB Liability and Related Ratios  
Year Ended June 30, 2024

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	\$ 1,552,863	\$ 957,466	\$ 867,197	\$ 811,889
Interest	1,967,931	1,894,044	1,858,032	1,647,308
Difference between expected and actual experience	-	(1,802,830)	-	2,377,591
Difference between expected and actual plan earnings	-	-	-	-
Changes of assumptions	-	1,949,014	-	561,901
Benefit payments	(2,199,016)	(2,519,587)	(1,919,753)	(1,963,488)
Net change in total OPEB liability	1,321,778	478,107	805,476	3,435,201
Total OPEB Liability - Beginning	32,329,477	31,851,370	31,045,894	27,610,693
Total OPEB Liability - Ending (a)	<u>\$ 33,651,255</u>	<u>\$ 32,329,477</u>	<u>\$ 31,851,370</u>	<u>\$ 31,045,894</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 2,699,016	\$ 3,019,587	\$ 7,419,753	\$ 2,463,488
Net investment income	1,244,159	748,834	(615,665)	696,898
Difference between expected and actual plan earnings	-	-	-	-
Benefit payments	(2,199,016)	(2,519,587)	(1,919,753)	(1,963,488)
Administrative expense	(32,365)	(27,688)	(15,303)	(9,836)
Net change in plan fiduciary net position	1,711,794	1,221,146	4,869,032	1,187,062
Plan Fiduciary Net Position - Beginning	10,019,050	8,797,904	3,928,872	2,741,810
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,730,844</u>	<u>\$ 10,019,050</u>	<u>\$ 8,797,904</u>	<u>\$ 3,928,872</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 21,920,411</u>	<u>\$ 22,310,427</u>	<u>\$ 23,053,466</u>	<u>\$ 27,117,022</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	34.86%	30.99%	27.62%	12.66%
Covered Payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Net/Total OPEB Liability as a Percentage of Covered Payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

<sup>1</sup> The District's OPEB Plan is administered through a trust, however, contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

*Note:* In the future, as data becomes available, ten years of information will be presented.

Madera Unified School District  
Schedule of Changes in the District's Net OPEB Liability and Related Ratios  
Year Ended June 30, 2024

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 590,491	\$ 653,482	\$ 634,449
Interest	1,666,544	898,745	927,918
Difference between expected and actual experience	8,208,721	-	-
Difference between expected and actual plan earnings	(634,894)	-	-
Changes of assumptions	(8,694,252)	(1,142,321)	-
Benefit payments	(1,488,306)	(2,305,085)	(2,680,864)
Net change in total OPEB liability	(351,696)	(1,895,179)	(1,118,497)
Total OPEB Liability - Beginning	27,962,389	29,857,568	30,976,065
Total OPEB Liability - Ending (a)	<u>\$ 27,610,693</u>	<u>\$ 27,962,389</u>	<u>\$ 29,857,568</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 4,099,707		
Net investment income	141,526		
Difference between expected and actual plan earnings	(5,450)		
Benefit payments	(1,488,306)		
Administrative expense	(5,667)		
Net change in plan fiduciary net position	2,741,810		
Plan Fiduciary Net Position - Beginning	-		
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,741,810</u>		
Net OPEB Liability - Ending (a) - (b)	<u>\$ 24,868,883</u>		
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.93%		
Covered Payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Net/Total OPEB Liability as a Percentage of Covered Payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

<sup>1</sup> The District's OPEB Plan is administered through a trust, however, contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

*Note:* In the future, as data becomes available, ten years of information will be presented.

Madera Unified School District  
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program  
Year Ended June 30, 2024

Year ended June 30,	2024	2023	2022	2021
Proportion of the net OPEB liability	0.3145%	0.2876%	0.2985%	0.3203%
Proportionate share of the net OPEB liability	\$ 954,318	\$ 947,347	\$ 1,190,561	\$ 1,357,395
Covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Plan fiduciary net position as a percentage of the total OPEB liability	(0.96%)	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

<sup>1</sup> As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

*Note:* In the future, as data becomes available, ten years of information will be presented.

Madera Unified School District  
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program  
Year Ended June 30, 2024

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.3099%	0.3050%	0.3050%
Proportionate share of the net OPEB liability	\$ 1,154,141	\$ 1,242,438	\$ 1,242,438
Covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

<sup>1</sup> As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

*Note:* In the future, as data becomes available, ten years of information will be presented.

**Madera Unified School District**  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>CalSTRS</b>					
Proportion of the net pension liability	0.2126%	0.1916%	0.1986%	0.1838%	0.1752%
Proportionate share of the net pension liability	\$ 161,938,920	\$ 133,151,636	\$ 90,366,761	\$ 178,140,520	\$ 158,229,205
State's proportionate share of the net pension liability	77,589,490	66,681,819	45,469,049	91,831,459	86,324,595
Total	<u>\$ 239,528,410</u>	<u>\$ 199,833,455</u>	<u>\$ 135,835,810</u>	<u>\$ 269,971,979</u>	<u>\$ 244,553,800</u>
Covered payroll	<u>\$ 129,172,031</u>	<u>\$ 112,792,423</u>	<u>\$ 107,000,354</u>	<u>\$ 98,063,000</u>	<u>\$ 97,230,516</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	125.37%	118.05%	84.45%	181.66%	162.74%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
<b>CalPERS</b>					
Proportion of the net pension liability	0.2740%	0.2597%	0.2453%	0.2306%	0.2353%
Proportionate share of the net pension liability	\$ 99,193,509	\$ 89,357,890	\$ 49,875,383	\$ 70,770,353	\$ 68,572,169
Covered payroll	<u>\$ 47,455,684</u>	<u>\$ 39,900,882</u>	<u>\$ 35,881,755</u>	<u>\$ 33,261,640</u>	<u>\$ 32,720,513</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	209.02%	223.95%	139.00%	212.77%	209.57%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

**Madera Unified School District**  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Year Ended June 30, 2024

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>CalSTRS</b>					
Proportion of the net pension liability	0.1808%	0.1684%	0.1650%	0.1630%	0.1504%
Proportionate share of the net pension liability	\$ 166,206,226	\$ 155,779,286	\$ 133,433,285	\$ 109,768,136	\$ 87,863,363
State's proportionate share of the net pension liability	95,160,838	92,157,710	75,961,189	58,055,243	53,055,692
Total	<u>\$ 261,367,064</u>	<u>\$ 247,936,996</u>	<u>\$ 209,394,474</u>	<u>\$ 167,823,379</u>	<u>\$ 140,919,055</u>
Covered payroll	<u>\$ 96,877,838</u>	<u>\$ 90,127,401</u>	<u>\$ 83,354,240</u>	<u>\$ 74,943,153</u>	<u>\$ 68,012,364</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	171.56%	172.84%	160.08%	146.47%	129.19%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>CalPERS</b>					
Proportion of the net pension liability	0.2327%	0.2240%	0.2119%	0.2062%	0.1894%
Proportionate share of the net pension liability	\$ 62,042,813	\$ 53,481,744	\$ 41,858,308	\$ 30,391,170	\$ 21,502,181
Covered payroll	<u>\$ 30,838,735</u>	<u>\$ 28,608,648</u>	<u>\$ 25,446,577</u>	<u>\$ 22,981,956</u>	<u>\$ 20,186,890</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	201.18%	186.94%	164.49%	132.24%	106.52%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Madera Unified School District  
Schedule of the District's Contributions  
Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>CalSTRS</b>					
Contractually required contribution	\$ 25,723,218	\$ 24,671,858	\$ 19,084,478	\$ 17,280,557	\$ 16,768,773
Less contributions in relation to the contractually required contribution	<u>25,723,218</u>	<u>24,671,858</u>	<u>19,084,478</u>	<u>17,280,557</u>	<u>16,768,773</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 134,676,534</u>	<u>\$ 129,172,031</u>	<u>\$ 112,792,423</u>	<u>\$ 107,000,354</u>	<u>\$ 98,063,000</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>
<b>CalPERS</b>					
Contractually required contribution	\$ 14,691,006	\$ 12,039,507	\$ 9,141,292	\$ 7,427,523	\$ 6,559,528
Less contributions in relation to the contractually required contribution	<u>14,691,006</u>	<u>12,039,507</u>	<u>9,141,292</u>	<u>7,427,523</u>	<u>6,559,528</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 55,063,741</u>	<u>\$ 47,455,684</u>	<u>\$ 39,900,882</u>	<u>\$ 35,881,755</u>	<u>\$ 33,261,640</u>
Contributions as a percentage of covered payroll	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>	<u>19.721%</u>

Madera Unified School District  
Schedule of the District's Contributions  
Year Ended June 30, 2024

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>CalSTRS</b>					
Contractually required contribution	\$ 15,829,128	\$ 13,979,472	\$ 11,338,027	\$ 8,943,910	\$ 6,654,952
Less contributions in relation to the contractually required contribution	<u>15,829,128</u>	<u>13,979,472</u>	<u>11,338,027</u>	<u>8,943,910</u>	<u>6,654,952</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 97,230,516</u>	<u>\$ 96,877,838</u>	<u>\$ 90,127,401</u>	<u>\$ 83,354,240</u>	<u>\$ 74,943,153</u>
Contributions as a percentage of covered payroll	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
<b>CalPERS</b>					
Contractually required contribution	\$ 5,909,979	\$ 4,789,564	\$ 3,973,169	\$ 3,014,656	\$ 2,705,206
Less contributions in relation to the contractually required contribution	<u>5,909,979</u>	<u>4,789,564</u>	<u>3,973,169</u>	<u>3,014,656</u>	<u>2,705,206</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 32,720,513</u>	<u>\$ 30,838,735</u>	<u>\$ 28,608,648</u>	<u>\$ 25,446,577</u>	<u>\$ 22,981,956</u>
Contributions as a percentage of covered payroll	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>



## **Note 1 - Purpose of Schedules**

### **Budgetary Comparison Schedule**

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. 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.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

### **Schedule of Changes in the District's Net OPEB Liability and Related Ratios**

This schedule presents information on the District's changes in the net/total OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the net/total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - There was a change in the health care cost trend rate from 6.00% to 5.50%.

### **Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program**

This schedule presents information on the District's proportionate share of the net OPEB Liability - MPP Program and the plan's fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* - The plan rate of investment return assumption was changed from 3.54% to 3.65% since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* - There were no changes in economic assumptions for the CalSTRS or CalPERS plans from the previous valuations.

#### **Schedule of the District's Contributions**

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.



Supplementary Information  
June 30, 2024

## Madera Unified School District

**Madera Unified School District**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Sustaining Upgraded Culture and Climate through an Enhanced System of Supports (SUCCESS) Program	84.184G	Not Applicable	\$ 518,635
Safe and Drug-Free Schools and Communities - Enhancing MUSD Pupil Overall Wellbeing by Employing and Retaining Exceptional and Diverse Staff (EMPOWERED Staff) Program	84.184H	Not Applicable	<u>1,091,870</u>
Subtotal, 84.184			<u>1,610,505</u>
Passed Through California Department of Education (CDE)			
Title I - Part A, Basic	84.010	14329	7,868,551
ESSA School Improvement (CSI) Funding for LEAs	84.010	15438	<u>184,796</u>
Subtotal, 84.010			<u>8,053,347</u>
Title I - Part C, Migrant Education - Regular	84.011	14326	243,848
Title I - Part C, Migrant Education - Summer	84.011	10005	<u>118,998</u>
Subtotal, 84.011			<u>362,846</u>
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	15,066,356
COVID-19 - Elementary and Secondary School Emergency Relief Fund III (ESSER III): Learning Loss	84.425U	10155	12,236,986
COVID-19 - Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	1,830,449
COVID-19 - American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425W	15566	55,687
COVID-19 - American Rescue Plan-Homeless Children and Youth (ARP-HCY) Program	84.425W	15564	<u>9,569</u>
Subtotal, 84.425			<u>29,199,047</u>
Adult Education - Adult Basic Education & ELA (Section 231)	84.002A	14508	191,959
Adult Education - Adult Secondary Education (Section 231)	84.002	13978	130,161
Adult Education - Adult English Literacy and Civics Education	84.002A	14109	35,808
Adult Education - Institutionalized Adults (Section 225)	84.002	13971	<u>33,939</u>
Subtotal, 84.002			<u>391,867</u>

Madera Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Title IV - Part A, Student Support and Academic Enrichment Program	84.424	15396	758,081
Bipartisan Safer Communities Act - Stronger Connections Grant	84.424	15710	47,388
Subtotal, 84.424			805,469
Title III - English Language Acquisition - Limited English Proficient	84.365	14346	1,097,686
Career and Technical Education - Secondary, Section 131	84.048	14894	333,214
Title IX - Part A, McKinney-Vento Homeless Assistance Grants	84.196	14332	78,405
Title IV - Part B, Twenty First Century Community Learning Centers	84.287	14349	2,298,442
Title II - Part A, Supporting Effective Instruction	84.367	14341	1,133,760
Passed Through Madera - Mariposa SELPA			
Special Education Cluster (IDEA)			
Special Education Grants to States - Basic Local Assistance	84.027	13379	1,469,068
COVID-19 - Special Education - ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	49,710
Special Education - Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	236,181
Special Education - Local Assistance, Part B, Private Schools	84.027	10115	4,070
Subtotal Special Education Cluster (IDEA)			1,759,029
Total U.S. Department of Education			47,123,617
U.S. Department of Justice			
STOP School Violence	16.839	Not Applicable	29,483
Total U.S. Department of Justice			29,483

Madera Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed Through California Department of Social Services			
Child Care and Development Fund (CCDF) Cluster			
COVID-19 - Child Development: ARP California State Preschool Program One-time Stipend	93.575	15640	61,568
Total U.S. Department of Health and Human Services			61,568
U.S. Department of Agriculture			
Passed Through CDE			
Child Nutrition Cluster			
National School Lunch Program - Section 4	10.555	13523	1,300,484
National School Lunch Program - Section 11	10.555	13524	9,561,965
National School Lunch Program - Meal Supplements	10.555	13755	609,027
National School Lunch Program - Commodity Supplemental Food	10.555	13524	1,522,968
Supply Chain Assistance (SCA) Funds	10.555	15655	727,220
Subtotal, 10.555			13,721,664
School Breakfast Program - Especially Needy Breakfast	10.553	13526	3,388,887
Fresh Fruit and Vegetable Program	10.582	14968	498,192
Subtotal Child Nutrition Cluster			17,608,743
Total U.S. Department of Agriculture			17,608,743
Total Federal Financial Assistance			\$ 64,823,411

Madera Unified School District  
Schedule of Average Daily Attendance  
Year Ended June 30, 2024

	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	5,736.18	5,750.09
Fourth through sixth	4,311.03	4,314.86
Seventh and eighth	2,867.37	2,863.15
Ninth through twelfth	5,694.75	5,647.93
Total regular ADA	18,609.33	18,576.03
Extended Year Special Education		
Transitional kindergarten through third	2.81	2.81
Fourth through sixth	1.70	1.70
Seventh and eighth	0.68	0.68
Ninth through twelfth	0.60	0.60
Total extended year special education	5.79	5.79
Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.85	0.81
Ninth through twelfth	0.68	0.78
Total special education, nonpublic, nonsectarian schools	1.53	1.59
Community Day School		
Seventh and eighth	6.29	6.13
Ninth through twelfth	16.42	16.23
Total community day school	22.71	22.36
Total ADA	18,639.36	18,605.77

# Madera Unified School District

Schedule of Instructional Time

Year Ended June 30, 2024

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Actual Days	Status
Kindergarten	36,000	58,770	180	Complied
Grades 1 - 3	50,400			
Grade 1		60,300	180	Complied
Grade 2		59,580	180	Complied
Grade 3		59,580	180	Complied
Grades 4 - 8	54,000			
Grade 4		59,580	180	Complied
Grade 5		59,580	180	Complied
Grade 6		59,580	180	Complied
Grade 7		60,390	180	Complied
Grade 8		60,390	180	Complied
Grades 9 - 12	64,800			
Grade 9		64,951	180	Complied
Grade 10		64,951	180	Complied
Grade 11		64,951	180	Complied
Grade 12		64,951	180	Complied



**Madera Unified School District**  
**Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**  
**Year Ended June 30, 2024**

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2024.

Madera Unified School District  
Schedule of Financial Trends and Analysis  
Year Ended June 30, 2024

	(Budget) 2025 <sup>1</sup>	2024	2023 <sup>1</sup>	2022 <sup>1</sup>
General Fund				
Revenues	\$ 414,053,793	\$ 439,072,269	\$ 463,834,617	\$ 357,343,585
Other sources	60,000	649,942	1,768,010	68,558
Total revenues and other sources	<u>414,113,793</u>	<u>439,722,211</u>	<u>465,602,627</u>	<u>357,412,143</u>
Expenditures	494,032,786	393,960,778	376,764,685	310,260,748
Other uses	<u>15,801,713</u>	<u>26,001,375</u>	<u>31,046,334</u>	<u>35,306,375</u>
Total expenditures and other uses	<u>509,834,499</u>	<u>419,962,153</u>	<u>407,811,019</u>	<u>345,567,123</u>
Increase/(Decrease) in Fund Balance	<u>(95,720,706)</u>	<u>19,760,058</u>	<u>57,791,608</u>	<u>11,845,020</u>
Ending Fund Balance	<u>\$ 89,186,163</u>	<u>\$ 184,906,869</u>	<u>\$ 165,146,811</u>	<u>\$ 107,355,203</u>
Available Reserves <sup>2</sup>	<u>\$ 52,456,334</u>	<u>\$ 57,403,256</u>	<u>\$ 38,677,109</u>	<u>\$ 43,599,417</u>
Available Reserves as a Percentage of Total Outgo	<u>10.29%</u>	<u>13.67%</u>	<u>9.48%</u>	<u>12.62%</u>
Long-Term Liabilities	<u>Not Available</u>	<u>\$ 566,734,614</u>	<u>\$ 539,079,328</u>	<u>\$ 464,933,016</u>
Average Daily Attendance at P-2	<u>18,642</u>	<u>18,639</u>	<u>18,493</u>	<u>17,661</u>

The General Fund balance has increased by \$77,551,666 over the past two years. The fiscal year 2024-2025 budget projects a decrease of \$95,720,706 (51.77%). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years but anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by \$101,801,598 over the past two years due primarily to the changes in pension and OPEB liabilities.

Average daily attendance has increased by 978 over the past two years. An increase of three ADA is anticipated during fiscal year 2024-2025.

<sup>1</sup> Financial information for 2025, 2023, and 2022 is included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained within the General Fund.

Madera Unified School District  
Schedule of Charter Schools  
Year Ended June 30, 2024

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Name of Charter School	Charter Number	Included in Audit Report
Liberty Charter School	0676	No
Sherman Thomas Charter High School	1058	No
Sherman Thomas Charter School	0507	No
Sherman Thomas STEM Academy	1780	No

Madera Unified School District  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2024

	Student Activities Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	COP Debt Service Fund	Total Non-Major Governmental Funds
<b>Assets</b>								
Deposits and investments	\$ 953,207	\$ 463,475	\$ 2,427,605	\$ 2,863,414	\$ 6,013,148	\$ 10,139,569	\$ 787,218	\$ 23,647,636
Receivables	-	243,679	-	2,847,334	-	-	-	3,091,013
Due from other funds	-	-	100,488	26,423	-	-	-	126,911
Stores inventories	-	-	-	875,426	-	-	-	875,426
<b>Total assets</b>	<u>\$ 953,207</u>	<u>\$ 707,154</u>	<u>\$ 2,528,093</u>	<u>\$ 6,612,597</u>	<u>\$ 6,013,148</u>	<u>\$ 10,139,569</u>	<u>\$ 787,218</u>	<u>\$ 27,740,986</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ 24,867	\$ 70,368	\$ 475,060	\$ 21,941	\$ 6,779	\$ -	\$ 599,015
Due to other funds	-	75,913	396,033	545,862	47,504	-	-	1,065,312
Unearned revenue	-	-	512,121	-	-	-	-	512,121
<b>Total liabilities</b>	<u>-</u>	<u>100,780</u>	<u>978,522</u>	<u>1,020,922</u>	<u>69,445</u>	<u>6,779</u>	<u>-</u>	<u>2,176,448</u>
<b>Fund Balances</b>								
Nonspendable	-	2,000	-	878,566	-	-	-	880,566
Restricted	953,207	-	1,549,571	4,713,109	5,943,703	10,132,790	787,218	24,079,598
Committed	-	287,489	-	-	-	-	-	287,489
Assigned	-	316,885	-	-	-	-	-	316,885
<b>Total fund balances</b>	<u>953,207</u>	<u>606,374</u>	<u>1,549,571</u>	<u>5,591,675</u>	<u>5,943,703</u>	<u>10,132,790</u>	<u>787,218</u>	<u>25,564,538</u>
<b>Total liabilities and fund balances</b>	<u>\$ 953,207</u>	<u>\$ 707,154</u>	<u>\$ 2,528,093</u>	<u>\$ 6,612,597</u>	<u>\$ 6,013,148</u>	<u>\$ 10,139,569</u>	<u>\$ 787,218</u>	<u>\$ 27,740,986</u>

Madera Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental  
Funds  
Year Ended June 30, 2024

	Student Activities Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund
Revenues				
Federal sources	\$ -	\$ 391,867	\$ -	\$ 18,075,519
Other State sources	-	1,375,160	4,673,328	4,368,084
Other local sources	1,211,965	152,452	31,916	362,536
Total revenues	1,211,965	1,919,479	4,705,244	22,806,139
Expenditures				
Current				
Instruction	-	700,914	2,822,775	-
Instruction-related activities				
Supervision of instruction	-	17,167	469,213	-
School site administration	-	601,472	-	-
Pupil services				
Food services	-	-	-	23,851,612
All other pupil services	-	74,357	-	-
Administration				
All other administration	-	73,439	313,350	511,357
Plant services	-	396,171	62,684	624,269
Ancillary services	1,100,537	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
Total expenditures	1,100,537	1,863,520	3,668,022	24,987,238
Excess (Deficiency) of Revenues Over Expenditures	111,428	55,959	1,037,222	(2,181,099)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Sourced from COP issuance, par	-	-	-	-
Sources from COPd issuance premium	-	-	-	-
Payments into escrow for refunding	-	-	-	-
Transfers out	-	-	-	-
Net Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	111,428	55,959	1,037,222	(2,181,099)
Fund Balance - Beginning	841,779	550,415	512,349	7,772,774
Fund Balance - Ending	\$ 953,207	\$ 606,374	\$ 1,549,571	\$ 5,591,675

Madera Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2024

	Capital Facilities Fund	Bond Interest and Redemption Fund	COP Debt Service Fund	Total Non-Major Governmental Funds
Revenues				
Federal sources	\$ -	\$ -	\$ -	\$ 18,467,386
Other State sources	-	80,735	-	10,497,307
Other local sources	3,319,437	12,823,324	33,209	17,934,839
Total revenues	3,319,437	12,904,059	33,209	46,899,532
Expenditures				
Current				
Instruction	-	-	-	3,523,689
Instruction-related activities				
Supervision of instruction	-	-	-	486,380
School site administration	-	-	-	601,472
Pupil services				
Food services	-	-	-	23,851,612
All other pupil services	-	-	-	74,357
Administration				
All other administration	10,550	-	-	908,696
Plant services	-	-	-	1,083,124
Ancillary services	-	-	-	1,100,537
Facility acquisition and construction	3,168,168	-	-	3,168,168
Debt service				
Principal	-	5,985,000	2,200,000	8,185,000
Interest and other	-	5,205,562	4,943,603	10,149,165
Total expenditures	3,178,718	11,190,562	7,143,603	53,132,200
Excess (Deficiency) of Revenues Over Expenditures	140,719	1,713,497	(7,110,394)	(6,232,668)
Other Financing Sources (Uses)				
Transfers in	-	-	6,178,890	6,178,890
Sourced from COP issuance, par	-	-	63,045,000	63,045,000
Sources from COPd issuance premium	-	-	8,951,667	8,951,667
Payments into escrow for refunding	-	-	(71,020,000)	(71,020,000)
Transfers out	(1,225,019)	-	-	(1,225,019)
Net Financing Sources (Uses)	(1,225,019)	-	7,155,557	5,930,538
Net Change in Fund Balances	(1,084,300)	1,713,497	45,163	(302,130)
Fund Balance - Beginning	7,028,003	8,419,293	742,055	25,866,668
Fund Balance - Ending	\$ 5,943,703	\$ 10,132,790	\$ 787,218	\$ 25,564,538

## **Note 1 - Purpose of Schedules**

### **Schedule of Expenditures of Federal Awards (SEFA)**

#### Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Madera Unified School District (the District) under programs of the federal government for the year ended June 30, 2024. The information 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). Because the schedule presents only a selected portion of the operations of the Madera Unified School District, it is not intended to and does not present the net position, changes in net position or fund balances of Madera Unified School District.

#### Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

#### Indirect Cost Rate

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

#### Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the District had used such food commodities in the amount of \$1,522,968 for the 2023-2024 fiscal year.

### **Schedule of Average Daily Attendance (ADA)**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

### **Schedule of Instructional Time**

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

### **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 Unaudited Actual Financial Report to the audited financial statements.

### **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.

### **Schedule of Charter Schools**

This schedule lists all charter schools chartered by the District, and displays information for each charter school on whether or not the charter school is included in the District audit.

### **Non-Major Governmental Funds - Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

These schedules are included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.





Other Information  
June 30, 2024

## Madera Unified School District

## Organization

The Madera Unified School District was established in 1966 and consists of an area comprising approximately 400 square miles. The District operates eighteen elementary schools, three middle schools, three comprehensive high schools, two alternative education schools, one community day school, and one adult education school. There were no boundary changes during the year.

## Governing Board

Member	Office	Term Expires
Lucy Salazar	Board President	2026
Ruben Mendoza	Clerk	2024
Nadeem Ahmad	Trustee	2026
Israel Cortes	Trustee	2024
Gladys A Diebert	Trustee	2026
Joetta Fleak	Trustee	2026
Ray G Seiber	Trustee	2024

## Administration

Todd Lile	Superintendent
Sandon Schwartz	Deputy Superintendent
Sheryl Sisil	Associate Superintendent of Educational Services
Oracio Rodriguez	Assistant Superintendent of School Leadership
Joseph Aiello	Assistant Superintendent of Human Resources
Prince Marshall	Assistant Superintendent of Student & Family Support Services
Arelis Garcia	Chief Financial Officer
Jesse Carrasco	Area Assistant Superintendent
Ladislao Lopez	Area Assistant Superintendent
Carry Gasset	Area Assistant Superintendent



Independent Auditor's Reports  
June 30, 2024

# Madera Unified School District



**Independent Auditor's 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***

To the Governing Board  
Madera Unified School District  
Madera, California

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madera Unified School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 11, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 statements. 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*.

## **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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fresno, California  
December 11, 2024



## **Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Governing Board  
Madera Unified School District  
Madera, California

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Madera Unified School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in black ink that reads "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Fresno, California  
December 11, 2024





## **Independent Auditor's Report on State Compliance and on Internal Control Over Compliance**

To the Governing Board  
Madera Unified School District  
Madera, California

### **Report on Compliance**

#### ***Opinion on State Compliance***

We have audited Madera Unified School District's (the District) compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

#### ***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Immunizations	Not Applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

### Report on 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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fresno, California  
December 11, 2024



Schedule of Findings and Questioned Costs  
June 30, 2024

## Madera Unified School District

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	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**

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
COVID-19, Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U
COVID-19, Elementary and Secondary School Emergency Relief Fund III (ESSER III): Learning Loss	84.425U
COVID-19, Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U
COVID-19, American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425W
COVID-19, American Rescue Plan - Homeless Children and Youth (ARP-HCY) Program	84.425W
Title IV - Part B, Twenty First Century Community Learning Centers	84.287
Dollar threshold used to distinguish between type A and type B programs	\$ 1,944,702
Auditee qualified as low-risk auditee?	No

**State Compliance**

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs	Unmodified

None reported.



None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.