Financial Statements
June 30, 2020

Madera Unified School District

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Governing Board
Madera Unified School District
Madera, California

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madera Unified School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Madera Unified School District, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 1 and 16 to the financial statements, the Madera Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position as of July 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Madera Unified School District's financial statements. The combining and individual non-major fund financial statements, schedule of expenditures of federal awards as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 financial statements.

The combining and individual non-major fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the schedule of expenditures of federal awards, and the 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 17, 2021 on our consideration of Madera Unified School 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 Madera Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madera Unified School District's internal control over financial reporting and compliance.

Eide Bailly LLP

Fresno, California
January 17, 2021

Madera Unified School District
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(559) 675-4500
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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, 2020, with comparative information for the fiscal year ended June 30, 2019.

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 district-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 district-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

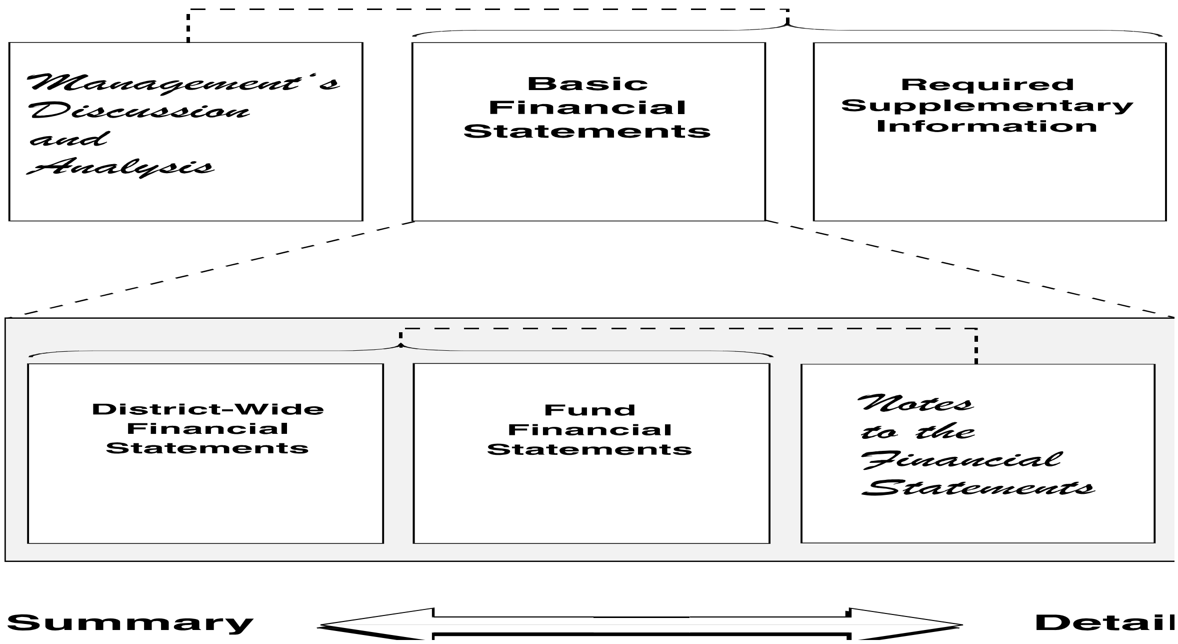


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents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

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

Type of Statements	District-Wide	Fund Financial Statements
Scope	Entire District, except fiduciary activities	The activities of the District that are not proprietary in nature.
Required financial statements	•statement of net position •statement of activities	•balance sheet •statement of revenues, expenditures and changes in fund balances •reconciliation to government-wide financial statements
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

District-Wide Statements

The district-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 and liabilities. 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 district-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 district-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 has one kind of fund type which is the Governmental funds - 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 district-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 $122.5 million on June 30, 2020, increasing by $20.8 million (see Table A-1).

Table A-1	Governmental Activities	
	2020	2019 As Restated
Assets		
Current and other assets	$ 185,505,518	$ 250,312,245
Capital assets	448,495,409	345,825,344
Total assets	634,000,927	596,137,589
Deferred outflows of resources	72,912,231	80,922,928
Liabilities		
Current liabilities	43,298,769	36,928,836
Long-term liabilities	517,693,671	528,748,410
Total liabilities	560,992,440	565,677,246
Deferred inflows of resources	23,470,135	9,837,125
Net Position		
Net investment in capital assets	226,437,747	137,330,048
Restricted	25,505,345	31,549,410
Unrestricted	(129,492,509)	(67,203,688)
Total net position	$ 122,450,583	$ 101,675,770

Changes in net position. The District's total governmental revenues were $310.2 million (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 about $205.2 million and property taxes contributing about $42.9 million. Another $52.4 million came from categorical programs, $0.3 million came from fees charged for services, and $6.5 million from miscellaneous sources including developer fees.

The total cost of all governmental programs and services was $289.4 million. The District's expenses are primarily related to educating and caring for students (81 percent). The purely administrative activities of the District accounted for just five percent of the total cost.

Total revenues surpassed expenses, increasing net position $20.8 million over last year. Governmental activities contributed to the District's healthier fiscal status.

Table A-2

	Governmental Activities	
	2020	2019
Revenues		
Program revenues		
Charges for services	$ 296,210	$ 445,841
Operating grants and contributions	52,432,837	58,227,483
Capital grants and contributions	2,904,771	2,245,235
General revenues		
Federal and State aid not restricted	205,202,699	199,613,847
Property taxes	42,892,963	36,226,625
Other general revenues	6,485,034	7,382,513
Total revenues	310,214,514	304,141,544
Expenses		
Instruction-related	192,085,309	189,313,926
Pupil services	39,824,462	39,113,812
Administration	17,183,685	15,830,412
Plant services	20,995,332	25,464,886
Other	19,350,913	16,777,500
Total expenses	289,439,701	286,500,536
Change in net position	$ 20,774,813	$ 17,641,008

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, 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	
	2020	2019	2020	2019
Instruction	$ 192,085,309	$ 189,313,926	$ (158,097,900)	$ (149,895,439)
Pupil services	39,824,462	39,113,812	(22,636,665)	(22,712,475)
Administration	17,183,685	15,830,412	(15,316,321)	(13,639,568)
Plant services	20,995,332	25,464,886	(20,062,602)	(24,104,653)
All other services	19,350,913	16,777,500	(17,692,395)	(15,229,842)
Total	$ 289,439,701	$ 286,500,536	$ (233,805,883)	$ (225,581,977)

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 $142.2 million which was a decrease of $71.3 million over the prior year. Below is a summary of some of the changes:

	Balances and Activity			
Governmental Fund	June 30, 2019 As Restated	Revenues	Expenditures	June 30, 2020
General	$ 65,218,882	$ 273,315,142	$ 260,339,016	$ 78,195,008
Student Activity	623,008	730,728	651,691	702,045
Adult Education	169,470	1,519,641	1,525,778	163,333
Child Development	392,561	2,727,992	2,689,030	431,523
Cafeteria	1,664,889	16,429,058	15,194,260	2,899,687
Building	40,114,002	635,962	21,577,021	19,172,943
Capital Facilities	4,674,482	2,798,722	6,582,325	890,879
County School Facilities	4,095,538	2,994,407	2,994,546	4,095,399
Special Reserve Fund for Capital Outlay Projects	79,308,520	12,049,226	69,933,083	21,424,663
Bond Interest and Redemption	10,700,356	11,968,587	11,161,650	11,507,293
Debt Service	6,551,325	1,057,536	4,884,885	2,723,976
Total	$ 213,513,033	$ 326,227,001	$ 397,533,285	$ 142,206,749

- The increase in the General Fund Balance of $13.0 million is due primarily to an increase in Local Control Funding Formula and cost management.
- The capital project funds decreased by $82.6 million due to various construction projects, including the new Matilda Torres High School.
- The debt service funds decreased by $3.0 million as an interest payment was made during the year out of cash held with the fiscal agent.
- The special revenue funds increased by $1.3 million. An increase in the Cafeteria Fund of about $1.2 million was the primary reason.

General Fund Budgetary Highlights

Four budget periods occur during the year, as the District revises its budget and addresses unexpected changes in revenues and expenditures. The Budget Advisory Committee members met two times during this fiscal year due to the COVID-19 pandemic restrictions for meetings. 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 2020-2021, 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 approximately $2.4 million. Revenues and transfers in were approximately $4.2 million less than budgeted and expenditures and transfers out were approximately $19.6 million less than budgeted, leaving the fund with an increase of approximately $13.0 million.

Capital Asset and Debt Administration

Capital Assets

By the end of 2020, the District had invested $448.5 million in a broad range of capital assets, including land, school buildings, computer and audio visual equipment, and administrative offices (see Table A-4). This amount represents an increase of $102.7 million (net of accumulated depreciation) over last year.

Table A-4	Governmental Activities	
	2020	2019
Land and construction in progress	$ 229,397,086	$ 162,403,449
Buildings and improvements	205,757,963	171,842,095
Equipment	13,340,360	11,579,800
Total	$ 448,495,409	$ 345,825,344

We present more detailed information about our capital assets in the Notes to Financial Statements.

Long-Term Liabilities

At year-end the District had $517.7 million long-term liabilities outstanding – a decrease of 2.0 percent from last year (see Table A-5).

Table A-5

	Governmental Activities 2020	Governmental Activities 2019
General obligation bonds	$ 161,002,039	$ 165,741,966
Certificates of participation	87,800,000	88,480,000
Unamortized premiums/(discounts)	12,330,738	13,018,180
Capital leases	2,267,148	2,574,378
Early retirement liabilities	226,792	132,575
Compensated absences	785,958	434,250
PARS early retirement program	456,598	913,195
Net OPEB liability	26,023,024	29,204,827
Aggregate net pension liability	226,801,374	228,249,039
Total	$ 517,693,671	$ 528,748,410

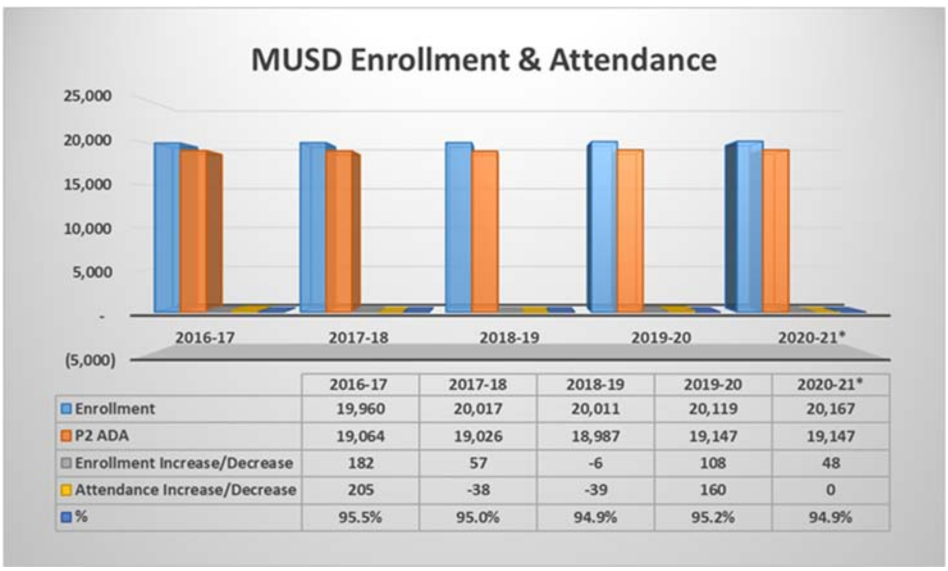
The District's Fitch bond rating as of the most recent bond issuance was "AA-". In addition, the District's certificates of participation S&P rating at the time of their last issuance was "AAA".

At year-end, the District has a net pension liability of $226.8 million versus $228.2 million last year, a decrease of $1.4 million, or 0.61 percent. The District also reported deferred outflows of resources from pension activities of $65.5 million, and deferred inflows of resources from pension activities of $14.7 million. 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 2019-2020 LCFF revenue included a 3.26 percent cost-of-living (COLA), while the LCFF for 2020-2021 will be funded with zero COLA. The list below are factors that could impact financial stability in the future:

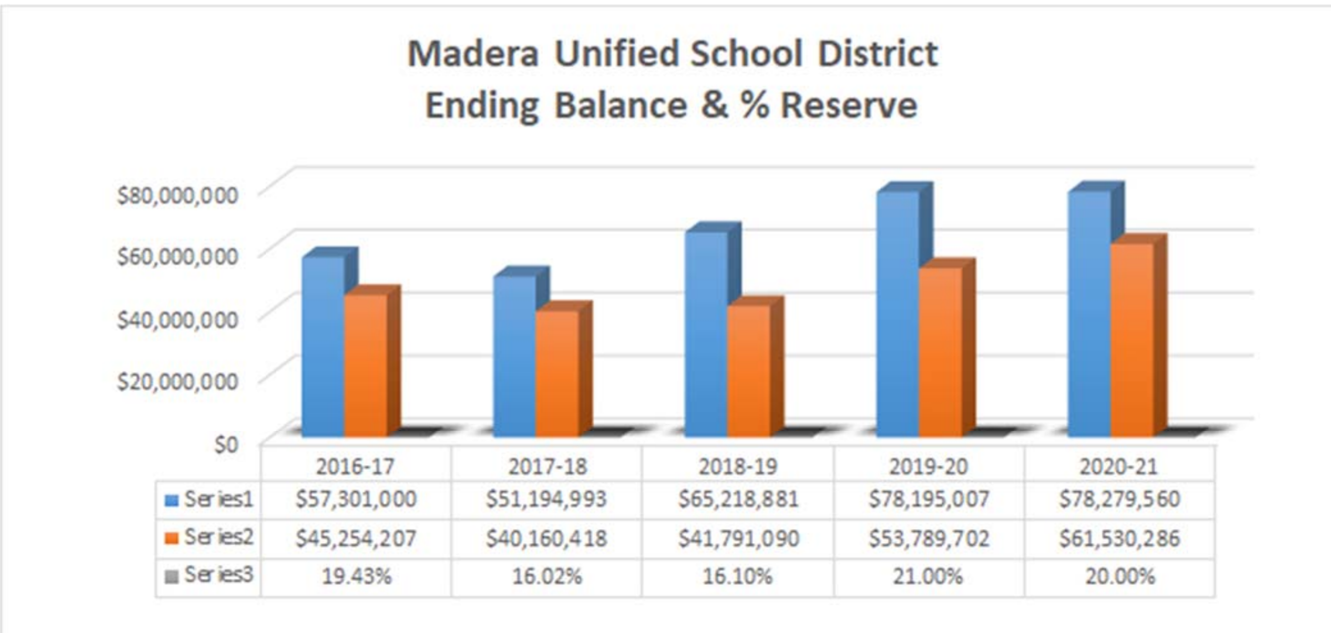
- The District enrollment and attendance for 2019-2020 was 20,119 and 19,147 respectively. The 2020-2021 school year began on August 19, 2020, in a distance learning environment due to the COVID-19 pandemic. Anticipating greater rates of absences, the state budget included a hold-harmless provision for 2020-2021. The provision ensures LCFF funding at the same level as 2019-2020. The District still has to report enrollment the first Wednesday in October, the Census Day for the California Longitudinal Pupil Achievement Data System (CALPADS). The enrollment projection for 2020-2021 is 20,167.



	2016-17	2017-18	2018-19	2019-20	2020-21*
Enrollment	19,960	20,017	20,011	20,119	20,167
P2 ADA	19,064	19,026	18,987	19,147	19,147
Enrollment Increase/Decrease	182	57	-6	108	48
Attendance Increase/Decrease	205	-38	-39	160	0
%	95.5%	95.0%	94.9%	95.2%	94.9%

- The District is still in salary negotiations with labor partners for the 2019-2020 fiscal year.
- We continue our 12 Year Facilities Master Plan that our Governing Board approved in September of 2016. This plan will continue to be our road map for building schools, modernization and purchasing land for future growth. Matilda Torres High School construction almost complete and the school opened its doors this August for distance learning. The construction of the Madera Technical Exploration Center (MadTEC) is very well advanced. The school is operating from Matilda Torres High School until the school is delivered to the district. The estimated delivery is scheduled for early October. The District is currently searching for the new K-8 elementary site.
- Increases in Step/Column, CalSTRS, and CalPERS and health/Welfare costs continue to be monitored and are a major concern of the District. Multiyear projections will continue to include these increases. This document is fundamental for financial and budget decisions related to future educational services for the District's students.

- Districts are required to have a minimum balance available to meet potential emergency needs. Assuring that adequate balances are available at the end of the year is an important part of District fiscal management. The state requires only a 3 percent reserve; the board recognizes that 3 percent is not enough reserve to deal with an emergency. 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. The board approved minimum fund balance is 10 percent.



- The General Fund ending balance as of June 30, 2020 was $78 million. This balance includes $2.4 million in savings from utilities, fuel, school supplies, and substitute personnel. The District had to close all its schools in March due to the COVID-19 pandemic. After subtracting the funds for One Time Projects and Set Aside, the District's reserve ended at 21 percent. At this time of economic uncertainties, the California Department of Education, along with School Services of California (SSC) and the Fiscal Crisis & Management Assistance Team (FCMAT) recommend maintaining a healthy reserve of 17 percent or more.
- The approved state budget includes a significant amount of cash deferrals from the fiscal year 2020-2021 to 2021-2022, meaning the district will not receive the full amount of funds from the state. The District's reserve will help overcome the global depression and the cash deferrals the state has scheduled starting in February through June of 2021. The District will use the ending balance to meet payroll and vendor obligations during these months while it waits for the state to send the funds owed.
- The District will participate in a statewide-pooled Tax and Revenue Anticipation Note (TRAN). This process will allow the District to borrow cash in a short-term repayment if needed. There is no cost to apply nor any obligation to proceed with the TRAN.
- The District will continue to support the College and Career Pathways, After School Program, Special Education, and still meet the required 3 percent of the District's expense budget for Routine Repair Maintenance Account (RRMA).

- The District is receiving $31.5 million for COVID-19 Relief funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. These funds are One-Time Federal funds (Restricted). The funds are broken down as follows,
    - Elementary Secondary School Emergency Relief Funds (ESSER) - $7 million
    - Senate Bill 117 - $335 thousand
    - Learning Loss Mitigation (GEER, CRF, & Prop 98) - $24 million
        - Governor's Emergency Education Relief - $829 thousand
        - Coronavirus Relief Funds - $21.4 million
        - General Fund Proposition 98 - $2 million

  The District is using these funds to provide the students and staff the personal protective equipment (PPE) to stop the COVID-19 spread; and devices, instructional supplies, and technology for distance learning.

FUTURE YEARS (2021-2022 AND 2022-2023)

1. Estimated COLA at zero percent, No new Revenue
2. Major increases CalSTRS and CalPERS, Step/Column, H&W
3. Flat enrollment and ADA
4. Continue plans for 2 new K-8 schools

Madera Unified School District's goal is to maintain a balanced budget, minimal debt, competitive salaries, and the most important rigorous programs, and high quality learning 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.

	Governmental Activities
Assets	
Deposits and investments	$ 147,040,249
Receivables	36,934,655
Prepaid items	488,160
Stores inventories	1,042,454
Capital assets not depreciated	229,397,086
Capital assets, net of accumulated depreciation	219,098,323
Total assets	634,000,927
Deferred Outflows of Resources	
Deferred outflows of resources related to other postemployment benefits (OPEB) liability	7,392,209
Deferred outflows of resources related to pensions	65,520,022
Total deferred outflows of resources	72,912,231
Liabilities	
Accounts payable	39,169,251
Unearned revenue	4,129,518
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	9,819,123
Long-term liabilities other than OPEB and pensions due in more than one year	255,050,150
Net other postemployment benefits liabilities	26,023,024
Aggregate net pension liabilities	226,801,374
Total liabilities	560,992,440
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	8,728,304
Deferred inflows of resources related to pensions	14,741,831
Total deferred inflows of resources	23,470,135
Net Position	
Net investment in capital assets	226,437,747
Restricted for	
Debt service	14,231,269
Capital projects	4,986,278
Educational programs	3,244,316
Other restrictions	3,043,482
Unrestricted	(129,492,509)
Total net position	$ 122,450,583

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 158,503,867	$ 3,375	$ 24,309,368	$ 2,904,771	$ (131,286,353)
Instruction-related activities					
Supervision of instruction	12,751,047	1,044	5,006,667	-	(7,743,336)
Instructional library, media, and technology	1,397,430	60	99,149	-	(1,298,221)
School site administration	19,432,965	344	1,662,631	-	(17,769,990)
Pupil services					
Home-to-school transportation	7,679,035	388	349	-	(7,678,298)
Food services	14,511,689	53,649	15,149,995	-	691,955
All other pupil services	17,633,738	-	1,983,416	-	(15,650,322)
Administration					
Data processing	5,045,317	-	(23,623)	-	(5,068,940)
All other administration	12,138,368	2,986	1,888,001	-	(10,247,381)
Plant services	20,995,332	1,497	931,233	-	(20,062,602)
Ancillary services	4,913,498	-	828,716	-	(4,084,782)
Community services	18,759	-	263	-	(18,496)
Enterprise services	210,561	-	-	-	(210,561)
Interest on long-term liabilities	10,030,125	-	-	-	(10,030,125)
Other outgo	4,177,970	232,867	596,672	-	(3,348,431)
Total governmental activities	$ 289,439,701	$ 296,210	$ 52,432,837	$ 2,904,771	(233,805,883)
General Revenues and Subventions					
Property taxes, levied for general purposes					29,997,647
Property taxes, levied for debt service					11,884,951
Taxes levied for other specific purposes					1,010,365
Federal and State aid not restricted to specific purposes					205,202,699
Interest and investment earnings					2,097,504
Interagency revenues					368,854
Miscellaneous					4,018,676
Total general revenues and transfers					254,580,696
Change in Net Position					20,774,813
Net Position - Beginning, as restated					101,675,770
Net Position - Ending					$ 122,450,583

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	$ 72,040,695	$ 22,239,191	$ 29,681,356	$ 23,079,007	$ 147,040,249
Receivables	33,299,311	-	-	3,635,344	36,934,655
Due from other funds	1,626,097	-	4,234	728,327	2,358,658
Prepaid expenditures	483,337	-	-	4,823	488,160
Stores inventories	487,344	-	-	555,110	1,042,454
Total assets	$ 107,936,784	$ 22,239,191	$ 29,685,590	$ 28,002,611	$ 187,864,176
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 25,832,498	$ 3,066,248	$ 8,260,927	$ 2,009,578	$ 39,169,251
Due to other funds	230,487	-	-	2,128,171	2,358,658
Unearned revenue	3,678,791	-	-	450,727	4,129,518
Total liabilities	29,741,776	3,066,248	8,260,927	4,588,476	45,657,427
Fund Balances					
Nonspendable	995,681	-	-	565,073	1,560,754
Restricted	2,656,283	19,172,943	-	22,849,062	44,678,288
Assigned	20,753,342	-	21,424,663	-	42,178,005
Unassigned	53,789,702	-	-	-	53,789,702
Total fund balances	78,195,008	19,172,943	21,424,663	23,414,135	142,206,749
Total liabilities and fund balances	$ 107,936,784	$ 22,239,191	$ 29,685,590	$ 28,002,611	$ 187,864,176

Total Fund Balance - Governmental Funds		$ 142,206,749
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	$ 569,029,987	
Accumulated depreciation is	(120,534,578)	
Net capital assets		448,495,409
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		
Other postemployment benefits	7,392,209	
Net pension obligation	65,520,022	
Total deferred outflows of resources		72,912,231
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		
Other postemployment benefits	(8,728,304)	
Net pension obligation	(14,741,831)	
Total deferred inflows of resources		(23,470,135)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(226,801,374)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(26,023,024)
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	(151,163,457)	
Certificates of participation	(87,800,000)	
Capital leases payable	(2,267,148)	
Compensated absences (vacations)	(785,958)	
Special termination benefits payable	(683,390)	
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	(22,169,320)	
Total long-term liabilities		(264,869,273)
Total net position - governmental activities		$ 122,450,583

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula	$ 228,620,490	$ -	$ -	$ -	$ 228,620,490
Federal sources	14,435,876	-	-	15,572,328	30,008,204
Other State sources	22,087,652	-	-	7,892,758	29,980,410
Other local sources	8,128,483	635,962	1,049,226	15,704,918	25,518,589
Total revenues	273,272,501	635,962	1,049,226	39,170,004	314,127,693
Expenditures					
Current					
Instruction	145,641,592	-	-	2,795,358	148,436,950
Instruction-related activities					
Supervision of instruction	11,756,645	-	-	307,500	12,064,145
Instructional library, media, and technology	1,584,350	-	-	-	1,584,350
School site administration	17,731,907	-	-	549,388	18,281,295
Pupil services					
Home-to-school transportation	6,420,703	-	-	-	6,420,703
Food services	227,292	-	-	14,072,732	14,300,024
All other pupil services	16,137,313	-	-	50,259	16,187,572
Administration					
Data processing	4,597,674	-	-	-	4,597,674
All other administration	10,555,211	-	-	878,683	11,433,894
Plant services	22,745,017	-	31,815	764,698	23,541,530
Ancillary services	4,165,216	-	-	651,691	4,816,907
Community services	18,437	-	-	-	18,437
Other outgo	4,177,970	-	-	-	4,177,970
Enterprise services	205,061	-	-	-	205,061
Facility acquisition and construction	2,976,439	21,577,021	69,901,268	8,468,013	102,922,741
Debt service					
Principal	307,230	-	-	7,500,000	7,807,230
Interest and other	90,959	-	-	8,546,535	8,637,494
Total expenditures	249,339,016	21,577,021	69,933,083	44,584,857	385,433,977

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	23,933,485	(20,941,059)	(68,883,857)	(5,414,853)	(71,306,284)
Other Financing Sources (Uses)					
Transfers in	42,641	-	11,000,000	1,056,667	12,099,308
Transfers out	(11,000,000)	-	-	(1,099,308)	(12,099,308)
Net Financing Sources (Uses)	(10,957,359)	-	11,000,000	(42,641)	-
Net Change in Fund Balances	12,976,126	(20,941,059)	(57,883,857)	(5,457,494)	(71,306,284)
Fund Balance - Beginning, as restated	65,218,882	40,114,002	79,308,520	28,871,629	213,513,033
Fund Balance - Ending	$ 78,195,008	$ 19,172,943	$ 21,424,663	$ 23,414,135	$ 142,206,749

Total Net Change in Fund Balances - Governmental Funds		$ (71,306,284)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlays 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 expenses in the Statement of Activities.		
This is the amount by which capital outlays exceeds depreciation in the period.		
Depreciation expense	$ (6,736,506)	
Capital outlays	109,406,571	
Net expense adjustment		102,670,065
The District issued capital appreciation general obligations bonds. The accretion of interest on the general obligation bonds during the current fiscal year was		(2,080,073)
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.		10,672
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 net pension liability during the year.		(15,300,507)
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.		(1,713,732)

Governmental funds report the effect of premiums, discounts, and the deferred amount on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	687,442
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	6,820,000
Certificates of participation	680,000
Capital leases	307,230
Change in net position of governmental activities	$ 20,774,813

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, two 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 on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into two broad fund categories: governmental and fiduciary.

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.

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 Activity Fund** The Student Activity 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).

- **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 lA), 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 et seq.).

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 a 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.

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, and exclude fiduciary activity. 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. 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. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

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 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 entity-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.

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. As of June 30, 2020, the District had $488,160 of prepaid expenditures recorded in the General Fund for travel and conferences.

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 and Depreciation

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.

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.

Accounts Payable and Long-Term Liabilities

Accounts payable and long-term liabilities are reported in the government-wide financial statements. In general, governmental fund accounts payable that are paid in a timely manner and in full from current financial resources are reported as liabilities of the funds.

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.

Deferred Outflows/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. The deferred amounts related to pension and OPEB relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension and OPEB related changes.

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 pension related items and for OPEB related items.

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.

Fund Balances - Governmental Funds

As of June 30, 2020, 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. The District has no committed fund balances.

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 a minimum unassigned fund balance, which includes a reserve for economic uncertainties, of 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 $25,375,146 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 and after non-operating revenues/expenses in proprietary 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.

Change in Accounting Principles

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

The provisions of this Statement have been implemented as of June 30, 2020.

As of June 30, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in the creation of the Student Activities Fund. The effects of the implementation of this standard on beginning net position is disclosed in Note 16.

New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In August 2018, the GASB issued Statement 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement 67 and 68, as amended, and No.74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District’s financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument’s variable payment

- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

As a result of the implementation of GASB Statement No. 95, the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraph 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The effects of this change on the District's financial statements have not yet been determined.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Governmental funds	$ 147,040,249

Deposits and investments as of June 30, 2020, consist of the following:

Cash on hand and in banks	$ 487,660
Cash with fiscal agent	2,099,438
Cash in revolving	30,140
Investments	144,423,011
Total deposits and investments	$ 147,040,249

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 does not have 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.

Segmented Time Distribution

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the District's investments by maturity:

Investment Type	Reported Amount	12 Months or Less	13 - 24 Months
U.S. Treasuries	$ 118,227	$ 118,227	$ -
County Pool	144,304,784	-	144,304,784
Total	$ 144,423,011	$ 118,227	$ 144,304,784

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 percent 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 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, $1,849,438 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, 2020, 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	$ 1,726,708	$ 2,819,980	$ 4,546,688
State Government			
LCFF apportionment	28,550,277	-	28,550,277
Other State	2,576,271	801,854	3,378,125
Local sources	446,055	13,510	459,565
Total	$ 33,299,311	$ 3,635,344	$ 36,934,655

Note 4 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	$ 13,763,332	$ -	$ -	$ 13,763,332
Construction in progress	148,640,117	101,546,045	(34,552,408)	215,633,754
Total capital assets not being depreciated	162,403,449	101,546,045	(34,552,408)	229,397,086
Capital assets being depreciated				
Land improvements	21,534,698	733,913	-	22,268,611
Buildings and improvements	241,413,247	37,527,695	-	278,940,942
Furniture and equipment	34,358,953	4,151,326	(86,931)	38,423,348
Total capital assets being depreciated	297,306,898	42,412,934	(86,931)	339,632,901
Total capital assets	459,710,347	143,958,979	(34,639,339)	569,029,987
Accumulated depreciation				
Land improvements	(8,029,726)	(2,007,282)	-	(10,037,008)
Buildings and improvements	(83,076,124)	(2,338,458)	-	(85,414,582)
Furniture and equipment	(22,779,153)	(2,390,766)	86,931	(25,082,988)
Total accumulated depreciation	(113,885,003)	(6,736,506)	86,931	(120,534,578)
Governmental activities capital assets, net	$ 345,825,344	$ 137,222,473	$ (34,552,408)	$ 448,495,409

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Instruction	$ 3,637,713
School site administration	134,730
Home-to-school transportation	1,347,301
Food services	67,365
Data processing	336,825
All other administration	404,190
Plant services	808,382
Total depreciation expenses governmental activities	$ 6,736,506

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, 2020, between major and non-major governmental funds are as follows:

Funds	Due from Other Funds	Due to Other Funds
Major Governmental Funds		
General	$ 1,626,097	$ 230,487
Special Reserve Fund for Capital Outlay Projects	4,234	-
Non-Major Governmental Funds		
Adult Education	-	257,850
Child Development	-	15,603
Cafeteria	226,253	1,352,644
Capital Facilities	-	502,074
COP Debt Service	502,074	-
Total	$ 2,358,658	$ 2,358,658

The General Fund owes the Cafeteria Non-Major Governmental Fund for expense transfers.	$ 226,253
The General Fund owes the Special Reserve Fund for Capital Outlay Projects for expense transfers.	4,234
The Adult Education Non-Major Governmental Fund owes the General Fund for a temporary loan.	251,000
The Adult Education Non-Major Governmental Fund owes the General Fund for adjustments to workers compensation and SUI costs.	6,850
The Child Development Non-Major Governmental Fund owes the General Fund for indirect costs.	3,200
The Child Development Non-Major Governmental Fund owes the General Fund for adjustments to workers compensation and SUI costs.	12,403
The Cafeteria Non-Major Governmental Fund owes the General Fund for a temporary loan.	945,000
The Cafeteria Non-Major Governmental Fund owes the General Fund for indirect costs.	377,168
The Cafeteria Non-Major Governmental Fund owes the General Fund for adjustments to workers' compensation and SUI costs.	30,476
The Capital Facilities Non-Major Governmental Fund owes the COP Debt Service Non-Major Governmental Fund for the annual COP payment.	502,074
Total Interfund Receivables/Payables	$ 2,358,658

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, 2020, consist of the following:

The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for the future construction of new schools.	$ 11,000,000
The Capital Facilities Non-Major Governmental Fund transferred to the General Fund the allowable three percent administration fee.	42,641
The Capital Facilities Non-Major Governmental Fund transferred to the COP Debt Service Non-Major Governmental Fund for the annual COP debt service payment.	1,056,667
Total	$ 12,099,308

Note 6 - Prepaid Expenditures

Prepaid expenditures at June 30, 2020, consist of the following:

	General Fund	Non-Major Governmental Funds	Total
Travel and conferences	$ 483,337	$ 4,823	$ 488,160

Note 7 - Accounts Payable

Accounts payable at June 30, 2020, consist of the following:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Vendor payables	$ 4,119,286	$ 3,066,248	$ 8,260,927	$ 1,931,532	$ 17,377,993
State LCFF apportionment	8,920,234	-	-	-	8,920,234
Accrued salaries and benefits	12,792,978	-	-	78,046	12,871,024
Total	$ 25,832,498	$ 3,066,248	$ 8,260,927	$ 2,009,578	$ 39,169,251

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2020, consists of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	$ 2,653,666	$ 90,000	$ 2,743,666
State categorical aid	1,013,380	360,727	1,374,107
Local assistance	11,745	-	11,745
Total	$ 3,678,791	$ 450,727	$ 4,129,518

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, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
Long-Term Liabilities					
General obligation bonds	$ 165,741,966	$ 2,080,073	$ (6,820,000)	$ 161,002,039	$ 8,225,000
Certificates of participation	88,480,000	-	(680,000)	87,800,000	705,000
Unamortized debt premiums	13,018,180	-	(687,442)	12,330,738	-
Capital leases	2,574,378	-	(307,230)	2,267,148	317,825
Classified early retirement program	132,575	174,466	(80,249)	226,792	114,700
PARS early retirement program	913,195	-	(456,597)	456,598	456,598
Compensated absences	434,250	351,708	-	785,958	-
Total	$ 271,294,544	$ 2,606,247	$ (9,031,518)	$ 264,869,273	$ 9,819,123

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. Payments on the capital leases are made by the General Fund. The compensated absences and early retirement programs will be paid by the fund for which the employee worked.

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issuance Date	Series	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2019	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2020
Current Interest Bonds								
2/22/12	2012	8/2028	2.0-3.625%	$ 12,925,000	$ 10,180,000	$ -	$ (640,000)	$ 9,540,000
12/3/14	2014	8/2023	3.0-5.0%	15,535,000	8,805,000	-	(1,430,000)	7,375,000
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	62,560,000	-	(2,455,000)	60,105,000
6/26/19	2018-Series 2019	8/2048	3.0-5.0%	35,000,000	35,000,000	-	-	35,000,000
Capital Appreciation Bonds								
5/1/05	2002-Series 2005	8/2029	4.77-5.23%	13,329,104	12,296,842	-	(1,022,210)	11,274,632
	Accreted interest			-	12,760,803	1,190,338	(992,790)	12,958,351
3/1/06	2002-Series 2006	8/2029	4.68%	1,885,059	1,885,059	-	(156,811)	1,728,248
	Accreted interest			-	1,683,783	162,757	(123,189)	1,723,351
3/1/07	2006-Series 2007	8/2031	4.41-4.52%	9,308,839	9,308,839	-	-	9,308,839
	Accreted interest			-	6,760,640	726,978	-	7,487,618
Total					$ 165,741,966	$ 2,080,073	$ (6,820,000)	$ 161,002,039

Debt Service Requirements to Maturity

The capital appreciation bonds mature as follows:

Bonds Maturing Fiscal Year	Initial Bond Value	Accreted Interest	Accreted Obligation	Unaccreted Interest	Maturity Value
2021	$ 1,165,486	$ 1,229,514	$ 2,395,000	$ -	$ 2,395,000
2022	1,153,760	1,233,405	2,387,165	117,835	2,505,000
2023	1,143,251	1,238,909	2,382,160	242,840	2,625,000
2024	1,125,372	1,235,593	2,360,965	374,035	2,735,000
2025	2,288,538	2,165,642	4,454,180	915,820	5,370,000
2026-2030	11,624,374	11,391,520	23,015,894	9,424,106	32,440,000
2031-2032	3,810,638	3,675,037	7,485,675	4,809,325	12,295,000
Total	$ 22,311,419	$ 22,169,620	$ 44,481,039	$ 15,883,961	$ 60,365,000

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2021	$ 5,830,000	$ 4,680,025	$ 10,510,025
2022	4,925,000	4,427,725	9,352,725
2023	2,935,000	4,255,400	7,190,400
2024	3,305,000	4,129,400	7,434,400
2025	1,385,000	3,974,600	5,359,600
2026-2030	10,380,000	18,591,143	28,971,143
2031-2035	12,641,000	16,272,311	28,913,311
2036-2040	21,910,000	13,004,971	34,914,971
2041-2045	31,415,000	7,231,769	38,646,769
2046-2049	21,795,000	1,113,625	22,908,625
Total	$ 116,521,000	$ 77,680,969	$ 194,201,969

Certificates of Participation

In February 2014, the Madera Unified School District issued certificates of participation in the amount of $16,745,000 with an interest rate of 3.87 percent. The proceeds were used to refund the $16,235,000 remaining balance of the 2004 Certificates of Participation.

In August 2018, the District issued $75,070,000 in Certificates of Participation. The Certificates were issued to finance improvements to education facilities within the District. The Certificates were issued at a five percent interest rate and mature from September 1, 2021 through September 1, 2048.

Year Ending June 30,	Principal	Interest	Total
2021	$ 705,000	$ 4,232,509	$ 4,937,509
2022	2,015,000	4,204,741	6,219,741
2023	2,110,000	4,111,659	6,221,659
2024	2,200,000	4,014,263	6,214,263
2025	2,305,000	3,912,554	6,217,554
2026-2030	13,215,000	17,860,674	31,075,674
2031-2035	15,375,000	14,520,438	29,895,438
2036-2040	14,060,000	11,131,500	25,191,500
2041-2045	17,950,000	7,246,250	25,196,250
2046-2049	17,865,000	2,287,750	20,152,750
Total	$ 87,800,000	$ 73,522,338	$ 161,322,338

Capital Leases

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

	Energy Retrofit
Balance, July 1, 2019	$ 2,574,378
Payments	(307,230)
Balance, July 1, 2020	$ 2,267,148

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2021	$ 391,039
2022	391,039
2023	391,039
2024	391,039
2025	391,039
2026-2027	586,556
Total	2,541,751
Less amount representing interest	(274,603)
Present value of minimum lease payments	$ 2,267,148

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 $226,792. The amount paid during the current fiscal year related to the early retirement program totaled $80,249.

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 five annual payments to the program for the benefit of participating retirees in the amount of $456,598 per year beginning July 10, 2016. The District's outstanding obligation at June 30, 2020, is $456,598.

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2020, amounted to $785,958.

Note 10 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2020, 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	$ 24,868,883	$ 7,392,209	$ 8,728,304	$ 3,795,456
Medicare Premium Payment (MPP) Program	1,154,141	-	-	(88,297)
Total	$ 26,023,024	$ 7,392,209	$ 8,728,304	$ 3,707,159

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. The District has begun accumulating funds in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. There are no required contributions to the trust. Contributions are made based on the availability of funds and administrations directives.

Plan Membership

At July 1, 2019, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	96
Active employees	1,816
Total	1,912

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 benefit payment 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. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, MUTA, CSEA, and the unrepresented groups. There are no required contributions in excess of the required premium payments. For measurement period of June 30, 2020, the District contributed $4,582,339, consisting of $2,288,902 in retiree premiums, an implicit rate subsidy of $293,437, and a $2,500,000 contribution to the irrevocable trust.

Total OPEB Liability of the District

Actuarial Assumptions

The total OPEB liability in the June 30, 2020, actuarial roll-forward and measurement report was determined by applying update procedures to the actuarial valuation as of July, 1, 2019, using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00 percent
Salary increases	3.00 percent, average, including inflation
Investment rate of return	6.00 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	6.00 percent for 2019-2020, decreasing to 4.5 percent for 2022-2023 and after
Retirees' share of benefit-related costs	Employee pays excess premiums over $1,325/month, scheduled to increase by 3.0 percent a year.

The long-term expected rate of return (LTROR) on OPEB plan investments of 6.00 percent was determined by PARS and Vanguard using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Mortality Tables for Males or Females, as appropriate, projected using a generational projection based on 100 percent of scale MP--2016 for years 2014 through 2029, 50 percent of MP-2016 for years 2030 through 2049, and 20 percent of MP-2016 for 2050 and thereafter.

The discount rate of 6.00 percent is based on the long-term rate of return. It was determined that the LTROR was an appropriate basis for selection of the discount rate based on the results of a cross-over test performed by the plan's actuaries, PCA, as of the valuation date, which shows that plan assets, together with expected future contributions, will be sufficient to pay all expected future benefits.

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

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, 2019	$ 27,962,389	$ -	$ 27,962,389
Service cost	590,491	-	590,491
Interest	1,666,544	141,526	1,525,018
Changes of benefit terms			
Difference between expected and actual experience	8,208,721	-	8,208,721
Changes of assumptions and other inputs	(8,694,252)	-	(8,694,252)
Difference between expected and actual plan earnings	(634,894)	(5,450)	(629,444)
District contributions	-	4,099,707	(4,099,707)
Benefit payments	(1,488,306)	(1,488,306)	-
Administrative expense	-	(5,667)	5,667
Net change in total OPEB liability	(351,696)	2,741,810	(3,093,506)
Balance, June 30, 2020	$ 27,610,693	$ 2,741,810	$ 24,868,883

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

Changes of Assumptions – Healthcare trend rates were changed from 5.0 percent for all future years to an initial rate of 6.0 percent decreasing to an ultimate rate of 4.5 percent over a period of 3 years. The plan rate of investment return assumption was changed from 3.62 percent to 6.00 percent and the rate of inflation changed from 3.00 percent to 2.25 percent since the previous valuation dated July 1, 2019.

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%)	$ 27,188,450
Current discount rate (6%)	24,868,883
1% increase (7%)	22,768,804

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

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 rates:

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (5%)	$ 24,594,483
Current healthcare cost trend rate (6%)	24,868,883
1% increase (7%)	25,189,573

For the year ended June 30, 2020, the District recognized OPEB expense of $3,790,335. At June 30, 2020, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,387,849	$ 903,477
Changes of assumptions and other inputs	-	7,824,827
Net difference between projected and actual earnings on OPEB plan investments	4,360	-
Total	$ 7,392,209	$ 8,728,304

The deferred outflows of resources related to the difference between the expected and actual experience and a difference in the projected and actual earnings on plan investments will be amortized over five years as required by GASB 75.

The deferred outflows and inflows of resources related to differences between the expected and actual experience and changes of assumptions and other inputs 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 deferred outflows and deferred inflows will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	$ 821,962	$ (969,811)
2022	821,962	(969,811)
2023	821,962	(969,811)
2024	821,962	(969,811)
2025	821,962	(969,811)
Thereafter	3,282,399	(3,879,249)
Total	$ 7,392,209	$ (8,728,304)

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, 2018, 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, 2020, the District reported a liability of $1,154,141 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. 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, 2019 and June 30, 2018, respectively, was 0.3099 percent and 0.3246 percent, resulting in a net decrease in the proportionate share of 0.0147 percent.

For the year ended June 30, 2020, the District recognized OPEB expense of $(88,297).

Actuarial Methods and Assumptions

The June 30, 2019, total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total OPEB liability to June 30, 2019, using the assumptions listed in the following table:

Measurement Date	June 30, 2019	June 30, 2018
Valuation Date	June 30, 2018	June 30, 2017
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.50%	3.87%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2018, 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 our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) 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 380 or an average of 0.23 percent of the potentially eligible population (165,422).

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, 2019, 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

The discount rate used to measure the total OPEB liability as of June 30, 2019, is 3.50 percent. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2019, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.37 percent from 3.87 percent as of June 30, 2018.

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 (2.50%)	$ 1,259,433
Current discount rate (3.50%)	1,154,141
1% increase (4.50%)	1,057,332

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 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 Rate	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 1,081,776
Current Medicare costs trend rate (3.7% Part A and 4.1% Part B)	1,154,141
1% increase (4.7% Part A and 5.1% Part B)	1,298,691

Note 11 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	$ 25,000	$ -	$ -	$ 5,140	$ 30,140
Stores inventories	487,344	-	-	555,110	1,042,454
Prepaid expenditures	483,337	-	-	4,823	488,160
Total nonspendable	995,681	-	-	565,073	1,560,754
Restricted					
Legally restricted programs	2,656,283	-	-	588,033	3,244,316
Student activities	-	-	-	571,846	571,846
Scholarships	-	-	-	130,199	130,199
Food service	-	-	-	2,341,437	2,341,437
Capital projects	-	19,172,943	-	4,986,278	24,159,221
Debt services	-	-	-	14,231,269	14,231,269
Total restricted	2,656,283	19,172,943	-	22,849,062	44,678,288
Assigned					
Vacation accruals	743,914	-	-	-	743,914
RRMA carryover	1,500,000	-	-	-	1,500,000
Zimmerman field	1,500,000	-	-	-	1,500,000
Madera TEC-start up cost	500,000	-	-	-	500,000
Madera TEC-NMTC loan	1,500,000	-	-	-	1,500,000
Torres High School-start up cost	2,140,000	-	-	-	2,140,000
S and C carryover	5,515,908	-	-	-	5,515,908
Various program carryovers	3,016,412	-	-	-	3,016,412
Textbook adoptions	4,337,108	-	-	-	4,337,108
Capital projects	-	-	21,424,663	-	21,424,663
Total assigned	20,753,342	-	21,424,663	-	42,178,005
Unassigned					
Reserve for economic uncertainties	7,810,170	-	-	-	7,810,170
Remaining unassigned	45,979,532	-	-	-	45,979,532
Total unassigned	53,789,702	-	-	-	53,789,702
Total	$ 78,195,008	$ 19,172,943	$ 21,424,663	$ 23,414,135	$ 142,206,749

Note 12 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2020, 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 health, 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, 2020, 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	$ 158,229,205	$ 48,950,505	$ 14,105,811	$ 21,910,503
CalPERS	68,572,169	16,569,517	636,020	12,994,888
Total	$ 226,801,374	$ 65,520,022	$ 14,741,831	$ 34,905,391

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, 2018, 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 percent 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, 2020, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	17.10%	17.10%
Required state contribution rate	10.328%	10.328%

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 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the District's total contributions were $16,768,773.

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

At June 30, 2020, 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	$ 158,229,205
State's proportionate share of the net pension liability	86,324,595
Total	$ 244,553,800

The net pension liability was measured as of June 30, 2019. 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, 2019 and June 30, 2018, respectively was 0.1752 percent and 0.1808 percent, resulting in a net decrease in the proportionate share of 0.0056 percent.

For the year ended June 30, 2020, the District recognized pension expense of $21,910,503. In addition, the District recognized pension expense and revenue of $12,855,594 for support provided by the State. At June 30, 2020, 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	$ 16,768,773	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	11,769,751	3,552,058
Differences between projected and actual earnings on pension plan investments	-	6,095,037
Differences between expected and actual experience in the measurement of the total pension liability	399,445	4,458,716
Changes of assumptions	20,012,536	-
Total	$ 48,950,505	$ 14,105,811

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 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 Inflows of Resources
2021	$ (614,789)
2022	(4,838,742)
2023	(1,004,597)
2024	363,091
Total	$ (6,095,037)

The deferred outflows/(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
2021	$ 6,696,164
2022	6,696,163
2023	5,706,275
2024	5,804,314
2025	322,273
Thereafter	(1,054,231)
Total	$ 24,170,958

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, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010 through June 30, 2015
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 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) 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 (Pension Consulting

Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.8%
Fixed income	12%	1.3%
Real estate	13%	3.6%
Private equity	13%	6.3%
Risk mitigating strategies	9%	1.8%
Inflation sensitive	4%	-3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed 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 (7.10 percent) and assuming 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%)	$ 235,616,384
Current discount rate (7.10%)	158,229,205
1% increase (8.10%)	94,060,496

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, 2018, 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, 2020, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
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%	7.00%
Required employer contribution rate	19.721%	19.721%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. 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, 2020, are presented above and the total District contributions were $6,559,528.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $68,572,169. The net pension liability was measured as of June 30, 2019. 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, 2019 and June 30, 2018, respectively was 0.2353 percent and 0.2327 percent, resulting in a net increase in the proportionate share of 0.0026 percent.

For the year ended June 30, 2020, the District recognized pension expense of $12,994,888. At June 30, 2020, 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	$ 6,559,528	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,764,648	-
Differences between projected and actual earnings on pension plan investments	-	636,020
Differences between expected and actual experience in the measurement of the total pension liability	4,981,092	-
Changes of assumptions	3,264,249	-
Total	$ 16,569,517	$ 636,020

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 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 Inflows of Resources
2021	$ 627,822
2022	(1,254,054)
2023	(190,036)
2024	180,248
Total	$ (636,020)

The deferred outflows 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 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2021	$ 6,253,611
2022	2,713,673
2023	947,914
2024	94,791
Total	$ 10,009,989

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, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. 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	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. 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. 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 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 (6.15%)	$ 98,842,273
Current discount rate (7.15%)	68,572,169
1% increase (8.15%)	43,461,027

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 percent of an employee's gross earnings. An employee is required to contribute 6.2 percent 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 $9,016,867 (10.328 percent 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.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated an additional 2019–2020 contribution on-behalf of school employers of $1.1 billion for CalSTRS. A proportionate share of these contributions has been recorded in these financial statements totaling $3,024,565 and has also 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, 2020.

Litigation

The District is involved in one litigation case arising from the normal course of business. In the opinion of management and legal counsel, the disposition of the litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2020.

Operating Leases

The District has entered into various operating leases for equipment with lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date.

Construction Commitments

As of June 30, 2020, 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	$ 23,000,000	November 2020
Madera Technical Exploration Center	13,600,000	November 2020
Madera High School Career Tech modernization	213,000	August 2020
Total	$ 36,813,000	

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 health 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 is 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, 2020, the District made payment of $3,415,284 to CRMA for property and liability, and workers' compensation coverage.

During the year ended June 30, 2020, the District made payment of $34,187,532 to CVT for health and welfare benefits.

Note 16 - Restatement of Prior Year Net Position

As of June 30, 2020, the Madera Unified School District adopted GASB Statement No. 84, Fiduciary Activities (GASB 84). The following table describes the effects of the implementation of GASB 84 on beginning fund balance/net position.

Government-Wide Financial Statements	
Net Position - Beginning	$ 101,052,762
GASB 84 Implementation-Student Activity Fund	623,008
Net Position - Beginning as Restated	$ 101,675,770
Student Activity Fund	
Fund Balance - Beginning	$ -
GASB 84 Implementation-Student Activity Fund	623,008
Fund Balance - Beginning as Restated	$ 623,008

Note 17 - Subsequent Events

Election of 2018, Series 2020, General Obligation Bond Issuance

On August 4, 2020, the District issued $35,000,000 of general obligation bonds to be funded by the tax payers within the District. The bonds were issued to finance the construction of a new K-8 school site. The interest rates on the bonds range from 2.375 percent to 4.00 percent and mature from August 23, 2035 through September 25, 2049 and required mandatory sinking fund payments during the period. Interest payments are required on the outstanding bonds each February 1 and August 1 commencing February 1, 2021.

World-Wide Coronavirus Pandemic

Subsequent to year-end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.

Required Supplementary Information
June 30, 2020

Madera Unified School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$ 227,139,735	$ 228,833,671	$ 228,620,490	$ (213,181)
Federal sources	14,472,626	19,904,621	14,435,876	(5,468,745)
Other State sources	16,846,447	20,556,653	22,087,652	1,530,999
Other local sources	4,752,213	8,145,595	8,128,483	(17,112)
Total revenues	263,211,021	277,440,540	273,272,501	(4,168,039)
Expenditures				
Current				
Certificated salaries	102,801,886	103,437,083	100,999,820	2,437,263
Classified salaries	32,815,702	33,166,210	32,424,151	742,059
Employee benefits	73,834,877	70,697,794	71,668,358	(970,564)
Books and supplies	19,036,291	19,343,117	12,631,118	6,711,999
Services and operating expenditures	23,126,792	28,668,911	22,494,940	6,173,971
Other outgo	2,654,224	3,348,716	3,308,837	39,879
Capital outlay	2,562,132	9,838,374	5,413,603	4,424,771
Debt service				
Debt service - principal	307,230	307,230	307,230	-
Debt service - interest and other	83,810	83,810	90,959	(7,149)
Total expenditures	257,222,944	268,891,245	249,339,016	19,552,229
Excess of Revenues Over Expenditures	5,988,077	8,549,295	23,933,485	15,384,190
Other Financing Sources (Uses)				
Transfers in	30,000	30,000	42,641	12,641
Transfers out	(11,000,000)	(11,000,000)	(11,000,000)	-
Net financing sources (uses)	(10,970,000)	(10,970,000)	(10,957,359)	12,641
Net Change in Fund Balances	(4,981,923)	(2,420,705)	12,976,126	15,396,831
Fund Balance - Beginning	65,218,882	65,218,882	65,218,882	-
Fund Balance - Ending	$ 60,236,959	$ 62,798,177	$ 78,195,008	$ 15,396,831

	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)	$ 27,610,693	$ 27,962,389	$ 29,857,568
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)	$ 2,741,810		
Net OPEB Liability - Ending (a) - (b)	$ 24,868,883		
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.93%		
Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Net/Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2020	June 30, 2018	June 30, 2017

[1] 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.

Year ended June 30,	2019	2018	2017
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	$ 1,282,991
Covered payroll	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
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

[1] 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.

	2020	2019	2018	2017	2016	2015
CalSTRS						
Proportion of the net pension liability	0.1752%	0.1808%	0.1684%	0.1650%	0.1630%	0.1504%
Proportionate share of the net pension liability	$ 158,229,205	$ 166,206,226	$ 155,779,286	$ 133,433,285	$ 109,768,136	$ 87,863,363
State's proportionate share of the net pension liability	86,324,595	95,160,838	92,157,710	75,961,189	58,055,243	53,055,692
Total	$ 244,553,800	$ 261,367,064	$ 247,936,996	$ 209,394,474	$ 167,823,379	$ 140,919,055
Covered payroll	$ 97,230,516	$ 96,877,838	$ 90,127,401	$ 83,354,240	$ 74,943,153	-
Proportionate share of the net pension liability as a percentage of its covered payroll	162.74%	171.56%	172.84%	160.08%	146.47%	#DIV/0!
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS						
Proportion of the net pension liability	0.2353%	0.2327%	0.2240%	0.2119%	0.2062%	0.1894%
Proportionate share of the net pension liability	$ 68,572,169	$ 62,042,813	$ 53,481,744	$ 41,858,308	$ 30,391,170	$ 21,502,181
Covered payroll	$ 32,720,513	$ 30,838,735	$ 28,608,648	$ 25,446,577	$ 22,981,956	-
Proportionate share of the net pension liability as a percentage of its covered payroll	209.57%	201.18%	186.94%	164.49%	132.24%	#DIV/0!
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2020	2019	2018	2017	2016	2015
CalSTRS						
Contractually required contribution	$ 16,768,773	$ 15,829,128	$ 13,979,472	$ 11,338,027	$ 8,943,910	$ 6,654,952
Less contributions in relation to the contractually required contribution	16,768,773	15,829,128	13,979,472	11,338,027	8,943,910	6,654,952
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 98,063,000	$ 97,230,516	$ 96,877,838	$ 90,127,401	$ 83,354,240	$ 74,943,153
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS						
Contractually required contribution	$ 6,559,528	$ 5,909,979	$ 4,789,564	$ 3,973,169	$ 3,014,656	$ 2,705,206
Less contributions in relation to the contractually required contribution	6,559,528	5,909,979	4,789,564	3,973,169	3,014,656	2,705,206
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 33,261,640	$ 32,720,513	$ 30,838,735	$ 28,608,648	$ 25,446,577	$ 22,981,956
Contributions as a percentage of covered payroll	19.721%	18.0620%	15.5310%	13.8880%	11.8470%	11.7710%

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

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/Total 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* - Healthcare trend rates were changed from 5.0 percent for all future years to an initial rate of 6.0 percent decreasing to an ultimate rate of 4.5 percent over a period of three years. The plan rate of investment return assumption was changed from 3.62 percent to 6.00 percent.

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 plans' 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 3.87 percent to 3.50 percent 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 either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District 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, 2020

Madera Unified School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Fund For The Improvement Of Education - Carol M. White	84.215F	N/A	$ 97,555
Sustaining Upgraded Culture and Climate through an Enhanced System of Supports (SUCCESS) Program	84.184G	N/A	345,796
Passed Through California Department of Education (CDE)			
Title I - Part A, Basic	84.010	14329	7,851,253
ESSA School Improvement (CSI) Funding for LEAs	84.010	15438	19,673
Title I - Part C, Migrant Education - Regular	84.011	14326	313,801
Title I - Part C, Migrant Education - Summer	84.011	10005	16,734
Title II - Part A, Supporting Effective Instruction	84.367	14341	1,120,601
Title III - English Language Acquisition - Immigrant Education Program	84.365	15146	1,755
Title III - English Language Acquisition - Limited English Proficient	84.365	14346	628,855
Title IV - Part A, Student Support and Academic Enrichment Program	84.424	15396	487,143
Title IV - Part A, Student Support and Academic Enrichment Program - Competitive Grant	84.424	15391	427,690
Title IV - Part B, Twenty First Century Community Learning Centers	84.287	14349	1,711,576
Career and Technical Education - Secondary, Section 131	84.048	14894	235,529
Adult Basic Education and ESL	84.002	14508	155,805
Adult Secondary Education	84.002	13978	116,050
Adult English Literacy and Civics Education	84.002	14109	5,175
Institutionalized Adults	84.002	13971	12,100
Special Education Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	1,174,497
Special Education - Local Assistance, Part B, Private Schools	84.027	10115	3,418
Subtotal Special Education Cluster			1,177,915
Total U.S. Department of Education			14,725,006

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	6,638,135
National School Lunch Program - Meal Supplements	10.555	13396	307,969
School Breakfast Program - Especially Needy Breakfast	10.553	13526	2,012,750
National School Lunch Program - Summer Food Program	10.559	13004	4,137,707
National School Lunch Program - Commodity Supplemental Food	10.555	13391	1,861,087
Total Child Nutrition Cluster			14,957,648
Fresh Fruit and Vegatable Program	10.582	14968	325,550
Total U.S. Department of Agriculture			15,283,198
Total Expenditures of Federal Awards			$ 30,008,204

See Note to Supplementary Information

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, two 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
Ruben Mendoza	President	2020
Brent Fernandes	Clerk	2022
Ray G. Seibert	Trustee	2020
Ed McIntyre	Trustee	2022
Joetta Fleak	Trustee	2022
Lucy Salazar	Trustee	2022
J. Gordon Kennedy	Trustee	2020

Administration

Todd Lile	Superintendent
Sandon Schwartz	Deputy Superintendent
Sheryl Sisil	Assistant Superintendent
Kent Albertson	Chief of Human Resources Officer
Arelis Garcia	Chief Financial Officer
Linda Monreal	Area Assistant Superintendent
Jesse Carrasco	Area Assistant Superintendent
Oracio Rodriguez	Area Assistant Superintendent
Babatunde Ilori	Executive Director of Accountability and Communications
Rebecca Malmo	Executive Director of Student and Family Support Services

	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	6,159.24	6,159.24
Fourth through sixth	4,466.65	4,466.65
Seventh and eighth	3,004.82	3,004.82
Ninth through twelfth	5,455.87	5,455.87
Total regular ADA	19,086.58	19,086.58
Extended Year Special Education		
Transitional kindergarten through third	2.23	2.23
Fourth through sixth	2.83	2.83
Seventh and eighth	0.73	0.73
Ninth through twelfth	1.37	1.37
Total extended year special education	7.16	7.16
Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.88	0.88
Seventh and eighth	0.76	0.76
Ninth through twelfth	0.56	0.56
Total special education, nonpublic, nonsectarian schools	2.20	2.20
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.18	0.18
Ninth through twelfth	0.30	0.30
Total extended year special education, Nonpublic, nonsectarian schools	0.48	0.48
Community Day School		
Seventh and eighth	9.40	8.80
Ninth through twelfth	41.22	38.57
Total community day school	50.62	47.37
Total ADA	19,147.04	19,143.79

Grade Level	1986-1987 Minutes Requirement	2019-2020 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Kindergarten	36,000	54,750	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		54,750	180	N/A	Complied
Grade 2		54,750	180	N/A	Complied
Grade 3		54,750	180	N/A	Complied
Grades 4 - 8	54,000				
Grade 4		54,750	180	N/A	Complied
Grade 5		54,750	180	N/A	Complied
Grade 6		54,750	180	N/A	Complied
Grade 7		54,750	180	N/A	Complied
Grade 8		54,750	180	N/A	Complied
Grades 9 - 12	64,800				
Grade 9		64,932	180	N/A	Complied
Grade 10		64,932	180	N/A	Complied
Grade 11		64,932	180	N/A	Complied
Grade 12		64,932	180	N/A	Complied

Presented below is a summary of adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2020.

	Student Activities Fund	COP Debt Service Fund	Scholarship Private Purpose Trust Fund
Fund Balance			
Balance, June 30, 2020, Unaudited Actuals	$ 571,846	$ 6,423,550	$ 130,199
Increase/(Decrease) in			
Deposits and investments	130,199	(3,699,574)	(130,199)
Balance, June 30, 2020, Audited Financial Statements	$ 702,045	$ 2,723,976	$ -

	(Budget) 2021 [1]	2020	2019	2018
General Fund				
Revenues and other sources	$ 305,432,207	$ 273,272,501	$ 273,650,472	$ 244,555,021
Tansfers in	30,000	42,641	-	-
Total revenues And other sources	305,462,207	273,315,142	273,650,472	244,555,021
Expenditures and other uses	303,501,057	249,339,016	259,626,582	250,661,027
Transfers out	1,876,597	11,000,000	-	-
Total expenditures And other uses	305,377,654	260,339,016	259,626,582	250,661,027
Increase/(Decrease) in Fund Balance	84,553	12,976,126	14,023,890	(6,106,006)
Ending Fund Balance	$ 78,279,561	$ 78,195,008	$ 65,218,882	$ 51,194,992
Available Reserves [2]	$ 61,530,286	$ 53,789,702	$ 41,791,090	$ 40,160,417
Available Reserves as a Percentage of Total Outgo	20.15%	20.66%	16.10%	16.02%
Long-Term Liabilities	Not Available	$ 517,693,671	$ 528,748,410	$ 402,087,246
Average Daily Attendance at P-2	19,418	19,147	19,026	19,064

The General Fund balance has increased by $27,000,016 over the past two years. The fiscal year 2020-2021 budget projects an increase of $84,553 (0.11 percent). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating surplus during the 2020-2021 fiscal year. Total long-term liabilities have increased by $115,606,425 over the past two years due primarily to the issuance of general obligation bonds and certificates of participation.

Average daily attendance has increased by 83 over the past two years. Growth of 271 ADA is anticipated during fiscal year 2020-2021.

[1] Budget 2021 is included for analytical purposes only and has not been subjected to audit.
[2] Available reserves consist of all unassigned fund balances contained within the General Fund.

Name of Charter School and Charter Number	Included in Audit Report
Ezequiel Tafoya Alvarado Academy (Charter Number 0676)	No
Sherman Thomas Charter High School (Charter Number 1058)	No
Sherman Thomas Charter School (Charter Number 0507)	No
Sherman Thomas STEM Academy (Charter Number 1780)	No

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	COP Debt Service Fund	Total Non-Major Governmental Funds
Assets									
Deposits and investments	$ 702,045	$ 126,026	$ 600,538	$ 821,692	$ 2,386,011	$ 4,713,500	$ 11,507,293	$ 2,221,902	$ 23,079,007
Receivables	-	305,212	284,764	3,045,368	-	-	-	-	3,635,344
Due from other funds	-	-	-	226,253	-	-	-	502,074	728,327
Prepaid expenditures	-	4,823	-	-	-	-	-	-	4,823
Stores inventories	-	-	-	555,110	-	-	-	-	555,110
Total assets	$ 702,045	$ 436,061	$ 885,302	$ 4,648,423	$ 2,386,011	$ 4,713,500	$ 11,507,293	$ 2,723,976	$ 28,002,611
Liabilities and Fund Balances									
Liabilities									
Accounts payable	$ -	$ 14,878	$ 77,449	$ 306,092	$ 993,058	$ 618,101	$ -	$ -	$ 2,009,578
Due to other funds	-	257,850	15,603	1,352,644	502,074	-	-	-	2,128,171
Unearned revenue	-	-	360,727	90,000	-	-	-	-	450,727
Total liabilities	-	272,728	453,779	1,748,736	1,495,132	618,101	-	-	4,588,476
Fund Balances									
Nonspendable	-	6,823	-	558,250	-	-	-	-	565,073
Restricted	702,045	156,510	431,523	2,341,437	890,879	4,095,399	11,507,293	2,723,976	22,849,062
Total fund balances	702,045	163,333	431,523	2,899,687	890,879	4,095,399	11,507,293	2,723,976	23,414,135
Total liabilities and fund balances	$ 702,045	$ 436,061	$ 885,302	$ 4,648,423	$ 2,386,011	$ 4,713,500	$ 11,507,293	$ 2,723,976	$ 28,002,611

See Note to Supplementary Information

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	COP Debt Service Fund	Total Non-Major Governmental Funds
Revenues									
Federal sources	$ -	$ 289,130	$ -	$ 15,283,198	$ -	$ -	$ -	$ -	$ 15,572,328
Other State sources	-	1,141,652	2,719,498	1,034,590	-	2,904,771	92,247	-	7,892,758
Other local sources	730,728	88,859	8,494	111,270	2,798,722	89,636	11,876,340	869	15,704,918
Total revenues	730,728	1,519,641	2,727,992	16,429,058	2,798,722	2,994,407	11,968,587	869	39,170,004
Expenditures									
Current									
Instruction	-	645,042	2,150,316	-	-	-	-	-	2,795,358
Instruction-related activities									
Supervision of instruction	-	9,199	298,301	-	-	-	-	-	307,500
School site administration	-	549,388	-	-	-	-	-	-	549,388
Pupil services									
Food services	-	-	-	14,072,732	-	-	-	-	14,072,732
All other pupil services	-	3,848	46,411	-	-	-	-	-	50,259
Administration									
All other administration	-	2,604	129,321	737,208	9,550	-	-	-	878,683
Plant services	-	315,697	64,681	384,320	-	-	-	-	764,698
Ancillary services	651,691	-	-	-	-	-	-	-	651,691
Facility acquisition and construction	-	-	-	-	5,473,467	2,994,546	-	-	8,468,013
Debt service									
Principal	-	-	-	-	-	-	6,820,000	680,000	7,500,000
Interest and other	-	-	-	-	-	-	4,341,650	4,204,885	8,546,535
Total expenditures	651,691	1,525,778	2,689,030	15,194,260	5,483,017	2,994,546	11,161,650	4,884,885	44,584,857
Excess (Deficiency) of Revenues Over Expenditures	79,037	(6,137)	38,962	1,234,798	(2,684,295)	(139)	806,937	(4,884,016)	(5,414,853)
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	1,056,667	1,056,667
Transfers out	-	-	-	-	(1,099,308)	-	-	-	(1,099,308)
Net Financing Sources (Uses)	-	-	-	-	(1,099,308)	-	-	1,056,667	(42,641)
Net Change in Fund Balances	79,037	(6,137)	38,962	1,234,798	(3,783,603)	(139)	806,937	(3,827,349)	(5,457,494)
Fund Balance - Beginning, as restated	623,008	169,470	392,561	1,664,889	4,674,482	4,095,538	10,700,356	6,551,325	28,871,629
Fund Balance - Ending	$ 702,045	$ 163,333	$ 431,523	$ 2,899,687	$ 890,879	$ 4,095,399	$ 11,507,293	$ 2,723,976	$ 23,414,135

See Note to Supplementary Information

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, 2020. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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, 2020, the District had used such food commodities in the amount of $1,861,087 for the 2019-2020 fiscal year.

Local Education Agency Organization Structure

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

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. 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 46206.

Districts must maintain their instructional minutes at the 1986-1987 requirements as required by *Education Code* Section 46201.

Due to school closures caused by COVID-19, the District filed the COVID-19 School Closure Certification certifying that schools were closed for 52 days due to the pandemic. As a result, the District received credit for these 52 days in meeting the annual instructional days requirement. In addition, planned minutes covered by the COVID-19 School Certification were included in the Actual Minutes column but were not actually offered due to the COVID-19 school closure.

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

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is 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.

Independent Auditor's Reports
June 30, 2020

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madera Unified School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Madera Unified School District's basic financial statements and have issued our report thereon dated January 17, 2021.

Emphasis of Matter - Change in Accounting Principle
As discussed in Note 1 and 16 to the financial statements, the Madera Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position as of July 1, 2019. Our opinions are not modified with respect to this matter.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madera Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial 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*.

We noted certain matters that we reported to management of Madera Unified School District in a separate letter dated January 17, 2021.

Purpose of this Report

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

Eide Bailly LLP

Fresno, California
January 17, 2021

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
We have audited Madera Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Madera Unified School District's major federal programs for the year ended June 30, 2020. Madera Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

Opinion on Each Major Federal Program
In our opinion, Madera Unified School District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Eide Bailly LLP

Fresno, California
January 17, 2021

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance

To the Governing Board
Madera Unified School District
Madera, California

Report on State Compliance

We have audited Madera Unified School District's (the District) compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2020.

Management's Responsibility

Management is responsible for compliance with the state laws and regulations as identified in the table below.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the District's compliance.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with laws and regulations applicable to the following items:

	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
Early Retirement Incentive	No (see below)
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No (see below)
Middle or Early College High Schools	No (see below)
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No (see below)
Comprehensive School Safety Plan	Yes
District of Choice	No (see below)
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	No (see below)
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No (see below)
CHARTER SCHOOLS	
Attendance	No (see below)
Mode of Instruction	No (see below)
Nonclassroom-Based Instruction/Independent Study for Charter Schools	No (see below)
Determination of Funding for Nonclassroom-Based Instruction	No (see below)
Annual Instruction Minutes Classroom-Based	No (see below)
Charter School Facility Grant Program	No (see below)

The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

The District does not have any Juvenile Court Schools; therefore, we did not perform procedures related to Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform procedures related to Middle or Early College High Schools.

We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.

We did not perform District of Choice procedures because the program is not offered by the District.

The District does not offer a Before School Education and Safety Program; therefore, we did not perform procedures related to the Before School Education and Safety Program.

The District does not offer an Independent Study - Course Based program; therefore, we did not perform any procedures related to the Independent Study - Course Based Program.

The District does not operate any Charter Schools; therefore, we did not perform procedures for Charter School Programs.

Unmodified Opinion
In our opinion, Madera Unified School District complied with the laws and regulations of the state programs referred to above for the year ended June 30, 2020.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Fresno, California
January 17, 2021

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:	No

Identification of major programs:

Name of Federal Program or Cluster	CFDA Number
Special Education Cluster	84.027
Title IV - Part A, Student Support and Academic Enrichment Program	84.424
Title IV - Part A, Student Support and Academic Enrichment Program, Competitive Grant	84.424
Child Nutrition Cluster	10.553, 10.555, 10.559

Dollar threshold used to distinguish between type A and type B programs:	$ 900,246
Auditee qualified as low-risk auditee?	Yes

STATE COMPLIANCE

Type of auditor's report issued on compliance for programs:	Unmodified

None reported.

None reported.

None reported.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

State Compliance Findings

2019-001 40000

Instructional Time: School Districts

Criteria

With the longer year incentive funding, school districts receive funding for having 180 days or more of school each year the school district participates. The District receives apportionment for longer year incentives prescribed by the provisions of subdivision (a) of the *Education Code* Section 46200.

Condition

During our audit of instructional time, we determined that all ninth graders in the District did not meet the total number of instructional days required. However, it was noted that all ninth graders did meet the minimum instructional minute requirements.

This is the first year this finding was noted and is not a repeat from a prior year nor was it related to a finding in the previous audit year.

The District, due to this shortage, is subject to the penalty provided in *Education Code* Section 41420(a).

Questioned Cost

The questioned cost associated with this finding is the Instructional Day Penalty by Grade Span of $106,350 multiplied by the number of days short (1) equaling $106,350.

Effect

The District did not meet the required annual instructional days for the ninth graders to obtain funding.

Cause

It appears that there was one day during the year that the 10th-12th graders were taking a state test, therefore, the District told all ninth graders in the district not to come to school that day and realized after the fact that the ninth graders were short one day.

Repeat Finding (Yes or No)

No

Recommendation

The District should conduct an in-service to ensure that all the sites understand how to correctly use the instructional minute's calculation, bell schedule(s) and calendar to the District Office so that an independent review of the calculation can be performed to ensure that the site is in compliance with annual minimum minutes requirements. Submitting the calculation at the beginning of the year will allow the site to make adjustments to the bell schedule if the review determines that a site or grade level does not meet the minimum requirement.

Current Status

Implemented.