

**SELMA UNIFIED SCHOOL DISTRICT**

**COUNTY OF FRESNO  
SELMA, CALIFORNIA**

**AUDIT REPORT  
JUNE 30, 2022**



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## Introductory Section

Selma Unified School District  
 Audit Report  
 For The Year Ended June 30, 2022

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## Financial Section

## **Independent Auditor's Report**

To the Board of Trustees  
Selma Unified School District  
Selma, California 93662

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Selma Unified School District ("the District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Selma Unified School District as of June 30, 2022, 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.

#### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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



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

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and Schedule of Changes in the District's Total OPEB Liability And Related Ratios identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Selma Unified School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations*, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards 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 our report dated December 12, 2022 on our consideration of Selma Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Selma Unified School District's internal control over financial reporting and compliance.

Respectfully submitted,



Linger, Peterson & Shrum  
Fresno, California  
December 12, 2022

## Management's Discussion and Analysis



SELMA UNIFIED SCHOOL DISTRICT  
Management's Discussion and Analysis (MD&A)  
June 30, 2022

## INTRODUCTION

Our discussion and analysis of Selma Unified School District's (District) financial performance provides an overview of the District's financial activities for the year ended June 30, 2022. It should be read in conjunction with the District's financial statements, which follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued June 1999; and GASB Statement No. 37, Basic Financial Statement - and Management Discussion and Analysis - for the State and Local Governments: Omnibus, an amendment to GASB Statement No. 21 and No. 34, issued in June 2001.

## FINANCIAL HIGHLIGHTS

- Total net position was (\$21,766,515) at June 30, 2022. This was a increase of \$25,839,842 from the prior year.
- The District's overall revenues were \$125,874,594 which was more than expenses of \$100,034,752 by \$25,839,842.
- Long-term debt was \$126,411,836 at June 30, 2022.

## OVERVIEW OF 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 three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- Fund financial statements focus on reporting the individual parts of the District operations in more detail. The fund financial statements comprise the remaining statements.
  - Governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
  - Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

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

### **Government-Wide Statements**

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

The two government-wide statements report the District's net position and how they have changed. Net position, assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities.

The government-wide financial statements of the District include government activities. Most of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local Control Funding Formula (LCFF) and Federal and State grants 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 that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by State law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues. The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information in the reconciliations following each governmental funds statement that explains the relationship (or differences) between them.
- *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others; for the District, the student body activities fund is an agency fund. The District is responsible for ensuring that assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use the assets to finance its operations.

## FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

### Net Position

The District's combined net position was (\$21,766,515) at June 30, 2022. See Table 1.

**Table 1:**  
**Net Position**

	Governmental Activities		Percentage Change
	2022	2021	
<b>ASSETS:</b>			
Cash	\$ 51,755,317	\$ 47,961,088	7.91%
Accounts receivable	10,904,024	15,717,687	-30.63%
Stores inventories	405,587	374,355	8.34%
Unamortized issuance costs	99,074	99,074	0.00%
Net investment in capital assets	70,253,705	69,071,498	1.71%
<b>TOTAL ASSETS</b>	<b>\$ 133,417,707</b>	<b>\$ 133,223,702</b>	<b>0.15%</b>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows	\$ 23,115,904	\$ 20,509,730	12.71%
<b>LIABILITIES</b>			
Accounts payable	\$ 10,405,188	\$ 15,476,901	-32.77%
Unearned revenue	1,918,302	1,181,079	62.42%
Long-term liabilities	126,411,836	182,577,921	
<b>TOTAL LIABILITIES</b>	<b>\$ 138,735,326</b>	<b>\$ 199,235,901</b>	<b>-30.37%</b>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows	\$ 39,564,800	\$ 2,103,888	1780.56%
<b>NET POSITION</b>			
Net investment in capital assets	\$ 8,672,592	\$ 5,291,132	63.91%
Restricted	29,669,453	27,207,067	9.05%
Unrestricted	(60,108,560)	(80,104,556)	-24.96%
<b>TOTAL NET POSITION</b>	<b>\$ (21,766,515)</b>	<b>\$ (47,606,357)</b>	<b>-54.28%</b>

## Changes in Net Position

The District's total revenues were \$125,874,594. A majority of the revenue comes from General Revenues, which is made up of LCFF and property taxes (66.0%). Federal and State aid for specific programs accounted for another 1.0% of total revenues. Local revenues account for 0.9% of the total revenues. The remaining was received through program revenues made up of charges for services, and operating grants and contributions.

The total cost of all programs and services was \$100,034,752. The District's expenses are predominately related to educating and caring for students (69.1%). Administrative activities accounted for just 10.7% of total costs. The remaining expenses were for plant services (maintenance and operations), ancillary services, other outgo and interest on long-term obligations.

**Table 2:**  
**Changes in Net Position**

	Governmental Activities		Percentage Change
	2022	2021	
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 1,415,039	\$ 747,579	89.28%
Operating grants and contributions	39,003,535	35,039,518	11.31%
General revenue			
LCFF sources	83,032,473	62,550,098	32.75%
State revenue	1,286,429	9,570,522	-86.56%
Local revenue	1,137,118	6,432,795	-82.32%
<b>TOTAL REVENUES</b>	<b>125,874,594</b>	<b>114,340,512</b>	<b>10.09%</b>
<b>Program Expenses:</b>			
Program expenses			
Instruction	48,651,962	68,226,369	-28.69%
Instruction-related services	8,986,188	10,930,642	-17.79%
Pupil services	11,494,197	12,238,760	-6.08%
Ancillary Services	1,946,589	962,272	102.29%
General administration	10,668,786	4,602,824	131.79%
Plant services	14,315,365	11,539,492	24.06%
Other outgo	1,556,432	858,410	81.32%
Interest on long-term obligations	2,415,233	3,459,016	-30.18%
<b>TOTAL EXPENSES</b>	<b>100,034,752</b>	<b>112,817,785</b>	<b>-11.33%</b>
<b>Changes in Net Position</b>	<b>\$ 25,839,842</b>	<b>\$ 1,522,727</b>	<b>1596.95%</b>



**Governmental Activities**

The cost of all governmental activities this year was \$100,034,752.

Table 3 presents the cost of each of the District’s functions as well as each function’s net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

**Table 3:  
Net Cost of Governmental Activities**

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction	\$ 48,651,962	\$ 28,817,623	\$ 68,226,369	\$ 46,751,591
Instruction-related services	8,986,188	5,389,190	10,930,642	7,488,265
Pupil services	11,494,197	3,876,263	12,238,760	6,342,475
Administration	10,668,786	703,969	4,602,824	2,876,047
Plant services	14,315,365	6,812,961	11,539,492	8,624,398
Ancillary services	1,946,589	10,044,507	962,272	630,486
Interest on long-term debt	2,415,233	1,556,432	3,459,016	3,459,016
Other outgo	1,556,432	2,415,233	858,410	858,410
Total Expenses	<u>\$ 100,034,752</u>	<u>\$ 59,616,178</u>	<u>\$ 112,817,785</u>	<u>\$ 77,030,688</u>

**FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS**

The financial performance of the District as a whole is reflected in its government funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$51,366,402 compared to last year’s ending fund balance of \$40,033,554.

**General Fund Budgetary Highlights**

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. A schedule of the District’s original and final budget amounts compared with actual revenues and expenditures is provided in the supplemental section of the audited financial report.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2022, the District had invested \$70,253,705 in a broad range of capital assets, including land, land improvements, buildings and equipment. See Table 4. More detailed information about the District's capital assets is presented in the notes to the financial statements.

**Table 4:**  
**Capital Assets**

	Governmental Activities		Total Percentage Change
	2022	2021	
Land	\$ 1,843,632	\$ 1,843,632	0.00%
Land improvement	13,992	722	1837.95%
Buildings	118,330,593	117,392,716	0.80%
Equipment	5,636,966	5,738,694	-1.77%
Work-in-progress	5,005,922	865,021	478.71%
Totals at Historical Cost	130,831,105	125,840,785	3.97%
Total Accumulated Depreciation	60,577,400	56,769,287	6.71%
<b>NET CAPITAL ASSETS</b>	<b>\$ 70,253,705</b>	<b>\$ 69,071,498</b>	<b>1.71%</b>

### Long-Term Debt

At year-end, the District had \$126,411,836 in debt as shown in Table 5. More detailed information about the District's debt is presented in the notes to the financial statements.

**Table 5:**  
**Long-Term Debt**

	Governmental Activities		Total Percentage Change
	2022	2021	
Net pension liability	\$ 43,849,221	\$ 90,639,805	-51.62%
Note payable	252,682	412,200	-38.70%
General obligation bonds	46,864,208	47,996,126	-2.36%
Qualified zone bonds	6,749,998	7,714,284	-12.50%
Accreted interest on general obligation bonds	5,522,148	5,116,176	7.94%
Certificates of participation	1,832,802	2,161,768	-15.22%
Postemployment health benefits	20,693,755	19,675,681	5.17%
Early retirement incentives	353,478	528,208	-33.08%
Compensated absences	293,544	333,673	-12.03%
Other	-	8,000,000	-100.00%
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 126,411,836</b>	<b>\$ 182,577,921</b>	<b>-30.76%</b>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

1. The District's students continue to improve but less than half are meeting standards as measured by the statewide test. The school staff continues to focus on providing training to our teaching staff and looking for opportunities to meet in grade-level teams.
2. On November 8, 2016, the voters of the District approved a maximum of \$30.8 million in bonds to provide financing to modernize and construct additional classrooms and support facilities, replace portable classrooms with new permanent facilities, increase student access to computers and modern classroom technology, improve security and student safety, provide the local match for State grants, and reduce operating costs. The District sold \$10.1 million of the authorized bonds in January 2017 to begin upgrading the existing facilities and/or build new facilities in accordance with the bond measure.
3. In March 2020, the World Health Organization declared COVID-19 a global pandemic. This outbreak has continued to spread, and any related adverse public health developments have affected School Districts and Governments globally, potentially leading to an economic downturn. It has also disrupted the normal operations of the School District, forcing closures and changes needed to operate. It is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the School District or the results of operations at this time.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, participants, 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 the Director of Business Services, Christine Ortega, at (559) 898-6500.

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## Basic Financial Statements

**SELMA UNIFIED SCHOOL DISTRICT**  
 STATEMENT OF NET POSITION  
 JUNE 30, 2022

	Governmental Activities
<b>ASSETS:</b>	
Cash in County Treasury	\$ 51,054,417
Cash on Hand and in Banks	695,900
Cash in Revolving Fund	5,000
Accounts Receivable	10,904,024
Stores Inventories	405,587
Unamortized Issuance Costs	99,074
Capital Assets:	
Land	1,843,632
Land Improvements, Net	13,443
Buildings, Net	62,866,231
Equipment, Net	524,477
Work in Progress	5,005,922
Total Assets	<u>133,417,707</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred Outflows of Resources - Pensions	18,314,627
Deferred Outflows of Resources - OPEB	4,801,277
Total Deferred Outflows of Resources	<u>23,115,904</u>
<b>LIABILITIES:</b>	
Accounts Payable	10,405,188
Unearned Revenue	1,918,302
Noncurrent Liabilities:	
Net Pension Liability	43,849,221
Other Postemployment Benefit Obligation	20,693,755
Due within one year	3,009,575
Due in more than one year	58,859,285
Total Liabilities	<u>138,735,326</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred Inflows of Resources - Pensions	36,600,854
Deferred Inflows of Resources - OPEB	2,963,946
Total Deferred Inflows of Resources	<u>39,564,800</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	8,672,592
Restricted For:	
Debt Service	2,787,429
Capital Projects	18,179,205
Other Purposes	8,702,819
Unrestricted	(60,108,560)
Total Net Position	<u>\$ (21,766,515)</u>

The accompanying notes are an integral part of this statement.

**SELMA UNIFIED SCHOOL DISTRICT**

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
Instruction	\$ 48,651,962	\$ 183,752	\$ 19,650,587	\$ (28,817,623)
Instruction-Related Services	8,986,188	30,784	3,566,214	(5,389,190)
Pupil Services	11,494,197	140,163	7,477,771	(3,876,263)
Ancillary Services	1,946,589	941,823	300,797	(703,969)
General Administration	10,668,786	57,016	3,798,809	(6,812,961)
Plant Services	14,315,365	61,501	4,209,357	(10,044,507)
Other Outgo	1,556,432	-	-	(1,556,432)
Interest on Long-Term Obligations	2,415,233	-	-	(2,415,233)
Total Governmental Activities	<u>100,034,752</u>	<u>1,415,039</u>	<u>39,003,535</u>	<u>(59,616,178)</u>
Total Primary Government	<u>\$ 100,034,752</u>	<u>\$ 1,415,039</u>	<u>\$ 39,003,535</u>	<u>(59,616,178)</u>
General Revenues:				
				83,032,473
				1,286,429
				1,137,118
				<u>85,456,020</u>
				25,839,842
				(47,166,258)
				(440,099)
				<u>\$ (21,766,515)</u>

The accompanying notes are an integral part of this statement.

**SELMA UNIFIED SCHOOL DISTRICT**

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2022

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>				
Cash in County Treasury	\$ 27,059,705	\$ 17,620,742	\$ 6,373,970	\$ 51,054,417
Cash on Hand and in Banks	-	-	695,900	695,900
Cash in Revolving Fund	5,000	-	-	5,000
Accounts Receivable	8,712,185	-	2,191,839	10,904,024
Due from Other Funds	634,161	386,852	15,760	1,036,773
Stores Inventories	345,889	-	59,698	405,587
Total Assets	<u>36,756,940</u>	<u>18,007,594</u>	<u>9,337,167</u>	<u>64,101,701</u>
<b>LIABILITIES AND FUND BALANCE:</b>				
Liabilities:				
Accounts Payable	\$ 8,721,371	\$ 500,284	\$ 558,569	\$ 9,780,224
Due to Other Funds	352,039	20,616	664,118	1,036,773
Unearned Revenue	1,918,302	-	-	1,918,302
Total Liabilities	<u>10,991,712</u>	<u>520,900</u>	<u>1,222,687</u>	<u>12,735,299</u>
Fund Balance:				
Nonspendable Fund Balances:				
Revolving Cash	5,000	-	-	5,000
Stores Inventories	345,889	-	59,698	405,587
Restricted Fund Balances	6,561,238	17,486,694	5,621,521	29,669,453
Assigned Fund Balances	40,773	-	2,433,261	2,474,034
Unassigned:				
Other Unassigned	18,812,328	-	-	18,812,328
Total Fund Balance	<u>25,765,228</u>	<u>17,486,694</u>	<u>8,114,480</u>	<u>51,366,402</u>
Total Liabilities and Fund Balances	<u>\$ 36,756,940</u>	<u>\$ 18,007,594</u>	<u>\$ 9,337,167</u>	<u>\$ 64,101,701</u>

The accompanying notes are an integral part of this statement.



**SELMA UNIFIED SCHOOL DISTRICT**

RECONCILIATION OF THE BALANCE SHEET, GOVERNMENTAL FUNDS,  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022

Total Fund Balances - Balance Sheet, Governmental Funds	\$ 51,366,402
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 in the funds:	
Capital assets	130,831,105
Accumulated depreciation/amortization	(60,577,400)
Certain debt issue costs are recognized in the funds as expenditures in the period the debt was incurred, whereas in the government-wide statements, they are amortized over the life of the debt:	
Unamortized prepaid insurance related to debt	99,074
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(624,964)
General obligation bonds payable	(46,864,208)
Accreted interest	(5,522,148)
Qualified Zone Academic bonds payable	(6,749,998)
Other post-employment benefits payable (OPEB)	(20,693,755)
Net pension liability	(43,849,221)
Compensated absences payable	(293,544)
Certificates of participation payable	(1,832,802)
Early Retirement Incentives-PARS	(353,478)
Note payable	(252,682)
Deferred outflows and inflows of resources are not reported in the funds because they are applicable to future periods:	
Deferred outflows of resources related to pensions	18,314,627
Deferred inflows of resources related to pensions	(36,600,854)
Deferred outflows of resources related to OPEB	4,801,277
Deferred inflows of resources related to OPEB	(2,963,946)
Total Fund Balance of Governmental Activities - Statement of Net Position	<u>\$ (21,766,515)</u>

The accompanying notes are an integral part of this statement.

**SELMA UNIFIED SCHOOL DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 48,929,858	\$ -	\$ -	\$ 48,929,858
Education Protection Account Funds	27,148,111	-	-	27,148,111
Local Sources	6,954,504	-	-	6,954,504
Federal Revenue	17,193,679	-	4,837,628	22,031,307
Other State Revenue	13,487,874	-	874,130	14,362,004
Other Local Revenue	2,766,064	180,066	3,824,650	6,770,780
Total Revenues	<u>116,480,090</u>	<u>180,066</u>	<u>9,536,408</u>	<u>126,196,564</u>
Expenditures:				
Current:				
Instruction	55,611,632	-	396,450	56,008,082
Instruction - Related Services	9,827,229	-	283,322	10,110,551
Pupil Services	7,783,603	-	4,744,715	12,528,318
Ancillary Services	896,715	-	1,056,593	1,953,308
General Administration	10,749,938	-	154,595	10,904,533
Plant Services	8,466,684	139,293	-	8,605,977
Other Outgo	1,556,432	-	-	1,556,432
Capital Outlay	5,275,580	3,018,243	120,573	8,414,396
Debt Service:				
Principal	1,627,500	-	1,131,918	2,759,418
Interest	344,173	-	1,678,528	2,022,701
Total Expenditures	<u>102,139,486</u>	<u>3,157,536</u>	<u>9,566,694</u>	<u>114,863,716</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,340,604</u>	<u>(2,977,470)</u>	<u>(30,286)</u>	<u>11,332,848</u>
Other Financing Sources (Uses):				
Transfers In	-	-	1,910,999	1,910,999
Transfers Out	(1,772,337)	-	(138,662)	(1,910,999)
Total Other Financing Sources (Uses)	<u>(1,772,337)</u>	<u>-</u>	<u>1,772,337</u>	<u>-</u>
Net Change in Fund Balance	12,568,267	(2,977,470)	1,742,051	11,332,848
Fund Balance, July 1	13,196,961	20,464,164	6,812,528	40,473,653
Prior Period Adjustment	-	-	(440,099)	(440,099)
Fund Balance, June 30	<u>\$ 25,765,228</u>	<u>\$ 17,486,694</u>	<u>\$ 8,114,480</u>	<u>\$ 51,366,402</u>

The accompanying notes are an integral part of this statement.

**SELMA UNIFIED SCHOOL DISTRICT**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 11,332,848
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Expenditures for capital outlay	5,092,048
Depreciation expense	(3,845,197)
In the funds, the entire proceeds from disposal of capital of assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss was:	
	(64,644)
Governmental funds report repayments of long-term debt as expenditures. In the Government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:	
	2,759,418
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:	
Change in accrued interest payable and accreted interest	(392,532)
Compensated absences	40,129
Other post-employment benefits cost in excess of contributions	(2,837,371)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was:	
	13,755,143
Change in Net Position of Governmental Activities - Statement of Activities	<u>\$ 25,839,842</u>

The accompanying notes are an integral part of this statement.

**SELMA UNIFIED SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the District to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the District, its component units or its constituents; and 2) The District or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the District.

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) 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, including all taxes, are presented as general revenues.

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

**SELMA UNIFIED SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund. The General Fund, reported in these financial statements, includes three Funds maintained by the District: The General Fund (Fund 01), the Special Reserve Fund for Other Than Capital Outlay (Fund 17) and the Special Reserve Fund for Postemployment Benefits (Fund 20). Although Fund 17 and Fund 20 are separate funds authorized in the Education Code, they do not meet the definition of Special Revenue Funds under accounting principles generally accepted in the United States of America and have therefore been combined into the General Fund for financial reporting purposes. The beginning fund balances have also been combined.

Building Fund. This fund is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

The District reports the following nonmajor governmental funds:

Student Body Fund is used to account for revenues received and expenditures made related to student activity funds.

Adult Education Fund. This fund is used to account for resources committed to adult education programs maintained by the District.

Cafeteria Fund. This fund is used to account for revenues received and expenditures made to operate the District's cafeterias.

Capital Facilities Fund. This fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

County School Facilities Fund. This fund is used to account for the accumulation and expenditure of funds for projects funded under the Leroy F. Greene School Facilities Act of 1998, as established by the Board in accordance with Education Code 42840 et seq.

Special Reserve (Capital Projects) Fund is used to account for the accumulation and expenditure of funds for capital outlay purposes, as established by the Board in accordance with Education Code 42840 et seq.

Bond Interest and Redemption Fund. This fund is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of bonds issued by the District.

b. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

**SELMA UNIFIED SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

4. Assets, Liabilities, and Equity

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

In accordance with Education Code Section 41001, the District maintains substantially all its cash in the Fresno County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with Fresno County Treasury was not available.

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets. Inventories of the General Fund are immaterial and have been omitted from these statements.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure when incurred.

**SELMA UNIFIED SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Examples</u>	<u>Estimated Useful Life in Years</u>
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School buildings		50
Portable classrooms		25
HVAC systems	Heating, ventilation AC systems	20
Roofing		20
Interior construction		25
Carpet replacement		7
Electrical/plumbing		30
Sprinkler/fire system	Fire suppression systems	25
Outdoor equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and tools	Shop, maintenance equipment, tools	15
Kitchen equipment	Appliances	15
Custodial equipment	Floor scrubbers, vacuums, other	15
Science and engineering	Lab equipment, scientific apparatus	10
Furniture and accessories	Classroom and other furniture	20
Business machines	Fax, duplicating and printing equipment	10
Copiers		5
Communication equipment	Mobile, portable radios, non-computerized	10
Computer hardware	PC's, printers, network hardware	5
Computer software	Instructional, other short-term	5 to 10
Computer software	Administrative or long-term	10 to 20
Audio visual equipment	Projectors, cameras (still and digital)	10
Athletic equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical instruments	Pianos, strings, brass, percussion	10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	8
Contractors equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressors	10
Grounds equipment	Mowers, tractors, attachments	15

d. Receivable and Payable Balances

There are no significant receivables which are not scheduled for collection within one year of year end.

**SELMA UNIFIED SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

e. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund at year end.

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

f. Unearned Revenue

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

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the Government-wide Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects the taxes for the District.

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

**Nonspendable Fund Balance** - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

**Restricted Fund Balance** - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

**Committed Fund Balance** - represents amounts that can only be used for a specific purpose because of a formal action by the Program's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.



**SELMA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Program itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose 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.

5. Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

6. GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) and Fund 20 (Special Reserve Fund for Postemployment Benefits) are merged with the General Fund for purposes of presentation in the audit report, as applicable.

7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan) and additions to/deductions from the CalPERS Plan and CalSTRS Plan's fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD) (STRS)	June 30, 2021
Valuation Date (VD) (PERS)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

**SELMA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

8. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

9. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

- Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs: Unobservable inputs for an asset or liability.

For the current fiscal year the District did not have any recurring or nonrecurring fair value measurements.

10. Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. The applicable provisions of the new standard are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB 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 established 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.

B. Excess of Expenditures Over Appropriations

As of June 30, 2022, expenditures exceeded appropriations in individual funds as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund:	
Other Outgo	\$ 397,716
Debt Service	186,970

General Fund: The District incurred unanticipated expenditures for other outgo and debt service payments.

**SELMA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

C. Cash and Investments

1. Cash in County Treasury:

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Fresno County Treasury as part of the common investment pool (\$4,333,102,675 as of June 30, 2022). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$51,054,417. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

2. Cash on Hand, in Banks, and in Revolving Fund

Cash balances on hand and in banks (\$695,900 as of June 30, 2022) and in the revolving fund (\$5,000) are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

3. Investments:

The District's investments at June 30, 2022 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Cash in County Treasury	Less than 12 months	\$ 51,054,417
Cash on Hand and in Banks	Less than 12 months	695,900
Cash in Revolving Fund	Less than 12 months	5,000
Total Investments		<u>\$ 51,755,317</u>

4. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to significant credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to significant custodial credit risk.

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c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to significant concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant foreign currency risk.

5. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported in conformity with GASB Statement No. 77 unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Accounts Receivable

Accounts receivable at June 30, 2022 consisted of the following:

	General Fund	All Other Government Funds	Total Governmental Funds
Federal programs	\$ 3,556,596	\$ 1,240,754	\$ 4,797,350
State categorical aid programs	(4,110,635)	137,845	(3,972,790)
Interest	(4,520)	-	(4,520)
Other local receivables	9,270,744	813,240	10,083,984
Total	<u>\$ 8,712,185</u>	<u>\$ 2,191,839</u>	<u>\$ 10,904,024</u>

**SELMA UNIFIED SCHOOL DISTRICT**  
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**E. Capital Assets**

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,843,632	\$ -	\$ -	\$ 1,843,632
Work in progress	865,021	4,140,901	-	5,005,922
Total capital assets not being depreciated	<u>2,708,653</u>	<u>4,140,901</u>	<u>-</u>	<u>6,849,554</u>
Capital assets being depreciated:				
Buildings	117,392,716	937,877	-	118,330,593
Improvements	722	13,270	-	13,992
Equipment	5,738,694	-	(101,728)	5,636,966
Total capital assets being depreciated	<u>123,132,132</u>	<u>951,147</u>	<u>(101,728)</u>	<u>123,981,551</u>
Less accumulated depreciation for:				
Buildings	51,746,308	3,718,054	-	55,464,362
Improvements	-	549	-	549
Equipment	5,022,979	126,594	(37,084)	5,112,489
Total accumulated depreciation	<u>56,769,287</u>	<u>3,845,197</u>	<u>(37,084)</u>	<u>60,577,400</u>
Total capital assets being depreciated, net	<u>66,362,845</u>	<u>(2,894,050)</u>	<u>(64,644)</u>	<u>63,404,151</u>
Governmental activities capital assets, net	<u>\$ 69,071,498</u>	<u>\$ 1,246,851</u>	<u>\$ (64,644)</u>	<u>\$ 70,253,705</u>

Depreciation was charged to functions as follows:

Instruction	\$ 81,936
Instruction-Related Services	12,891
Pupil Services	92,387
Ancillary Services	6,035
General Administration	21,283
Plant Services	3,630,665
Total	<u>\$ 3,845,197</u>

**F. Interfund Balances and Activities**

**1. Due To and From Other Funds**

Balances due to and due from other funds at June 30, 2022, consisted of the following:

Due To Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 634,161	\$ 349,759
Adult Education Fund	1,342	40,670
Cafeteria Special Revenue Fund	11,729	622,558
Special Revenue Fund for Other Than Capital Outlay Projects	-	2,280
Building Fund	386,852	20,616
Capital Facilities Fund	-	481
County Schools Facilities Fund	-	409
Special Reserve Fund for Capital Outlay Projects	2,689	-
Total	<u>\$ 1,036,773</u>	<u>\$ 1,036,773</u>

All amounts due are scheduled to be repaid within one year.

**SELMA UNIFIED SCHOOL DISTRICT**  
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2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2022, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	Special Revenue Fund for Capital Outlay Projects	\$ 1,000,000	For future capital outlay expenditures
Special Revenue Fund for Capital Outlay Projects	Special Revenue Fund for Capital Outlay Projects	772,337	For future capital outlay expenditures
County Schools Facilities Fund	Special Revenue Fund for Capital Outlay Projects	138,662	For future capital outlay expenditures
	Total	<u>\$ 1,910,999</u>	

G. Accounts Payable

Accounts payable at June 30, 2022 consisted of the following:

	General Fund	Building Fund	All Other Government Funds	Total Governmental Funds
Vendor payables	\$ 6,198,190	\$ 500,284	\$ 165,461	\$ 6,863,935
Salaries and benefits	2,523,181	-	393,108	2,916,289
Total	<u>\$ 8,721,371</u>	<u>\$ 500,284</u>	<u>\$ 558,569</u>	<u>\$ 9,780,224</u>

H. Unearned Revenue

The District has received revenues for programs as advances, or before program expenditures were incurred. Such revenues are reported in these statements as "unearned," and will be recognized in subsequent periods as program expenditures are made.

Unearned revenue at June 30, 2022 consisted of the following:

In-Person Instruction (IPI) Grant	\$ 1,216,590
K- 12 Strong Workforce Program	62,539
Career Technical Education Incentive Grant (CTEIG) Program	20,193
Governor's Career Technical Education Initiative (CTEI): California Partnership Academies (CPA)	2,500
Universal Prekinder (UPK) Planning & Implementation Grant Program	186,620
ESEA (ESSA) : Title III, Immigrant Student Program	3,713
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	81,464
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	47,805
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	177,956
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	76,303
ESEA: ESSA School Improvement (CSI) Funding for LEAs	42,277
ESEA (ESSA): Title I, Part C, Migrant Education (MESRP)	342
Total	<u>\$ 1,918,302</u>

**SELMA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

I. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2022, are as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation bonds	\$ 47,996,126	\$ -	\$ 1,131,918	\$ 46,864,208	\$ 1,162,296
Accreted interest	5,116,176	604,054	198,082	5,522,148	202,831
Qualified zone academy bonds	7,714,284	-	964,286	6,749,998	964,286
Other post-employment benefits payable	19,675,681	1,018,074	-	20,693,755	-
Net pension liability	90,639,805	-	46,790,584	43,849,221	-
Certificates of participation	2,161,768	-	328,966	1,832,802	338,817
Note payable	8,412,200	-	8,159,518	252,682	166,615
Compensated absences	333,673	-	40,129	293,544	-
Early retirement incentives - PARS	528,208	-	174,730	353,478	174,730
<b>Total governmental activities</b>	<b>\$ 182,577,921</b>	<b>\$ 1,622,128</b>	<b>\$ 57,788,213</b>	<b>\$ 126,411,836</b>	<b>\$ 3,009,575</b>

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
General obligation bonds	Governmental	Bond Interest and Redemption
Accreted interest	Governmental	Bond Interest and Redemption
Qualified zone academy bonds	Governmental	Bond Interest and Redemption
Other post-employment benefits payable	Governmental	General
Net pension liability	Governmental	General
Certificates of participation	Governmental	General
Note payable	Governmental	General
Compensated absences	Governmental	General
Early retirement incentives - PARS	Governmental	General

2. General Obligation Bonds and Accreted Interest

The outstanding general obligation bond debt of the District at June 30, 2022, is as follows:

Bond	Issue Date	Maturity Date	Interest Rate %
2006, Series 2007 B	11/20/07	8/1/20	4.000-5.000
2006, Series 2009 C	9/29/09	8/1/39	4.910-7.370
2014 Refunding bonds	12/18/14	8/1/31	4.360-10.188
2016, Series 2017 A	2/1/17	2/1/42	1.750-5.000
2016, Series 2019 B	1/16/19	8/1/48	3.000-3.375
2006, Series 2020 D	2/13/20	8/1/43	2.150-2.950
2016, Series 2020 C	2/13/20	8/1/49	3.000-4.000
2006, Series 2020 E	8/25/20	8/1/43	2.11-2.81

**SELMA UNIFIED SCHOOL DISTRICT**  
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Bond	Bonds				Bonds
	Original Issue	Outstanding July 1, 2021	Issued During Year	Redeemed During Year	Outstanding June 30, 2022
2006, Series 2007 B	\$ 3,772,061	\$ 1,947,061	\$ -	\$ 180,099	\$ 1,766,962
2006, Series 2009 C	3,000,008	2,836,603	-	31,819	2,804,784
2014 Refunding bonds	10,460,000	8,775,000	-	480,000	8,295,000
2016, Series 2017 A	10,100,000	8,680,000	-	40,000	8,640,000
2016, Series 2019 B	7,000,000	6,530,000	-	400,000	6,130,000
2006, Series 2020 D	4,045,274	4,045,274	-	-	4,045,274
2016, Series 2020 C	13,700,000	13,700,000	-	-	13,700,000
2006, Series 2020 E	1,482,188	1,482,188	-	-	1,482,188
	<u>\$ 53,559,531</u>	<u>\$ 47,996,126</u>	<u>\$ -</u>	<u>\$ 1,131,918</u>	<u>\$ 46,864,208</u>

The annual requirements to amortize general obligation bonds, payable and outstanding, and accreted interest as of June 30, 2022 are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2023	\$ 1,162,296	\$ 1,675,349	\$ 2,837,645
2024	932,910	1,659,534	2,592,444
2025	960,019	1,633,726	2,593,745
2026	1,042,723	1,620,371	2,663,094
2027	1,157,185	1,586,886	2,744,071
2028-2032	7,695,489	7,522,607	15,218,096
2033-2037	5,064,599	14,088,701	19,153,300
2038-2042	10,074,657	12,065,639	22,140,296
2043-2047	10,814,330	3,782,102	14,596,432
2048-2050	7,960,000	519,147	8,479,147
Totals	<u>\$ 46,864,208</u>	<u>\$ 46,154,062</u>	<u>\$ 93,018,270</u>

Year Ending June 30,	Accreted Interest
2023	\$ 202,831
2024	197,273
2025	182,788
2026	183,599
2027	175,772
2028-2032	781,310
2033-2037	2,632,674
2038-2042	1,165,901
Totals	<u>\$ 5,522,148</u>

3. Qualified Zone Academy Bonds

The outstanding qualified zone academy bond debt of the District at June 30, 2022, is as follows:

Bond	Issue Date	Maturity Date	Interest Rate %
Qualified zone academy bond	4/26/12	4/26/29	4.66

  

Bond	Bonds				Bonds
	Original Issue	Outstanding July 1, 2021	Issued During Year	Redeemed During Year	Outstanding June 30, 2022
Qualified zone academy bond	\$ 13,500,000	\$ 7,714,284	\$ -	\$ 964,286	\$ 6,749,998



**SELMA UNIFIED SCHOOL DISTRICT**  
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The annual requirements to amortize qualified zone academy bonds, payable and outstanding, and interest as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 964,286	\$ 314,550	\$ 1,278,836
2024	964,286	269,614	1,233,900
2025	964,286	224,679	1,188,965
2026	964,286	179,743	1,144,029
2027	964,286	134,807	1,099,093
2028-2029	1,928,568	134,807	2,063,375
Totals	\$ 6,749,998	\$ 1,258,200	\$ 8,008,198

4. Certificates of Participation

Future commitments for certificates of participation as of June 30, 2022 are as follows:

Certificate of Participation	Issue Date	Maturity Date	Interest Rate %
2012 Refunding	9/1/12	8/1/26	3.200

Certificate of Participation	COP		Issued During Year	Redeemed During Year	COP Outstanding June 30, 2022
	Original Issue	Outstanding July 1, 2021			
2012 Refunding	\$ 4,488,379	\$ 2,161,768	\$ -	\$ 318,760	\$ 1,832,802

Year Ending June 30,	Principal	Interest	Total
2023	\$ 338,817	\$ 55,939	\$ 394,756
2024	352,936	44,984	397,920
2025	366,464	33,582	400,046
2026	379,457	21,751	401,208
2027	395,128	6,322	401,450
Total	\$ 1,832,802	\$ 162,578	\$ 1,995,380

5. Note Payable

In September 2008, the District entered into a \$1,916,873 agreement with the Municipal Finance Corporation of California for the purchase and installation of a mechanical retrofit and energy management project at various schools sites of the District. The contract is to be repaid over a period of 15 years, at 4.4% interest. The assets acquired with this agreement are in Buildings at June 30, 2016.

Future commitments for the Energy Conservation Project as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 166,615	\$ 9,305	\$ 175,920
2024	86,067	1,892	87,959
Totals	\$ 252,682	\$ 11,197	\$ 263,879

6. Early Retirement Incentives - PARS

The Board has adopted an early retirement incentive program through the PARS Supplementary Retirement Plan. The District has entered into contracts with certain eligible employees who will receive supplementary retirement benefits.

**SELMA UNIFIED SCHOOL DISTRICT**  
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The annual requirements to amortize early retirement incentives - PARS as of June 30, 2022 will mature as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 174,730	\$ 12,241	\$ 186,971
2024	155,060	11,159	166,219
2025	23,688	1,303	24,991
Totals	\$ 353,478	\$ 24,703	\$ 378,181

J. Compensated Absences

Compensated absences at June 30, 2022 consisted of:

	Compensated Absences	Benefits	Totals
Classified	\$ 66,005	\$ 18,165	\$ 84,170
Certificated	156,823	52,551	209,374
Total	\$ 222,828	\$ 70,716	\$ 293,544

All amounts are due after one year.

K. Pension

1. General Information About the Pension Plans

a. Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

b. Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

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The Plans' provisions and benefits in effect at June 30, 2022 are summarized as follows:

	CalSTRS	
	Before <u>Jan. 1, 2013</u>	On or After <u>Jan. 1, 2013</u>
Hire Date		
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55-60	55-62
Monthly benefits, as a % of eligible compensation	1.4-2.4%	1.16-2.4%**
Required Employee Contribution Rates (at June 30, 2022)	10.25%	10.21%
Required Employer Contribution Rates (at June 30, 2022)	16.920%	16.920%
Required State Contribution Rates (at June 30, 2022)	10.828%	10.828%

\*Amounts are limited to 120% of Social Security Wage Base.

\*\*The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

	CalPERS	
	Before <u>Jan. 1, 2013</u>	On or After <u>Jan. 1, 2013</u>
Hire Date		
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.5%	1.0-2.5%
Required Employee Contribution Rates (at June 30, 2022)	7.00%	7.00%
Required Employer Contribution Rates (at June 30, 2022)	22.91%	22.91%

\*Amounts are limited to 120% of Social Security Wage Base.

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2022 (measurement date June 30, 2021), California Education Code Section 22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 16.92% of creditable compensation for the fiscal year ended June 30, 2022. Beginning in the fiscal year June 30, 2022 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation. For 2021-22, the employer rate reflects a 2.18% reduction from the rate that was originally required in the funding plan.

**SELMA UNIFIED SCHOOL DISTRICT**  
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CalPERS

California Public Employees' Retirement Law section 20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2022 (measurement date June 30, 2021) the employee contribution rate was 7.00% and the employer contribution rate was 22.910% of covered payroll. For 2021-22, the employer rate reflects a 2.16% reduction from the rate originally adopted by the board on April 20, 2021, due to an amendment of Government Code 20825.2 (c).

On Behalf Payments

Consistent with California Education Code Section 22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2022 (measurement date June 30, 2021) the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

Year Ended June 30,	CalSTRS	
	On Behalf Contribution Rate	On Behalf Contribution Amount
2020	10.328%	3,371,177
2021	10.328%	3,747,084
2022	10.828%	3,838,098

The State contributed an additional \$1.1 Billion to CalSTRS during the 2019-20 fiscal year and \$297 Million to CalSTRS during the 2020-21 fiscal year as a continuing settlement associated with SB90.

d. Contributions Recognized

For the fiscal year ended June 30, 2022 (measurement period June 30, 2021), the contributions recognized for each plan were:

	Fund Financial Statements		
	(Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 6,383,106	\$ 2,829,402	\$ 9,212,508
Contributions - State On Behalf Payments	3,838,098	-	3,838,098
Total Contributions	<u>\$ 10,221,204</u>	<u>\$ 2,829,402</u>	<u>\$ 13,050,606</u>

**SELMA UNIFIED SCHOOL DISTRICT**  
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2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022 (measured June 30, 2021), the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	\$ 27,158,719
CalPERS	16,690,502
Total Net Pension Liability	<u>\$ 43,849,221</u>

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 (STRS) and June 30, 2020 (PERS) rolled forward to measurement date June 30, 2021 using standard update procedures. 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 plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2021 and June 30, 2022 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Proportion June 30, 2021	0.0663%	0.0342%	0.1004%	0.0861%
Proportion June 30, 2022	0.0597%	0.0300%	0.0897%	0.0821%
Change in Proportion	-0.0066%	-0.0041%	-0.0107%	-0.0040%

\*Represents State's Proportionate Share on Behalf of District employees

a. Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	\$ (37,070,628)	\$ (9,719,956)	\$ (46,790,584)
On Behalf Contribution Amount	3,838,098	-	3,838,098
Employer Contributions to Pension Plan	6,383,106	2,829,402	9,212,508
Change in Other Outflows/Inflows of Resources	26,350,242	6,685,199	33,035,441
Total Pension Expense	<u>\$ (499,182)</u>	<u>\$ (205,355)</u>	<u>\$ (704,537)</u>

b. Deferred Outflows and Inflows of Resources

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	\$ 10,221,204	\$ 2,829,402	\$ 13,050,606
Differences between actual and expected experience	68,034	498,254	566,288
Changes in assumptions	3,848,102	-	3,848,102
Net difference between projected and actual earnings	-	849,631	849,631
Total Deferred Outflows of Resources	<u>\$ 14,137,340</u>	<u>\$ 4,177,287</u>	<u>\$ 18,314,627</u>

**SELMA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	\$ (2,890,254)	\$ (39,346)	\$ (2,929,600)
Change in employer's proportionate share	(4,933,059)	-	(4,933,059)
Net difference between projected and actual earnings	(21,483,246)	(7,254,949)	(28,738,195)
Total Deferred Inflows of Resources	<u>\$ (29,306,559)</u>	<u>\$ (7,294,295)</u>	<u>\$ (36,600,854)</u>

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2022. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2023	\$ 12,047,680	\$ 674,783	\$ (6,096,697)	\$ (1,923,734)	\$ 4,702,032
2024	1,826,476	422,754	(5,529,150)	(1,794,559)	(5,074,479)
2025	87,728	250,348	(5,640,451)	(1,794,559)	(7,096,934)
2026	87,728	2,829,402	(6,450,693)	(1,781,443)	(5,315,006)
2027	87,728	-	(369,254)	-	(281,526)
Thereafter	-	-	(5,220,314)	-	(5,220,314)
Total	<u>\$ 14,137,340</u>	<u>\$ 4,177,287</u>	<u>\$ (29,306,559)</u>	<u>\$ (7,294,295)</u>	<u>\$ (18,286,227)</u>

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2022 were based on actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2021	June 30, 2021
Valuation Date	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015-2018	1997-2015
Actuarial Assumptions:		
Discount Rate	7.10%	7.15%
Inflation	2.75%	2.50%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	7.15%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

- (1) CalSTRS post retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.
- (2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.
- (3) Varies by entry age and service.
- (4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.

**SELMA UNIFIED SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

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

d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% CalSTRS and 7.15% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the discount bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently, CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2018 with new policies in effect on July 1, 2018. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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

In determining the long-term expected rate of return, CalSTRS and 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 10 years) and long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

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

**SELMA UNIFIED SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

CalSTRS		
Asset Class	Assumed Asset Allocation	Long Term Expected Real Rate of Return*
Public Equity	42.00%	4.80%
Real Estate	15.00%	3.60%
Private Equity	13.00%	6.30%
Fixed Income	12.00%	1.30%
Risk Mitigating Strategies	10.00%	1.80%
Inflation Sensitive	6.00%	3.30%
Cash/Liquidity	2.00%	-0.40%

\*20 year average

CalPERS			
Asset Class (1)	Assumed Asset Allocation	Real Return Years 1-10 (2,4)	Real Return Years 11+ (3,4)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

(1) In the Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

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

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

(4) Figures are based on the previous ALM of 2017

e. Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	CalSTRS	CalPERS
1% Decrease	6.10%	6.15%
Net Pension Liability	\$ 55,285,432	\$ 28,142,530
Current Discount Rate	7.10%	7.15%
Net Pension Liability	\$ 27,158,719	\$ 16,690,502
1% Increase	8.10%	8.15%
Net Pension Liability	\$ 3,814,085	\$ 7,182,861



**SELMA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**3. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability**

CalSTRS - Governmental Activities

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2021 (Previously Reported)	\$ 352,469,703	\$ 255,130,388	\$ 97,339,315	\$ 33,109,968	\$ 64,229,347
Changes for the year:					
CalSTRS Auditor Adjustment	-	-	-	-	-
Change in Prop share	(5,835,163)	4,225,463	(10,060,625)	(3,894,301)	(6,166,324)
Service Cost	6,828,556	-	6,828,556	2,285,791	4,542,765
Interest	21,864,479	-	21,864,479	7,318,916	14,545,563
Differences between expected and actual experience	(3,022,256)	-	(3,022,256)	(1,011,670)	(2,010,586)
Change in assumptions	-	-	-	-	-
Change in benefits	-	-	-	-	-
Contributions:					
Employer	-	5,165,374	(5,165,374)	(1,729,057)	(3,436,317)
Employee	-	3,357,320	(3,357,320)	(1,123,829)	(2,233,491)
State On Behalf Payments	-	3,346,909	(3,346,909)	(1,120,344)	(2,226,565)
Net Investment Income	-	60,138,860	(60,138,860)	(20,130,882)	(40,007,978)
Other Income	-	81,144	(81,144)	(27,162)	(53,982)
Benefit Payments, including refunds of employee contributions	(9,971,167)	(10,243,097)	271,930	91,026	180,904
Administrative expenses	-	225,665	(225,665)	(75,539)	(150,126)
Borrowing Costs	-	80,382	(80,382)	(26,907)	(53,475)
Other Expenses	-	1,527	(1,527)	(511)	(1,016)
<b>Net Changes</b>	<b>9,864,449</b>	<b>66,379,547</b>	<b>(56,515,097)</b>	<b>(19,444,469)</b>	<b>(37,070,628)</b>
Balance at June 30, 2022	\$ 362,334,152	\$ 321,509,935	\$ 40,824,218	\$ 13,665,499	\$ 27,158,719

(1) - Includes refunds of employee contributions

**SELMA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

CalPERS - Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2021 (Previously Reported)	\$ 88,910,765	\$ 62,500,307	\$ 26,410,458
Changes for the year:			
Change in Proportionate Share	(2,918,543)	(1,692,755)	(1,225,788)
Service Cost	1,926,744	-	1,926,744
Interest	5,923,490	-	5,923,490
Differences between expected and actual experience	(52,462)	-	(52,462)
Change in Assumptions	-	-	-
Contributions:			
Employer	-	2,439,598	(2,439,598)
Employee	-	836,522	(836,522)
Nonemployer	-	-	-
Net Investment Income	-	13,074,111	(13,074,111)
Plan to Plan Resource Movement	-	-	-
Benefit Payments, including refunds of employee contributions	(4,048,510)	(4,048,510)	-
Administrative expenses	-	(58,291)	58,291
Other expenses	-	-	-
Net Changes	<u>830,719</u>	<u>10,550,675</u>	<u>(9,719,956)</u>
Balance at June 30, 2022	<u>\$ 89,741,484</u>	<u>\$ 73,050,982</u>	<u>\$ 16,690,502</u>

(1) - Includes refunds of employee contributions

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports available on their respective websites.

**L. Postemployment Benefits Other Than Pension Benefits**

**1. General Information about the OPEB Plan**

The District administers a single employer defined benefit healthcare plan, which only provides health insurance. All coverages are self-insured on a pooled basis through the Self-Insured Schools of California (SISC).

There are approximately 35 retirees currently receiving benefits, as well as approximately 722 active employees who may become eligible to retire and receive benefits in the future as of June 30, 2022.

The contribution requirements of Plan members and the District are established and amended by the District. The required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Eligibility for District-Paid Benefits

The amount and duration of District-paid contributions for retiree health insurance vary by employment classification, age and date of hire.

**SELMA UNIFIED SCHOOL DISTRICT**  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2022

Benefits provided. All employees may retire with District-paid healthcare benefits after the later of age 55 and 10 years of service immediately prior to retirement, with the most recent 5 years of service as a fulltime employee, if hired prior to January 1, 1992. If hired on or after January 1, 1992:

Certificated employees may retire with District-paid healthcare benefits after the later of age 55 and 18 years of service immediately prior to retirement, with the most recent 5 years of service as a full-time employee.

Classified employees may retire with District-paid healthcare benefits after the later of age 55 and 15 years of service immediately prior to retirement, with the most recent 2 years of service as a full-time employee.

Employees Covered by Benefit Terms

At June 30, 2022, the following retirees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	35
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>722</u>
Total number of participants	<u><u>757</u></u>

2. Net OPEB Liability

The OPEB plan does not issue stand-alone financial reports that are available to the public.

Actuarial Assumptions and Other Inputs

The net OPEB liability actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	3.00%
Salary Increases	3.00%
Discount Rate	3.69%
Healthcare Cost Trend Rates	5.75% per year
Retiree's Share of Costs	0.00% of projected health insurance premiums

The discount rate was based on the Bond Buyer 20 Bond Index.

Pre-retirement mortality rates were based on the 1997-2015 CalPERS Experience Study and active employees from the 2015-2018 CalSTRS Experience Analysis, as appropriate, without projection. Post-retirement mortality rates for Healthy Recipients from the 1997-2015 CalPERS Experience Study and retired members and beneficiaries from the 2015-2018 CalSTRS Experience Analysis, as appropriate, without projection.

**SELMA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

Changes in Net OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2021	\$ 19,675,681
Changes for the year:	
Service cost	1,635,494
Interest	461,922
Difference between expected and actual experience	927,813
Changes in assumptions and other inputs	(3,266,876)
Benefit payments	(569,349)
Other adjustments	<u>1,829,070</u>
Net changes	1,018,074
Balance at June 30, 2022	<u>\$ 20,693,755</u>

There were no changes in benefit terms for the fiscal year ended June 30, 2022. The interest assumption changed from 5.80% to 5.75% and the discount rate changed from 2.45% to 3.69%. There were no changes to any other inputs or assumptions.

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

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

	<u>1% Decrease 2.69%</u>	<u>Discount Rate 3.69%</u>	<u>1% Increase 4.69%</u>
Total OPEB Liability	\$ 22,632,269	\$ 20,693,755	\$ 18,918,586

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

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

	<u>1% Decrease 4.75%</u>	<u>Healthcare Cost Trend Rate 5.75%</u>	<u>1% Increase 6.75%</u>
Total OPEB Liability	\$ 18,152,690	\$ 20,693,755	\$ 23,711,490

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$2,837,371.

At June 30, 2022 the District reported the following deferred outflows and inflows of resources related to other postemployment benefits.

**SELMA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

	Deferred Inflows of Resources	Deferred Outflows of Resources
Experience gains/losses	\$ -	\$ 1,780,743
Difference between expected and actual experience	17,352	-
Assumption changes	2,946,594	3,018,247
Contributions subsequent to measurement date	-	2,287
	<u>\$ 2,963,946</u>	<u>\$ 4,801,277</u>

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

Year ending June 30,	Deferred Inflows of Resources	Deferred Outflows of Resources
2023	\$ 324,515	\$ 711,190
2024	324,515	708,903
2025	324,515	708,903
2026	324,515	708,903
2027	320,702	623,982
Thereafter	<u>1,345,184</u>	<u>1,339,396</u>
Total	<u>\$ 2,963,946</u>	<u>\$ 4,801,277</u>

**M. Commitments and Contingencies**

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to view and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

**N. Construction In Progress**

Construction in Progress at June 30, 2022 are as follows:

	Project Authorization	Expended to 6/30/2022	Remaining Commitment
Marko Construction - Re-roofing	\$ 7,495,750	\$ 82,353	\$ 7,413,397
KYA Services - Marquees Supply & Install	1,005,943	1,005,943	-
Ro's Precise Painting - Re-painting	618,001	618,001	-
Total	<u>\$ 9,119,694</u>	<u>\$ 1,706,297</u>	<u>\$ 7,413,397</u>

**SELMA UNIFIED SCHOOL DISTRICT**  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2022

O. Restricted Fund Balances

Restricted fund balances at June 30, 2022 are as follows:

Expanded Learning Opportunities Program	\$ 2,655,454
Educator Effectiveness, FY 2021-22	1,256,370
Lottery: Instructional Materials	944,593
Special Ed: Mental Health Services	42,810
Special Ed: Dispute Prevention and Dispute Resolution	87,979
Special Ed: Learning Recovery Support	273,968
Mental Health-Related Services	16,483
Special Education Early Intervention Preschool Grant	329,792
Child Nutrition: Kitchen Infrastructure Upgrade Funds	187,448
Child Nutrition: Food Service Staff Training Funds	50,639
A-G Access/Success Grant	336,063
A-G Learning Loss Mitigation Grant	18,638
Classified School Employee Summer Assistance Program	10,197
Ongoing & Major Maintenance Account (RMA: Education Code Sect	350,483
Other Restricted Local	321
Student Body Fund	695,900
Cafeteria Fund	1,445,681
Building Fund	17,486,694
Capital Facilities Fund	692,511
Bond Interest and Redemption Fund	2,787,429
Total	<u>\$ 29,669,453</u>

P. Joint Ventures (Joint Powers Agreements)

The District participates in three joint ventures under joint powers agreements (JPAs) as follows:

Fresno County Self-Insurance Group (FCSIG)  
 (workers' compensation insurance)

Organization of Self-Insured Schools (OSS)  
 (property and liability insurance)

Valley Regional Occupational Program  
 (student R.O.P. classes)

The relationships between the District and the other JPAs are such that none of the other JPAs are component units of the District for financial reporting purposes.

The JPAs provide insurance and services as noted for member school districts.

Each JPA is governed by a board consisting of a representative from each member district. Such governing board controls the operations of its JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond representation on the governing board.

Each district pays premiums and fees commensurate with the level of coverage or services requested, and shares surpluses and deficits proportionate to its participation in each JPA.

Each JPA is independently accountable for its fiscal matters, and maintains its own accounting records.

The District's share of year-end assets, liabilities, or fund equity has not been calculated by the entities.

**SELMA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

Condensed financial information for the above JPAs for the year ended June 30, 2022 was not available as of the audit report date. Complete financial statements for the JPAs may be obtained from the JPAs at the addresses indicated below:

FCSIG	Tucker-Alexander Insurance 2133 High Street, Suite E Selma, CA 93662
OSS	Tucker-Alexander Insurance 2133 High Street, Suite E Selma, CA 93662
Valley Regional Occupational Program	Valley Regional Occupational Program 1305 Q Street Sanger, CA 93657

**Q. Prior Period Adjustment**

Adjustments to previously reported amounts relate to the Student Body Fund balance. The Student Body Fund balance has been included in the Governmental financial statements to implement changes as required by GASB 84.

	<u>June 30</u> <u>2022</u>
Fund balance of the Student Body Fund, as previously reported as a part of the District's governmental funds	\$ 854,409
Prior period adjustment related to adjust beginning balance	(440,099)
Fund balance of the Student Body Fund, as restated as a part of the District's governmental funds	<u>\$ 414,310</u>

**R. Subsequent Events**

Subsequent events have been evaluated through the date these financial statements were available to be issued.

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## Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**SELMA UNIFIED SCHOOL DISTRICT**

**EXHIBIT B-1**

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2022

	1	2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 59,696,132	\$ 46,846,820	\$ 48,929,858	\$ 2,083,038
Education Protection Account Funds	6,076,045	27,148,111	27,148,111	-
Local Sources	6,503,894	6,954,504	6,954,504	-
Federal Revenue	11,921,680	40,309,052	17,193,679	(23,115,373)
Other State Revenue	8,160,471	16,043,911	13,487,874	(2,556,037)
Other Local Revenue	3,435,990	6,168,446	2,766,064	(3,402,382)
Total Revenues	<u>95,794,212</u>	<u>143,470,844</u>	<u>116,480,090</u>	<u>(26,990,754)</u>
Expenditures:				
Current:				
Certificated Salaries	35,253,384	44,109,529	40,688,085	3,421,444
Classified Salaries	11,236,972	14,843,647	14,169,803	673,844
Employee Benefits	21,383,496	24,710,416	22,866,754	1,843,662
Books And Supplies	16,339,869	23,065,595	5,931,370	17,134,225
Services And Other Operating Expenditures	8,246,606	13,668,058	9,826,528	3,841,530
Other Outgo	-	1,158,716	1,556,432	(397,716)
Direct Support/Indirect Costs	(291,600)	(173,897)	(146,739)	(27,158)
Capital Outlay	-	15,585,710	5,275,580	10,310,130
Debt Service:				
Principal	-	1,632,972	1,627,500	5,472
Interest	-	151,731	344,173	(192,442)
Total Expenditures	<u>92,168,727</u>	<u>138,752,477</u>	<u>102,139,486</u>	<u>36,612,991</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,625,485</u>	<u>4,718,367</u>	<u>14,340,604</u>	<u>9,622,237</u>
Other Financing Sources (Uses):				
Transfers Out	(700,000)	(707,663)	(1,772,337)	(1,064,674)
Other Sources	450,000	450,000	-	(450,000)
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(257,663)</u>	<u>(1,772,337)</u>	<u>(1,514,674)</u>
Net Change in Fund Balance	3,375,485	4,460,704	12,568,267	8,107,563
Fund Balance, July 1	<u>13,196,961</u>	<u>13,196,961</u>	<u>13,196,961</u>	-
Fund Balance, June 30	<u>\$ 16,572,446</u>	<u>\$ 17,657,665</u>	<u>\$ 25,765,228</u>	<u>\$ 8,107,563</u>

**SELMA UNIFIED SCHOOL DISTRICT**  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS \*

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.066%	0.066%	0.066%	0.064%	0.064%	0.062%	0.061%	0.060%	-	-
District's proportionate share of the net pension liability (asset)	\$ 27,158,719	\$ 64,229,347	\$ 59,158,920	\$ 58,419,763	\$ 58,109,964	\$ 49,929,386	\$ 41,203,421	\$ 34,586,665	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	13,665,499	33,109,968	31,951,705	33,570,868	34,508,078	21,697,000	21,792,009	20,885,131	-	-
<b>Total</b>	<b>\$ 40,824,218</b>	<b>\$ 97,339,315</b>	<b>\$ 91,110,625</b>	<b>\$ 91,990,631</b>	<b>\$ 92,618,042</b>	<b>\$ 71,626,386</b>	<b>\$ 62,995,430</b>	<b>\$ 55,471,796</b>	<b>\$ -</b>	<b>\$ -</b>
District's covered-employee payroll	\$ 40,969,929	\$ 35,881,645	\$ 36,779,351	\$ 36,827,969	\$ 34,271,324	\$ 45,386,192	\$ 30,856,440	\$ 28,366,351	\$ -	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.29%	179.00%	160.85%	158.63%	169.56%	110.01%	133.53%	121.93%	-	-
Plan fiduciary net position as a percentage of the total pension liability	88.76%	72.38%	72.56%	70.99%	69.46%	71.35%	74.02%	74.00%	-	-

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

**SELMA UNIFIED SCHOOL DISTRICT**  
 SCHEDULE OF DISTRICT CONTRIBUTIONS  
 CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS \*

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 6,383,106	\$ 5,090,075	\$ 5,968,232	\$ 5,739,717	\$ 4,945,352	\$ 5,709,583	\$ 5,096,233	\$ 4,321,993	\$ -	\$ -
Contributions in relation to the contractually required contribution	(6,383,106)	(5,090,075)	(5,968,232)	(5,739,717)	(4,945,352)	(5,709,583)	(5,096,233)	(4,321,993)	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 40,969,929	\$ 35,881,645	\$ 36,779,351	\$ 36,827,969	\$ 34,271,324	\$ 45,386,192	\$ 30,856,440	\$ 28,366,351	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	15.58%	14.19%	16.23%	15.59%	14.43%	12.58%	16.52%	15.24%	-	-

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

**SELMA UNIFIED SCHOOL DISTRICT**  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS \*

	Fiscal Year									
	2022	2021	2020	2019	2017	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.082%	0.086%	0.089%	0.087%	0.080%	0.080%	0.080%	0.070%	-	-
District's proportionate share of the net pension liability (asset)	\$ 16,690,502	\$ 26,410,458	\$ 25,989,094	\$ 23,186,008	\$ 16,818,010	\$ 16,818,010	\$ 12,140,000	\$ 8,387,501	\$ -	\$ -
District's covered-employee payroll	\$ 15,992,013	\$ 13,329,495	\$ 13,688,999	\$ 14,237,410	\$ 10,984,296	\$ 10,984,296	\$ 10,190,960	\$ 9,010,212	\$ -	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	104.37%	198.14%	189.85%	162.85%	153.11%	153.11%	119.13%	93.09%	-	-
Plan fiduciary net position as a percentage of the total pension liability	81.40%	70.30%	70.05%	70.85%	73.98%	73.98%	79.43%	73.90%	-	-

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

**SELMA UNIFIED SCHOOL DISTRICT**  
 SCHEDULE OF DISTRICT CONTRIBUTIONS  
 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS \*

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,829,402	\$ 2,431,181	\$ 2,433,873	\$ 2,221,542	\$ 1,777,259	\$ 1,525,499	\$ 1,202,342	\$ 1,060,592	\$ -	\$ -
Contributions in relation to the contractually required contribution	(2,829,402)	(2,431,181)	(2,433,873)	(2,221,542)	(1,777,259)	(1,525,499)	(1,202,342)	(1,060,592)	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 15,992,013	\$ 13,329,495	\$ 13,688,999	\$ 14,237,410	\$ 11,443,300	\$ 10,984,296	\$ 10,190,960	\$ 9,010,212	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	17.69%	18.24%	17.78%	15.60%	15.53%	13.89%	11.80%	11.77%	-	-

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

**SELMA UNIFIED SCHOOL DISTRICT**  
 SCHEDULE OF CHANGES IN THE DISTRICT'S  
 TOTAL OPEB LIABILITY AND RELATED RATIOS  
 SINGLE EMPLOYER PLAN  
 LAST TEN FISCAL YEARS \*

	Fiscal Year Ended									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB liability:										
Service cost	\$ 1,635,494	\$ -	\$ 993,582	\$ 444,020	\$ 455,124	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	461,922	-	568,591	499,873	495,522	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Other adjustments	1,829,070	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	927,813	-	1,366,529	(34,284)	-	-	-	-	-	-
Changes of assumptions or other inputs	(3,266,876)	-	2,780,119	764,328	-	-	-	-	-	-
Benefit payments	(569,349)	-	(279,266)	(553,436)	(530,726)	-	-	-	-	-
Net change in total OPEB liability	1,018,074	-	5,429,555	1,120,501	419,920	-	-	-	-	-
Total OPEB liability - beginning	19,675,681	19,675,681	14,246,126	13,125,625	12,705,705	-	-	-	-	-
Total OPEB liability - ending	<u>\$ 20,693,755</u>	<u>\$ 19,675,681</u>	<u>\$ 19,675,681</u>	<u>\$ 14,246,126</u>	<u>\$ 13,125,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 56,961,942	\$ 49,211,140	\$ 51,065,379	\$ 47,078,281	\$ 47,078,281	\$ -	\$ -	\$ -	\$ -	\$ -
Total OPEB liability as a percentage of covered-employee payroll	36.33%	39.98%	38.53%	30.26%	27.88%	-	-	-	-	-

Notes to Schedule:

There were no changes of benefit terms in 2022.

There were no changes of assumptions in 2022. The following are the discount rates used in each period.

2022	3.69%
2021	2.45%
2020	2.45%
2019	3.13%
2018	3.90%
2017	NA
2016	NA
2015	NA
2014	NA
2013	NA

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

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## Combining Statements and Budget Comparisons as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

**SELMA UNIFIED SCHOOL DISTRICT**

**EXHIBIT C-1**

COMBINING BALANCE SHEET

ALL GENERAL FUNDS

JUNE 30, 2022

	General Fund	Special Reserve General Fund	Post Employment Benefits Fund	Totals June 30, 2022
<b>ASSETS:</b>				
Cash in County Treasury	\$ 27,016,652	\$ 2,280	\$ 40,773	\$ 27,059,705
Cash in Revolving Fund	5,000	-	-	5,000
Accounts Receivable	8,712,185	-	-	8,712,185
Due from Other Funds	634,161	-	-	634,161
Stores Inventories	345,889	-	-	345,889
Total Assets	<u>36,713,887</u>	<u>2,280</u>	<u>40,773</u>	<u>36,756,940</u>
<b>LIABILITIES AND FUND BALANCE:</b>				
Liabilities:				
Accounts Payable	\$ 8,721,371	\$ -	\$ -	\$ 8,721,371
Due to Other Funds	349,759	2,280	-	352,039
Unearned Revenue	1,918,302	-	-	1,918,302
Total Liabilities	<u>10,989,432</u>	<u>2,280</u>	<u>-</u>	<u>10,991,712</u>
Fund Balance:				
Nonspendable Fund Balances:				
Revolving Cash	5,000	-	-	5,000
Stores Inventories	345,889	-	-	345,889
Restricted Fund Balances	6,561,238	-	-	6,561,238
Assigned Fund Balances	-	-	40,773	40,773
Unassigned:				
Other Unassigned	18,812,328	-	-	18,812,328
Total Fund Balance	<u>25,724,455</u>	<u>-</u>	<u>40,773</u>	<u>25,765,228</u>
Total Liabilities and Fund Balances	<u>\$ 36,713,887</u>	<u>\$ 2,280</u>	<u>\$ 40,773</u>	<u>\$ 36,756,940</u>

**SELMA UNIFIED SCHOOL DISTRICT**

**EXHIBIT C-2**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - ALL GENERAL FUNDS  
 YEAR ENDED JUNE 30, 2022

	General Fund	Special Reserve General Fund	Post Employment Benefits Fund	Totals June 30, 2022
<b>Revenues:</b>				
LCFF Sources:				
State Apportionment or State Aid	\$ 48,929,858	\$ -	\$ -	\$ 48,929,858
Education Protection Account Funds	27,148,111	-	-	27,148,111
Local Sources	6,954,504	-	-	6,954,504
Federal Revenue	17,193,679	-	-	17,193,679
Other State Revenue	13,487,874	-	-	13,487,874
Other Local Revenue	2,757,931	7,724	409	2,766,064
Total Revenues	<u>116,471,957</u>	<u>7,724</u>	<u>409</u>	<u>116,480,090</u>
<b>Expenditures:</b>				
Current:				
Instruction	55,611,632	-	-	55,611,632
Instruction - Related Services	9,827,229	-	-	9,827,229
Pupil Services	7,783,603	-	-	7,783,603
Ancillary Services	896,715	-	-	896,715
General Administration	10,749,938	-	-	10,749,938
Plant Services	8,466,684	-	-	8,466,684
Other Outgo	1,556,432	-	-	1,556,432
Capital Outlay	5,275,580	-	-	5,275,580
Debt Service:				
Principal	1,627,500	-	-	1,627,500
Interest	344,173	-	-	344,173
Total Expenditures	<u>102,139,486</u>	<u>-</u>	<u>-</u>	<u>102,139,486</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,332,471</u>	<u>7,724</u>	<u>409</u>	<u>14,340,604</u>
Other Financing Sources (Uses):				
Transfers Out	(1,000,000)	(772,337)	-	(1,772,337)
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>(772,337)</u>	<u>-</u>	<u>(1,772,337)</u>
Net Change in Fund Balance	13,332,471	(764,613)	409	12,568,267
Fund Balance, July 1	12,391,984	764,613	40,364	13,196,961
Fund Balance, June 30	<u>\$ 25,724,455</u>	<u>\$ -</u>	<u>\$ 40,773</u>	<u>\$ 25,765,228</u>

**SELMA UNIFIED SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2022

	Special Revenue Funds	Debt Service Fund Bond Interest & Redemption	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS:</b>				
Cash in County Treasury	\$ 980,363	\$ 2,787,429	\$ 2,606,178	\$ 6,373,970
Cash on Hand and in Banks	695,900	-	-	695,900
Accounts Receivable	2,184,259	-	7,580	2,191,839
Due from Other Funds	13,071	-	2,689	15,760
Stores Inventories	59,698	-	-	59,698
Total Assets	<u>3,933,291</u>	<u>2,787,429</u>	<u>2,616,447</u>	<u>9,337,167</u>
<b>LIABILITIES AND FUND BALANCE:</b>				
Liabilities:				
Accounts Payable	\$ 453,622	\$ -	\$ 104,947	\$ 558,569
Due to Other Funds	663,228	-	890	664,118
Total Liabilities	<u>1,116,850</u>	<u>-</u>	<u>105,837</u>	<u>1,222,687</u>
Fund Balance:				
Nonspendable Fund Balances:				
Stores Inventories	59,698	-	-	59,698
Restricted Fund Balances	2,141,581	2,787,429	692,511	5,621,521
Assigned Fund Balances	615,162	-	1,818,099	2,433,261
Total Fund Balance	<u>2,816,441</u>	<u>2,787,429</u>	<u>2,510,610</u>	<u>8,114,480</u>
Total Liabilities and Fund Balances	<u>\$ 3,933,291</u>	<u>\$ 2,787,429</u>	<u>\$ 2,616,447</u>	<u>\$ 9,337,167</u>

**SELMA UNIFIED SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Debt Service Fund Bond Interest & Redemption	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
Federal Revenue	\$ 4,837,628	\$ -	\$ -	\$ 4,837,628
Other State Revenue	854,908	19,222	-	874,130
Other Local Revenue	1,291,191	2,485,188	48,271	3,824,650
Total Revenues	<u>6,983,727</u>	<u>2,504,410</u>	<u>48,271</u>	<u>9,536,408</u>
Expenditures:				
Current:				
Instruction	396,450	-	-	396,450
Instruction - Related Services	283,322	-	-	283,322
Pupil Services	4,744,715	-	-	4,744,715
Ancillary Services	1,056,593	-	-	1,056,593
General Administration	146,739	-	7,856	154,595
Capital Outlay	19,001	-	101,572	120,573
Debt Service:				
Principal	-	1,131,918	-	1,131,918
Interest	-	1,678,528	-	1,678,528
Total Expenditures	<u>6,646,820</u>	<u>2,810,446</u>	<u>109,428</u>	<u>9,566,694</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>336,907</u>	<u>(306,036)</u>	<u>(61,157)</u>	<u>(30,286)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	1,910,999	1,910,999
Transfers Out	-	-	(138,662)	(138,662)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,772,337</u>	<u>1,772,337</u>
Net Change in Fund Balance	336,907	(306,036)	1,711,180	1,742,051
Fund Balance, July 1	2,919,633	3,093,465	799,430	6,812,528
Prior Period Adjustment	(440,099)	-	-	(440,099)
Fund Balance, June 30	<u>\$ 2,816,441</u>	<u>\$ 2,787,429</u>	<u>\$ 2,510,610</u>	<u>\$ 8,114,480</u>

**SELMA UNIFIED SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2022

	Student Body Fund	Adult Education Fund	Cafeteria Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-3)
<b>ASSETS:</b>				
Cash in County Treasury	\$ -	\$ 360,091	\$ 620,272	\$ 980,363
Cash on Hand and in Banks	695,900	-	-	695,900
Accounts Receivable	-	325,807	1,858,452	2,184,259
Due from Other Funds	-	1,342	11,729	13,071
Stores Inventories	-	-	59,698	59,698
Total Assets	<u>695,900</u>	<u>687,240</u>	<u>2,550,151</u>	<u>3,933,291</u>
<b>LIABILITIES AND FUND BALANCE:</b>				
Liabilities:				
Accounts Payable	\$ -	\$ 59,127	\$ 394,495	\$ 453,622
Due to Other Funds	-	40,670	622,558	663,228
Total Liabilities	<u>-</u>	<u>99,797</u>	<u>1,017,053</u>	<u>1,116,850</u>
Fund Balance:				
Nonspendable Fund Balances:				
Stores Inventories	-	-	59,698	59,698
Restricted Fund Balances	695,900	-	1,445,681	2,141,581
Assigned Fund Balances	-	587,443	27,719	615,162
Total Fund Balance	<u>695,900</u>	<u>587,443</u>	<u>1,533,098</u>	<u>2,816,441</u>
Total Liabilities and Fund Balances	<u>\$ 695,900</u>	<u>\$ 687,240</u>	<u>\$ 2,550,151</u>	<u>\$ 3,933,291</u>

**SELMA UNIFIED SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Student Body Fund	Adult Education Fund	Cafeteria Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-4)
Revenues:				
Federal Revenue	\$ -	\$ 232,757	\$ 4,604,871	\$ 4,837,628
Other State Revenue	-	566,365	288,543	854,908
Other Local Revenue	898,084	94,793	298,314	1,291,191
Total Revenues	<u>898,084</u>	<u>893,915</u>	<u>5,191,728</u>	<u>6,983,727</u>
Expenditures:				
Current:				
Instruction	-	396,450	-	396,450
Instruction - Related Services	-	283,322	-	283,322
Pupil Services	-	-	4,744,715	4,744,715
Ancillary Services	1,056,593	-	-	1,056,593
General Administration	-	25,217	121,522	146,739
Capital Outlay	-	-	19,001	19,001
Total Expenditures	<u>1,056,593</u>	<u>704,989</u>	<u>4,885,238</u>	<u>6,646,820</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(158,509)</u>	<u>188,926</u>	<u>306,490</u>	<u>336,907</u>
Net Change in Fund Balance	(158,509)	188,926	306,490	336,907
Fund Balance, July 1	1,294,508	398,517	1,226,608	2,919,633
Prior Period Adjustment	(440,099)	-	-	(440,099)
Fund Balance, June 30	<u>\$ 695,900</u>	<u>\$ 587,443</u>	<u>\$ 1,533,098</u>	<u>\$ 2,816,441</u>

**SELMA UNIFIED SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2022

	Capital Facilities Fund	County School Facilities Fund	Capital Outlay Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-3)
<b>ASSETS:</b>				
Cash in County Treasury	\$ 697,459	\$ 409	\$ 1,908,310	\$ 2,606,178
Accounts Receivable	7,580	-	-	7,580
Due from Other Funds	-	-	2,689	2,689
Total Assets	<u>705,039</u>	<u>409</u>	<u>1,910,999</u>	<u>2,616,447</u>
<b>LIABILITIES AND FUND BALANCE:</b>				
Liabilities:				
Accounts Payable	\$ 12,047	\$ -	\$ 92,900	\$ 104,947
Due to Other Funds	481	409	-	890
Total Liabilities	<u>12,528</u>	<u>409</u>	<u>92,900</u>	<u>105,837</u>
Fund Balance:				
Restricted Fund Balances	692,511	-	-	692,511
Assigned Fund Balances	-	-	1,818,099	1,818,099
Total Fund Balance	<u>692,511</u>	<u>-</u>	<u>1,818,099</u>	<u>2,510,610</u>
Total Liabilities and Fund Balances	<u>\$ 705,039</u>	<u>\$ 409</u>	<u>\$ 1,910,999</u>	<u>\$ 2,616,447</u>



**SELMA UNIFIED SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Capital Facilities Fund	County School Facilities Fund	Capital Outlay Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-4)
Revenues:				
Other Local Revenue	\$ 46,884	\$ 1,387	\$ -	\$ 48,271
Total Revenues	<u>46,884</u>	<u>1,387</u>	<u>-</u>	<u>48,271</u>
Expenditures:				
Current:				
General Administration	7,856	-	-	7,856
Capital Outlay	8,672	-	92,900	101,572
Total Expenditures	<u>16,528</u>	<u>-</u>	<u>92,900</u>	<u>109,428</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>30,356</u>	<u>1,387</u>	<u>(92,900)</u>	<u>(61,157)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	1,910,999	1,910,999
Transfers Out	-	(138,662)	-	(138,662)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(138,662)</u>	<u>1,910,999</u>	<u>1,772,337</u>
Net Change in Fund Balance	30,356	(137,275)	1,818,099	1,711,180
Fund Balance, July 1	662,155	137,275	-	799,430
Fund Balance, June 30	<u>\$ 692,511</u>	<u>\$ -</u>	<u>\$ 1,818,099</u>	<u>\$ 2,510,610</u>

**SELMA UNIFIED SCHOOL DISTRICT**

**EXHIBIT C-9**

BUILDING FUND  
 CAPITAL PROJECTS FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2022

	1	2	3
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	\$ 175,274	\$ 180,066	\$ 4,792
Total Revenues	<u>175,274</u>	<u>180,066</u>	<u>4,792</u>
Expenditures:			
Current:			
Books And Supplies	126,325	123,369	2,956
Services And Other Operating Expenditures	44,371	15,924	28,447
Capital Outlay	6,737,129	3,018,243	3,718,886
Total Expenditures	<u>6,907,825</u>	<u>3,157,536</u>	<u>3,750,289</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,732,551)</u>	<u>(2,977,470)</u>	<u>3,755,081</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(6,732,551)	(2,977,470)	3,755,081
Fund Balance, July 1	20,464,164	20,464,164	-
Fund Balance, June 30	<u>\$ 13,731,613</u>	<u>\$ 17,486,694</u>	<u>\$ 3,755,081</u>

## Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

# SELMA UNIFIED SCHOOL DISTRICT

LOCAL EDUCATION AGENCY  
ORGANIZATION STRUCTURE  
JUNE 30, 2022

The District was originally formed in 1878 and serves approximately 6,000 students with eight elementary schools, one middle school, one high school, one independent study school, one continuation school and one adult education school. There were no boundary changes during the year ended June 30, 2022.

## Governing Board

Name	Office	Term Expiration
Diane Jensen	President	2022
Rosemary Alanis	Vice President	2024
Narinder Sahota	Clerk	2024
Roger Orosco	Member	2022
Jennifer Winter	Member	2022

## Administration

Marilyn Shepherd, Ed. D.  
Superintendent

Andrea Affrunti  
Assistant Superintendent

Teresa Wood  
Assistant Superintendent

Johnny Alvarado  
Chief Academic Officer

Christine Ortega  
Director of Business Services

**SELMA UNIFIED SCHOOL DISTRICT**  
 SCHEDULE OF AVERAGE DAILY ATTENDANCE  
 YEAR ENDED JUNE 30, 2022

**TABLE D-1**

	Second Period Report	Annual Report
TK/K-3:		
Regular ADA	1,523.62	1,543.88
Extended Year Special Education	1.42	1.42
TK/K-3 Totals	1,525.04	1,545.30
Grades 4-6:		
Regular ADA	1,209.13	1,221.28
Extended Year Special Education	1.52	1.52
Grades 4-6 Totals	1,210.65	1,222.80
Grades 7 and 8:		
Regular ADA	833.12	831.45
Extended Year Special Education	1.07	1.07
Grades 7 and 8 Totals	834.19	832.52
Grades 9-12:		
Regular ADA	1,750.28	1,752.27
Extended Year Special Education	1.91	1.91
Grades 9-12 Totals	1,752.19	1,754.18
ADA Totals	5,322.07	5,354.80

There were no audit findings which resulted in necessary revisions to attendance.

Average daily attendance is a measurement of the number of pupils attending classes of the district or charter school. 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 and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

**SELMA UNIFIED SCHOOL DISTRICT**SCHEDULE OF INSTRUCTIONAL TIME  
YEAR ENDED JUNE 30, 2022**TABLE D-2**

Grade Level	Ed. Code 46207 Minutes Requirement	Ed. Code 46207 Adjusted & Reduced	2021-22 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Transitional Kindergarten	36,000	N/A	51,455	180	N/A	Complied
Kindergarten	36,000	N/A	51,455	180	N/A	Complied
Grade 1	50,400	N/A	55,280	180	N/A	Complied
Grade 2	50,400	N/A	55,280	180	N/A	Complied
Grade 3	50,400	N/A	55,340	180	N/A	Complied
Grade 4	54,000	N/A	55,340	180	N/A	Complied
Grade 5	54,000	N/A	55,305	180	N/A	Complied
Grade 6	54,000	N/A	55,305	180	N/A	Complied
Grade 7	54,000	N/A	61,859	180	N/A	Complied
Grade 8	54,000	N/A	61,859	180	N/A	Complied
Grade 9	64,800	N/A	65,638	180	N/A	Complied
Grade 10	64,800	N/A	65,638	180	N/A	Complied
Grade 11	64,800	N/A	65,638	180	N/A	Complied
Grade 12	64,800	N/A	65,638	180	N/A	Complied

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts, including basic aid districts.

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 instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

**SELMA UNIFIED SCHOOL DISTRICT**  
 SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
 YEAR ENDED JUNE 30, 2022

**TABLE D-3**

General Fund	Budget 2023 (see note 1)	2022	2021	2020
Revenues and other financial sources	\$ 116,471,945	\$ 116,480,090	\$ 86,695,471	\$ 91,577,039
Expenditures	101,930,510	102,911,823	84,340,614	90,265,206
Other uses and transfers out	1,000,000	1,000,000	-	1,858,669
Total outgo	102,930,510	103,911,823	84,340,614	92,123,875
Change in fund balance (deficit)	13,541,435	12,568,267	2,354,857	(546,836)
Ending fund balance	\$ 39,306,663	\$ 25,765,228	\$ 13,196,961	\$ 10,842,104
Available reserves (see note 2)	\$ 7,557,525	\$ 18,812,328	\$ 742,773	\$ 4,023,542
Available reserves as a percentage of total outgo	7.3%	18.1%	8.8%	4.4%
Total long-term debt	\$ 169,424,508	\$ 171,601,624	\$ 171,601,624	\$ 171,601,624
Average daily attendance at P-2	5,773	5,316	5,966	6,112

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.

The fund balance of the general fund has increased by \$14,923,124 (137.6%) over the past two years. The fiscal year 2022-2023 budget projects an increase of \$13,541,435 (52.6%). For a district of this size, the State recommends available reserves of at least 3% of total general fund expenditures, transfers out and other uses (total outgo).

The District has incurred any operating deficits in one of the past three years, but projects an increase during the 2022-2023 fiscal year. Total long-term debt has not changed over the past two years.

Average daily attendance has decreased by 796 over the past two years. During fiscal year 2022-2023, an increase of 457 average daily attendance is anticipated.

**NOTES:**

1. The budget for 2023 is included for analytical purposes only and has not been subjected to audit.
2. Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

**SELMA UNIFIED SCHOOL DISTRICT**  
 RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET  
 REPORT WITH AUDITED FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2022

**TABLE D-4**

	General Fund	Student Body Fund
	<u>                    </u>	<u>                    </u>
June 30, 2022, annual financial and budget report fund balances	\$ 25,933,416	\$ 845,435
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
To reconcile STRS payable ending balance	(208,961)	-
To record student body activity	<u>                    -</u>	<u>          (149,535)</u>
Net adjustments and reclassifications	<u>          (208,961)</u>	<u>          (149,535)</u>
June 30, 2022, audited financial statement fund balances	<u>          \$ 25,724,455</u>	<u>          \$ 695,900</u>

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.



No charter schools are chartered by Selma Unified School District.

<u>Charter Schools</u>	<u>Included In Audit?</u>
None	N/A

Subrecipients  
The District did not provide any awards to subrecipients.

De Minimis Cost Rate  
The District did not elect to use the 10% de minimis cost rate.

Excess Sick Leave  
The District did not authorize or accrue any excess sick leave as that term is defined in subdivision (c) of Education Code Section 22170.5 for the District's employees who are members of the California State Teachers' Retirement System (CalSTRS).

**SELMA UNIFIED SCHOOL DISTRICT**  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2022

**TABLE D-6**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Federal Expenditures
<b>CHILD NUTRITION CLUSTER:</b>			
<u>U.S. Department of Agriculture</u>			
Passed Through California Department of Education (CDE):			
School Breakfast Program-Basic	10.553	13525	\$ 780,667
National School Lunch Program	10.555	13523, 13524	2,995,241
Child and Adult Care	10.558	13393	823,149
Total Passed Through California Department of Education (CDE)			<u>4,599,057</u>
Total U.S. Department of Agriculture			<u>4,599,057</u>
Total Child Nutrition Cluster			<u>4,599,057</u>
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>			
<u>U.S. Department of Education</u>			
Passed Through California Department of Education (CDE):			
Other Federal: AB 114 CANS Demonstration Project and AB 114 Imp	84.027	1110	5,814
Special Education: IDEA Basic Local Assistance Entitlement, Part B	84.027	13379	1,499,975
Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	112,390
Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	60,756
Total Passed Through California Department of Education (CDE)			<u>1,678,935</u>
Total U.S. Department of Education			<u>1,678,935</u>
Total Special Education (IDEA) Cluster			<u>1,678,935</u>
<b>OTHER PROGRAMS:</b>			
<u>U.S. Department of Education</u>			
Passed Through California Department of Education (CDE):			
Adult Education: Adult Secondary Education (Section 231)	84.002	13978	171,512
Adult Education: Adult Basic Education & ELA (Section 231)	84.002A	14508	61,245
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.01	14329	2,794,076
ESEA: ESSA School Improvement (CSI) Funding for LEAs	84.01	15438	2,281
ESSA (ESEA): Title I, Migrant Ed Summer Program	84.011	10005	39,933
ESEA (ESSA): Title I, Part C, Migrant Education (MESRP)	84.011	10144	4,055
ESEA (ESSA): Title I, Part C, Migrant Ed (Regular and Summer Program)	84.011	14326	169,779
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	64,305
ESEA (ESSA): Title IV, Part B, 21st Century Community Learning Centers	84.287	14349	21,009
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346	210,159
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grant	84.367	14341	249,523
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	185,664
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425	15536	5,321
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425	15547	4,297,455
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	5,309,036
American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425	15566	15,443
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425	15618	705,497
Expanded Learning Opportunities (ELO) Grant GEER II	84.425	15619	127,360
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve	84.425	15620	300,021
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve	84.425	15621	445,906
Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	84.425C	15517	302,547
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learn	84.425U	10155	271,188
Total Passed Through California Department of Education (CDE)			<u>15,753,315</u>
Total U.S. Department of Education			<u>15,753,315</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ <u>22,031,307</u></b>

The accompanying notes are an integral part of this schedule.

## **SELMA UNIFIED SCHOOL DISTRICT**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2022**

#### Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Selma Unified School District. The information in the Schedule is presented in accordance with the 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"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These 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. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Selma Unified School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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## Other Independent Auditor's Reports

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

Board of Trustees  
Selma Unified School District  
Selma, California 93662

Members of the Board of Trustees:

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 Selma Unified School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Selma Unified School District's basic financial statements, and have issued our report thereon dated December 12, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Selma 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 Selma Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Selma 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.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Selma 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*.

### 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.

Respectfully submitted,



Linger, Peterson & Shrum  
Fresno, California  
December 12, 2022

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

Board of Trustees  
Selma Unified School District  
Selma, California 93662

Members of the Board of Trustees:

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

**Opinion on Each Major Federal Program**

We have audited Selma Unified School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Selma Unified School District's major federal programs for the year ended June 30, 2022. Selma 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.

In our opinion, Selma Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Selma Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a legal determination of Selma Unified School District's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

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



## Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Selma Unified School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Selma Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Selma Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

## Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

*Linger, Peterson & Shrum*

Linger, Peterson & Shrum  
Fresno, California  
December 12, 2022

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## **Independent Auditor's Report on State Compliance**

Board of Trustees  
Selma Unified School District  
Selma, California 93662

Members of the Board of Trustees:

### **Report on Compliance**

#### **Opinion**

We have audited the District's compliance with the requirements specified in the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, applicable to the District's state program requirements identified below for the year ended June 30, 2022.

In our opinion, Selma Unified School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022.

#### **Basis for Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2021-22 K-12 Audit Guide Procedures	Procedures Performed?
<b>Local Education Agencies Other than Charter Schools:</b>	
Attendance .....	Yes
Teacher Certification and Misassignments .....	Yes
Kindergarten Continuance .....	Yes
Independent Study .....	Yes
Continuation Education .....	Yes
Instructional Time .....	Yes
Instructional Materials.....	Yes
Ratio of Administrative Employees to Teachers .....	Yes
Classroom Teacher Salaries .....	Yes
Early Retirement Incentive .....	N/A
GANN Limit Calculation .....	Yes
School Accountability Report Card .....	Yes
Juvenile Court Schools .....	N/A
Middle or Early College High Schools .....	N/A
K-3 Grade Span Adjustment .....	Yes
Transportation Maintenance of Effort .....	Yes
Apprenticeship: Related and Supplemental Instruction .....	N/A
Comprehensive School Safety Plan .....	Yes
District of Choice .....	N/A
<b>School Districts, County Offices of Education, and Charter Schools:</b>	
California Clean Energy Jobs Act .....	N/A
After/Before School Education and Safety Program .....	N/A
Proper Expenditure of Education Protection Account Funds .....	Yes
Unduplicated Local Control Funding Formula Pupil Counts .....	Yes
Local Control and Accountability Plan .....	Yes
Independent Study-Course Based .....	N/A
Immunizations.....	N/A
Educator Effectiveness .....	Yes
Expanded Learning Opportunities (ELO-G) .....	N/A
Career Technical Education Incentive Grant .....	Yes
In Person Instruction Grant .....	Yes

**Charter Schools:**

Attendance .....	N/A
Mode of Instruction .....	N/A
Nonclassroom-Based Instruction/Independent Study.....	N/A
Determination of Funding for Nonclassroom-Based Instruction .....	N/A
Annual Instructional Minutes - Classroom Based .....	N/A
Charter School Facility Grant Program .....	N/A

The term "N/A" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

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

**Report on Internal Control over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Linger, Peterson & Shrum  
Fresno, California  
December 12, 2022

## Findings and Recommendations Section

**SELMA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**A. Summary of Auditor's Results**

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?      Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?      Yes   X   None Reported

Noncompliance material to financial statements noted?      Yes   X   No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?      Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?      Yes   X   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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)?      Yes   X   No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	Special Ed (IDEA) Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   Yes      No



**SELMA UNIFIED SCHOOL DISTRICT**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022

3. State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting?  Yes  No

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

**B. Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of "Government Auditing Standards."

There were no Financial Statement findings or questioned costs.

**C. Federal Award Findings and Questioned Costs**

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no Federal award findings or questioned costs.

**D. State Award Findings and Questioned Costs**

This section identifies the audit findings pertaining to noncompliance with State program rules and regulations.

There were no State award findings or questioned costs.

**SELMA UNIFIED SCHOOL DISTRICT**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
There were no prior year findings and questioned costs.		