



# Seeley Union School District

County of Imperial  
Imperial, California

Audit Report  
June 30, 2025



# Seeley Union School District

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June 30, 2025

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## Independent Auditor's Report

To the Board of Education  
Seeley Union School District

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seeley Union School District (the District) as of and for the year ended June 30, 2025, 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 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 District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Emphasis of Matter – Change in Accounting Principle

As described in Note A to the financial statements, in the fiscal year ended June 30, 2025 the District adopted new accounting guidance, GASB Statement No. 101 *Compensated Absences* which had a material effect on the financial statements. Our opinion is not modified with respect to this matter.

#### 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 generally accepted auditing standards 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 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 generally accepted auditing standards 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 other required supplementary information as identified 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 (GASB) 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's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying additional supplementary information, identified in the table of contents, as required by the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations, Section 19810* are presented for purposes of additional analysis and are not a required part of the 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 accompanying combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the additional supplementary information as identified in the table of contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Information

Management is responsible for the other information included in the audit report. The other information comprises the Other Information section of the audit report as identified on the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



El Cajon, California  
January 28, 2026

**Seeley Union School District**  
**Management's Discussion and Analysis**  
**June 30, 2025**  
**(Unaudited)**

The following Management Discussion and Analysis (MD&A) highlights the significant factors that influenced the financial performance of the Seeley Union School District during the fiscal year ending June 30, 2025. The MD&A is a requirement of GASB 34 and should be read in conjunction with the district's financial statements for the fiscal year 2024-25.

**Financial Highlights**

- Seeley Union School District net position exceeded liabilities by \$8,603,414 in 2024-25. In 2023-24 our adjusted net position exceeded liabilities by \$8,719,996.
- Unrestricted net position (assets not invested in buildings, land, or equipment and not restricted for debt payment or reserved for projects and educational programs) is 878,124.
- Overall revenues were \$9,131,918, while expenses totaled \$9,114,247, resulting in an increase in net position on June 30, 2025 of \$17,671.
- Enrollment decreased by 7 students over the previous year with a total of 310 students on the first day of school.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of three components: 1) government-wide financial statements; 2) fund financial statements; 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

***Government-Wide Financial Statements***

The *government-wide financial* statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the district, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the district changed during the most recent fiscal year.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (uncollected taxes and earned but unused vacation leave). The government-wide financial statements are included in this report.

## ***Financial Fund Statements***

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the district are governmental funds except for the Associated Student Body account, which is a fiduciary fund.

- **Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The SUSD maintained only one major governmental fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements have been included this report.

## Government-wide Financial Analysis

The Statement of Net Position and the Statement of Activities report information on the district, as a whole, rather than on individual funds. The following is a summary of the district's financial position as of June 30, 2025.

	<u>Governmental Activities</u>			
	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>Change</u>	<u>% Change</u>
<b>Assets</b>				
Cash and Investments	\$ 4,664,388	\$ 6,268,943	\$ (1,604,555)	-25.60%
Accounts receivable	820,753	715,723	105,030	14.67%
Inventory	19,453	14,230	5,223	36.70%
Prepaid expenses	65,357	97,176	(31,819)	-32.74%
Capital assets, net	13,791,479	12,661,232	1,130,247	8.93%
Total Assets	<u>19,361,430</u>	<u>19,757,304</u>	<u>(395,874)</u>	<u>-2.00%</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources - pensions	2,142,971	2,449,671	(306,700)	-12.52%
Deferred outflows of resources - debt related	16,351	17,095	(744)	-4.35%
Total Deferred Outflows of Resources	<u>2,159,322</u>	<u>2,466,766</u>	<u>(307,444)</u>	<u>-12.46%</u>
<b>Liabilities</b>				
Accounts payable and other current liabilities	451,068	421,323	29,745	7.06%
Unearned revenue	177,614	162,091	15,523	9.58%
Long-term liabilities	11,500,210	12,522,642	(1,022,432)	-8.16%
Total Liabilities	<u>12,128,892</u>	<u>13,106,056</u>	<u>(977,164)</u>	<u>-7.46%</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources - pensions	788,446	398,021	390,425	98.09%
Total Deferred Inflows of Resources	<u>788,446</u>	<u>398,021</u>	<u>390,425</u>	<u>98.09%</u>
<b>Net Position</b>				
Net investment in capital assets	5,593,013	6,382,625	(789,612)	-12.37%
Restricted	2,132,277	3,956,887	(1,824,610)	-46.11%
Unrestricted	878,124	(1,619,519)	2,497,643	-154.22%
Total Net Position	<u>\$ 8,603,414</u>	<u>\$ 8,719,993</u>	<u>\$ (116,579)</u>	<u>-1.34%</u>

- The largest portion of the districts net position reflects its investment in capital assets (land, equipment, buildings and improvements net of accumulated depreciation), less any related debt (bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets that is still outstanding. The district uses these capital assets to provide services to students; consequently, the net position invested in capital assets are not available for future spending. Although the district's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The remaining balance of restricted and unrestricted net position may be used to meet the district's obligations to students, employees, and creditors and to honor next year's budget.

	<b>Governmental Activities</b>			
	<b>Year Ended 6/30/2025</b>	<b>Year Ended 6/30/2024</b>	<b>Change</b>	<b>% Change</b>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 43,145	\$ 4,313	\$ 38,832	900.35%
Operating grants and contributions	2,783,687	4,215,430	(1,431,743)	-33.96%
General revenues				
Taxes levied for general purposes	552,773	538,031	14,742	2.74%
Taxes levied for debt service	243,330	266,491	(23,161)	-8.69%
Federal and state aid not restricted	4,906,868	5,312,795	(405,927)	-7.64%
Interest and investment earnings	279,069	205,780	73,289	35.62%
Miscellaneous	323,046	65,543	257,503	392.88%
Total Revenues	<u>9,131,918</u>	<u>10,608,383</u>	<u>(1,476,465)</u>	<u>-13.92%</u>
<b>Expenses</b>				
Instruction	4,492,092	5,092,858	(600,766)	-11.80%
Instruction Related Services	617,596	656,887	(39,291)	-5.98%
Pupil Support Services	1,452,900	1,330,631	122,269	9.19%
General Administration	914,267	797,209	117,058	14.68%
Plant Services	1,159,227	788,989	370,238	46.93%
Other Expenses	478,165	479,058	(893)	-0.19%
Total Expenses	<u>9,114,247</u>	<u>9,145,632</u>	<u>(31,385)</u>	<u>-0.34%</u>
Increase (Decrease) in Net Position	17,671	1,462,751	(1,445,080)	-98.79%
Net Position - Beginning Balance	8,719,996	7,257,245	1,462,751	20.16%
Adjustment to Beginning Balance	(134,253)	-	(134,253)	100%
Net Position - Ending Balance	<u>\$ 8,603,414</u>	<u>\$ 8,719,996</u>	<u>\$ (116,582)</u>	<u>-1.34%</u>

### **Financial Analysis of the District's Funds**

As noted earlier, the district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the district governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the district's financing requirements. As the district completed the year, its governmental funds balance sheet reported a combined fund balance of \$8,603,414 this represents a decrease of \$116,582 over 2023-24.

### **Analysis of General Fund Budget**

The Seeley Union School District budget is prepared on the modified accrual basis of accounting according to California law. Over the course of the year, the district revised the annual operating budget to reflect changes in programs, funding, and expenditure estimates.

The district closed the 2024-25 fiscal year with an unfavorable variance in budgeted revenues versus actual revenues in the amount of \$833,814. There were a number of changes from the budget to closing, the main cause for the favorable variance was due to one-time Learning Loss dollars. Restricted dollars were increased due to the increase in budgeted dollars for those restricted programs.

Total expenditures also had an unfavorable variance of \$412,736.

**Capital Asset and Debt Administration**

**Capital Assets.** The county school facility fund and the deferred maintenance fund are used to account for the costs incurred in acquiring and improving sites, construction and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the district. The district began a new construction project in May 2006 which added sixteen new, permanent classrooms, remodeled and expanded the school administration building and added a new playground area.

In addition to the new construction project, the district began a lead and asbestos abatement, roofing and plumbing deferred maintenance projection as of June 2008. As of June 30, 2009, construction was completed and a total of \$726,698 was added to building and equipment assets as a result of completion of this project. We have completed work in progress for the construction of our new gymnasium. The district completed a project in 2018-19 that added HVAC and lighting to the facilities in order to be more energy efficient. Capital assets at June 30, 2024 and June 30, 2025 are outlined below:

	<u>2025</u>	<u>2024</u>	<u>Net \$ Change</u>	<u>Net % Change</u>
Land	\$ 13,800	\$ 13,800	\$ -	0.0%
Work in Progress	1,729,483	695,226	1,034,257	148.8%
Land Improvements	485,476	485,476	-	0.0%
Buildings & Improvements	19,291,475	18,983,314	308,161	1.6%
Equipment	2,490,687	2,168,468	322,219	14.9%
Less Accumulated Depreciation for				
Land Improvements	(451,933)	(441,539)	(10,394)	2.4%
Buildings & Improvements	(8,198,553)	(7,794,458)	(404,095)	5.2%
Equipment	(1,568,956)	(1,449,055)	(119,901)	8.3%
Lease Assets	60,302	60,302	-	0.0%
Less Accumulated Amortization	(60,302)	(60,302)	-	0.0%
<b>Total</b>	<b><u>\$ 13,791,479</u></b>	<b><u>\$ 12,661,232</u></b>	<b><u>\$ 1,130,247</u></b>	<b><u>8.9%</u></b>

**Long-Term Debt.** March 2017 the District issued general obligation bonds that consisted of current interest bonds and capital appreciation bonds. The bonds were issued under authorization from voters on November 8, 2016 which authorized the issuance of up to \$6,000,000 in general obligation bonds for the purpose of modernizing and constructing school facilities. In addition to general obligation bonds, the District has a lease with US Bancorp for an energy project and a lease with Canon for use of copy machines. A comparison of long-term debt as of June 30, 2024 and June 30, 2025 is presented below.

	<u>2025</u>	<u>2024</u>	<u>Net \$ Change</u>	<u>Net % Change</u>
General Obligation Bonds	\$ 6,249,732	\$ 6,264,808	\$ (15,076)	-0.24%
Retirement Incentive Payable	69,899	141,539	(71,640)	-50.62%
Leases Payable	<u>204,451</u>	<u>222,719</u>	<u>(18,268)</u>	<u>-8.20%</u>
Total Long-Term Debt	<u>\$ 6,524,082</u>	<u>\$ 6,629,066</u>	<u>\$ (104,984)</u>	<u>-1.58%</u>

### **Factors Bearing on the District's Future**

The state's minimum guarantee for schools is increased by \$3 billion for 2024-25; however, this increase will likely be placed into Proposition 98 reserves based on requirements in the California Constitution. The Legislative Analyst's Office (LAO) 2025-26 Budget Fiscal Outlook (Fiscal Outlook) for the state of California indicates that while better than expected state revenues are offset by higher spending, the state's budget is anticipated to be balanced for the upcoming fiscal year.

The California 2024-25 budget enacted a 1.07% cost of living adjustment (COLA) with anticipated COLAs set at 2.46% for 2025-26 and COLAs in excess of 3% for the 2026-27 through 2028-29 fiscal years.

Despite positive outlooks for school funding, costs of salaries, pensions, and other employee benefits continue to rise. The District is monitoring the budget closely to ensure all financial obligations are met and the District remains fiscally strong.

### **Requests for Information**

This financial report is designed to provide a general overview of the Seeley Union School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Business Official, Seeley Union School District, 1812 W. Rio Vista, Seeley, CA 92273.

## Basic Financial Statements

# Seeley Union School District

## Statement of Net Position

June 30, 2025

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	\$ 4,664,388
Accounts Receivable	820,753
Inventory	19,453
Prepaid Expenses	65,357
Capital Assets:	
Land	13,800
Land Improvements	485,476
Buildings & Improvements	19,291,475
Equipment	2,490,687
Work in Progress	1,729,483
Less Accumulated Depreciation	(10,219,442)
Lease Assets	60,302
Less Accumulated Amortization	(60,302)
Total Assets	<u>19,361,430</u>
<b>Deferred Outflows of Resources</b>	<u>2,159,322</u>
<b>Liabilities</b>	
Accounts Payable and Other Current Liabilities	451,068
Unearned Revenue	177,614
Long-Term Liabilities:	
Due Within One Year	225,347
Due In More Than One Year	11,274,863
Total Liabilities	<u>12,128,892</u>
<b>Deferred Inflows of Resources</b>	<u>788,446</u>
<b>Net Position</b>	
Net Investment in Capital Assets	5,593,013
Restricted For:	
Capital Projects	541,876
Debt Service	188,297
Educational Programs	897,232
Other Purposes (Expendable)	418,062
Other Purposes (Nonexpendable)	86,810
Unrestricted	878,124
Total Net Position	<u>\$ 8,603,414</u>

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The accompanying notes to the financial statements are an integral part of this statement.

# Seeley Union School District

## Statement of Activities

For the Year Ended June 30, 2025

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
<b>Governmental Activities</b>					<b>Governmental Activities</b>
Instruction	\$ 4,492,092	\$ 27,698	\$ 1,276,439	\$ -	\$ (3,187,955)
Instruction-Related Services:					
Instructional Supervision and Administration	145,471	-	10,729	-	(134,742)
Instructional Library, Media and Technology	184,120	-	8,182	-	(175,938)
School Site Administration	288,005	-	66,332	-	(221,673)
Pupil Services:					
Home-to-School Transportation	335,928	395	156,222	-	(179,311)
Food Services	675,527	7,039	671,430	-	2,942
All Other Pupil Services	441,445	7,254	161,816	-	(272,375)
General Administration:					
Centralized Data Processing	44,210	-	6,489	-	(37,721)
All Other General Administration	870,057	743	76,518	-	(792,796)
Plant Services	1,159,227	16	73,161	-	(1,086,050)
Ancillary Services	5,493	-	1,860	-	(3,633)
Community Services	48,526	-	192,421	-	143,895
Interest on Long-Term Debt	266,568	-	-	-	(266,568)
Tuition to County Office of Education	157,578	-	82,088	-	(75,490)
<b>Total Governmental Activities</b>	<b>\$ 9,114,247</b>	<b>\$ 43,145</b>	<b>\$ 2,783,687</b>	<b>\$ -</b>	<b>(6,287,415)</b>
<b>General Revenues</b>					
Taxes and Subventions:					
					\$ 552,773
					243,330
					4,906,868
					279,069
					323,046
					<u>6,305,086</u>
					17,671
					8,719,996
					(134,253)
					<u>8,585,743</u>
					<u>\$ 8,603,414</u>

The accompanying notes to the financial statements are an integral part of this statement.

# Seeley Union School District

## Balance Sheet – Governmental Funds

June 30, 2025

	General Fund	County School Facilities Fund	Nonmajor Governmental Funds	Total
<b>Assets</b>				
Cash and Cash Equivalents	\$ 3,529,693	\$ 510,380	\$ 624,315	\$ 4,664,388
Accounts Receivable	753,657	6,667	60,429	820,753
Stores Inventories	-	-	19,453	19,453
Prepaid Expenditures	65,357	-	-	65,357
<b>Total Assets</b>	<b>\$ 4,348,707</b>	<b>\$ 517,047</b>	<b>\$ 704,197</b>	<b>\$ 5,569,951</b>
<b>Liabilities and Fund Balance:</b>				
Liabilities:				
Accounts Payable	\$ 300,217	\$ 53,167	\$ 390	\$ 353,774
Unearned Revenue	177,614	-	-	177,614
<b>Total Liabilities</b>	<b>477,831</b>	<b>53,167</b>	<b>390</b>	<b>531,388</b>
Fund Balance:				
Nonspendable	67,357	-	19,453	86,810
Restricted	897,232	463,880	684,354	2,045,466
Assigned	469,543	-	-	469,543
Unassigned	2,436,744	-	-	2,436,744
<b>Total Fund Balance</b>	<b>3,870,876</b>	<b>463,880</b>	<b>703,807</b>	<b>5,038,563</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,348,707</b>	<b>\$ 517,047</b>	<b>\$ 704,197</b>	<b>\$ 5,569,951</b>

The accompanying notes to the financial statements are an integral part of this statement.

# Seeley Union School District

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2025

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**Total fund balances governmental funds:** \$ 5,038,563

Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets, lease assets, subscription assets, accumulated depreciation, and accumulated amortization.

Capital assets relating to governmental activities, at historical cost	24,010,921	
Accumulated depreciation	<u>(10,219,442)</u>	
	Net	13,791,479

Lease assets relating to governmental activities, at historical cost	60,302	
Accumulated amortization	<u>(60,302)</u>	
	Net	-

Unamortized costs: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. Unamortized debt insurance costs included in deferred outflows of resources on the statement of net position are:

16,351

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unamatured interest owing at the end of the period was:

(97,294)

# Seeley Union School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position, Continued

June 30, 2025

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Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds payable	6,249,732	
Leases payable	204,451	
Retirement incentive payable	69,899	
Net pension liability	4,832,179	
Total OPEB liability	-	
Compensated absences	143,949	
	<u>Total</u>	(11,500,210)

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources relating to pensions	2,142,971	
Deferred inflows of resources relating to pensions	<u>(788,446)</u>	
	Net	<u>1,354,525</u>

**Total net position governmental activities:** \$ 8,603,414

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The accompanying notes to the financial statements are an integral part of this statement.

# Seeley Union School District

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Year Ended June 30, 2025

	General Fund	County School Facilities Fund	Nonmajor Governmental Funds	Total
<b>Revenues</b>				
State Apportionment	\$ 3,522,129	\$ -	\$ -	\$ 3,522,129
Education Protection Account Funds	1,114,821	-	-	1,114,821
Property Taxes	552,772	-	243,330	796,102
Federal Revenue	846,064	-	576,935	1,422,999
Other State Revenue	1,568,351	-	112,153	1,680,504
Interest and Investment Income/(Loss)	212,239	57,735	21,475	291,449
Other Local Revenue	553,702	-	21,605	575,307
Total Revenues	<u>\$ 8,370,078</u>	<u>\$ 57,735</u>	<u>\$ 975,498</u>	<u>\$ 9,403,311</u>
<b>Expenditures</b>				
Current Expenditures:				
Instruction	4,561,752	-	-	4,561,752
Instruction - Related Services	653,946	-	-	653,946
Pupil Services	818,451	-	596,725	1,415,176
Ancillary Services	-	-	2,366	2,366
Community Services	51,443	-	-	51,443
General Administration	941,375	-	12,098	953,473
Plant Services	1,139,400	-	2,343	1,141,743
Other Outgo	156,834	-	-	156,834
Capital Outlay	757,516	893,413	13,708	1,664,637
Debt Service:				
Principal	91,688	-	55,000	146,688
Interest	8,724	-	219,413	228,137
Total Expenditures	<u>9,181,129</u>	<u>893,413</u>	<u>901,653</u>	<u>10,976,195</u>
Net Change in Fund Balance	(811,051)	(835,678)	73,845	(1,572,884)
Fund Balance, Beginning of Year	<u>4,681,927</u>	<u>1,299,558</u>	<u>629,962</u>	<u>6,611,447</u>
Fund Balance, End of Year	<u>\$ 3,870,876</u>	<u>\$ 463,880</u>	<u>\$ 703,807</u>	<u>\$ 5,038,563</u>

The accompanying notes to the financial statements are an integral part of this statement.

# Seeley Union School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2025

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**Total change in fund balances governmental funds:** \$ (1,572,884)

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

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

Expenditures for capital outlay	1,664,637	
Depreciation expense	(534,390)	
Amortization expense	-	
	<hr/>	
	Net	1,130,247

Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 146,688

Debt issue costs for prepaid debt insurance: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. The difference between debt issue costs for prepaid insurance incurred in the current period and prepaid insurance costs amortized for the period is: (744)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was: (40,948)

# Seeley Union School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities, Continued  
For the Year Ended June 30, 2025

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Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding for the period was:	2,516
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was:	6,869
Pensions: 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:	309,594
Other liabilities not normally liquidated with current financial resources: In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources, in addition to compensated absences and long-term debt. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were:	(1,783)
Other postemployment benefits (OPEB): In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:	<u>38,116</u>
<b>Change in net position of governmental activities:</b>	<u><u>\$ 17,671</u></u>

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The accompanying notes to the financial statements are an integral part of this statement.

# Seeley Union School District

Notes to the Financial Statements

For the Year Ended June 30, 2025

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## A. Summary of Significant Accounting Policies

Seeley Union School District (District) accounts for its financial transactions in accordance with the policies and procedures of the California 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 operates under a locally elected Board of Education form of government and provides educational services to grades K-8 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, capital facilities funds, debt service funds, and student-related activities.

### 2. Component Units

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

### 3. Basis of Presentation

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

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

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

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

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

### *Major Governmental Funds*

The District reports the following major governmental funds:

**General Fund:** The general fund is the primary operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund.

**County School Facilities Fund:** This fund is established pursuant to *Education Code §17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants as provided in the Leroy F. Green School Facilities Act of 1998 (*Education Code §17070.10 et seq.*).

### *Non-Major Governmental Funds*

The District reports the following non-major governmental funds categorized by the fund type:

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

**Associated Student Body Fund:** This fund is used to account separately for the activities of associated student body organizations operated by the District.

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

## Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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**Capital Projects Funds:** Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The District maintains the following nonmajor capital projects funds:

**Capital Facilities Fund:** The Capital Facilities Fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code §17620 through §17626*). The authority for these levies may be county or city ordinances (*Government Code §65970 through §65981*) or private agreements between the District and the developer. All funds, including interest earned, are restricted to the purposes specified in *Government Code §65970 through §65981* or *Government Code §65995*, or items specified in agreements with the developer (*Government Code §66006*).

**Debt Service Funds:** Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt. The District maintains the following nonmajor debt service fund:

**Bond Interest and Redemption Fund:** The Bond Interest and Redemption Fund is used for the repayment of bonds issued for the District (*Education Code §15125 through §15262*). The County of Imperial Auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the County Treasurer from taxes levied by the County Auditor-Controller.

#### 4. Basis of Accounting – Measurement Focus

**Government-Wide Financial Statements.** The government-wide financial statements are reported using the economic resources measurement focus and 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 are recognized in the fiscal year in which all eligibility requirements have been satisfied.

## Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

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**Governmental Fund Financial Statements.** The 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. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days 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 from 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.

### 5. 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 or at year end, whichever is sooner.

### 6. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1<sup>st</sup>. A public hearing must be conducted to receive comments prior to adoption. The District's governing board has satisfied these requirements.

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts.

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

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## 7. Revenues and Expenses

### a. Revenues – Exchange and Non-Exchange

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as to not distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, property taxes, interest, certain grants, and other local sources.

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

### b. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide financial statements.

## Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

#### a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized. For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

In accordance with Education Code §41001, the District maintains substantially all its cash in the Imperial 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 §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 Imperial 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 using the first-in/first-out (FIFO) method and consist of expendable supplies held for consumption. Reported inventories are equally offset by a non-spendable fund balance designation, which indicates that these amounts are not “available for appropriation and expenditure” even though they are a component of net current assets.

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 expenditures during the benefiting period.

#### c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital 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.

# Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings & Improvements	20 - 50 Years
Land Improvements	10 - 25 Years
Equipment	5 - 15 Years

d. Lease Assets & Lease Liabilities

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles and equipment. In accordance with GASB Statement 87, the District records lease assets and lease liabilities with a capitalization threshold of \$5,000. Lease assets are amortized over the shorter of the useful life of the underlying asset (as defined in capital assets policy) or the lease term. Lease liabilities are reduced as principal payments on the lease are made.

e. Subscription Assets & Subscription Liabilities

A subscription based information technology arrangement (SBITA) is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITAs result in a subscription asset and subscription liability on the date of inception in accordance with GASB Statement 96 which are recorded at present value using an imputed interest rate based on the best available borrowing rate for the District in the year of inception. The District has established a capitalization threshold for subscription assets and liabilities of \$5,000. The subscription assets are amortized over the subscription term. The subscription liabilities are reduced as principal payments on the agreements are paid.

f. Compensated Absences

Employees of the District are granted vacation, sick leave, and other types of compensated absences in accordance with District policy and labor agreements. Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and certain types of sabbatical leave when agreed upon in contracts or labor agreements. Under the District's policies, vacation leave and sick leave may be carried forward from year to year, subject to limits established by policy.

A liability for compensated absences is recognized when earned by employees if (a) the leave is attributable to services already rendered, (b) the leave accumulates and may be carried forward to future periods, and (c) it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. The liability is measured using the pay or salary rates in effect as of the financial statement date, plus salary-related payments that are directly and incrementally associated with payments for compensated absences, as required by GASB Statement No. 101.

## Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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In accordance with GASB Statement No. 101, unused sick leave that, upon retirement, is converted to provide or enhance a defined benefit pension is excluded from the compensated absences liability. The value of such converted leave is instead included in the measurement of the District's net pension liability in accordance with applicable GASB standards.

In governmental funds, only the portion of the liability that is expected to be liquidated with expendable available financial resources is reported as a fund liability; the remainder is reported in the government-wide financial statements.

The District measured the liability based on a historic look back period of three years with a first-in-first-out flows assumption for use of accrued balances.

g. Unearned Revenue

Unearned revenue represents amounts received in advance of the period in which the District is legally entitled to the resources. In the governmental funds, unearned revenue is reported as a liability until the underlying revenue recognition criteria have been met. Typical sources of unearned revenue include advance payments for services and grant proceeds received before all eligibility requirements have been satisfied.

h. 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.

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 spendable form (such as inventory or prepaid items) or legally required to remain intact (such as revolving cash accounts or principal of a permanent fund).

*Restricted Fund Balance* represents amounts that are subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations, or may be imposed by law through constitutional provisions or enabling legislation.

## Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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*Committed Fund Balance* represents amounts that can only be used for a specific purpose because of a formal action by the District'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 or resolution. 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.

*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 convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District 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.

j. Minimum Fund Balance Policy

The District has adopted a policy to maintain a minimum economic uncertainty reserve of at least 3% of the total general fund expenditures and other financing uses. The reserve may be increased from time to time in order to address specific anticipated revenue or cash flow shortfalls. The primary purpose of this reserve is to avoid the need for service level reductions in the event of economic downturn. The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints in use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned.

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

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k. GASB 54 Fund Presentation

GASB Statement No. 54 defines a special revenue fund as a fund that has a special revenue source that is either restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. The Special Reserve Fund for Other Post-Employment Benefits (Fund 20) does not have continuing revenue sources that are either restricted or committed in nature. As such, this fund does not meet the definition of special revenue funds under the provisions of GASB Statement No. 54. This fund has been combined with the general fund for reporting purposes, but currently does not carry an ending fund balance.

l. Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of 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.

m. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources relating to pension, deferred inflows of resources relating to pension, 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 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.

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

## Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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### 9. Postemployment Benefits Other than Pensions (OPEB)

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

The District made final payment on the OPEB liability during the fiscal year ended June 30, 2025.

### 10. Property Taxes

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

### 11. Use of Estimates

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

### 12. 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 to an asset or liability.

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

### 13. New Accounting Pronouncements

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2025. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement No. 99 <i>Omnibus 2022</i> (Portions related to financial guarantees and derivative instruments)	Apr-22
GASB Statement No. 100 <i>Accounting Changes and Error Corrections</i> (Amendment of GASB Statement No. 62)	Jun-22
GASB Statement No. 101 <i>Compensated Absences</i>	Jun-22
GASB Statement No. 102 <i>Certain Risk Disclosures</i>	Dec-23
GASB Implementation Guide No. 2023-1 <i>Implementation Guidance Update 2023</i>	Jun-23
GASB Implementation Guide No. 2025-1 <i>Implementation Guidance Update 2025 (Question 4.16 ONLY)</i>	Jun-25

The adoption of GASB Statement No. 99, GASB Statement No. 102, GASB Implementation Guide No. 2023-1 and GASB Implementation Guide No. 2025-1 did not have a material impact on the District’s financial position, results of operations, or disclosures in the financial statements.

The adoption of GASB Statement No. 100 resulted in enhanced note disclosures and financial statement presentation but did not result in a material change to the District’s financial position.

The adoption of GASB Statement No. 101 resulted in a material change to the District’s Net Position for inclusion of a portion of sick leave that meets reporting requirements consistent with the requirements of the GASB pronouncement.

### 14. Accounting Changes and Error Corrections

Effective for the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 requires that changes to or within the financial reporting entity, including changes in fund classification, be reported by adjusting the beginning balances of the affected funds as if the change occurred at the start of the reporting period. The statement also requires enhanced disclosures regarding accounting changes and error corrections.

#### *Error Corrections*

No error corrections were identified or recorded during the fiscal year ended June 30, 2025.

# Seeley Union School District

Notes to the Financial Statements, Continued  
 For the Year Ended June 30, 2025

## *Change in Accounting Principle*

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*, which establishes new recognition and measurement criteria for compensated absences. As a result, the District changed its method of accounting for compensated absences to comply with the new standard. The implementation of GASB Statement No. 101 resulted in a restatement of the beginning net position of governmental activities as of July 1, 2024. The affected financial statement line item is "Compensated Absences Payable." The change in accounting principle resulted in the following restatement of beginning net position:

Beginning Net Position as Reported in June 30, 2024 Audit Report	\$ 8,719,996
Adjustments to Beginning Net Position:	
Implementation of GASB 101	<u>(134,253)</u>
Beginning Net Position, as Restated	<u>\$ 8,585,743</u>

## **B. Compliance and Accountability**

### 1. Finance Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None Reported	Not Applicable

### 2. Deficit Fund Balance or Fund Net Position of Individual Funds

The following funds are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None	Not Applicable	Not Applicable

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

## C. Fair Value Measurements

The District’s investments at June 30, 2025, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External investment pools measured at fair value				
Imperial County Treasury	\$ 4,654,945	\$ -	\$ 4,654,945	\$ -
Total investments by fair value level	\$ 4,654,945	\$ -	\$ 4,654,945	\$ -

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code §41001). The fair value of the District’s investments in the pool is reported in the accounting financial statements as amounts based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

The Imperial County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the County Treasury is audited annually by an independent auditor.

## D. Cash and Investments

As of June 30, 2025 the District held the following cash and investments:

	General Fund	County School Facilities Fund	Nonmajor Governmental Funds	Total
Cash in County Treasury	\$ 3,533,740	\$ 511,254	\$ 617,607	\$ 4,662,601
FMV Adjustment for Cash in County Treasury	(6,047)	(874)	(735)	(7,656)
Cash in Bank	-	-	7,443	7,443
Cash in Revolving Fund	2,000	-	-	2,000
Total Cash and Cash Equivalents	\$ 3,529,693	\$ 510,380	\$ 624,315	\$ 4,664,388

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

## 1. Cash in County Treasury

In accordance with Education Code §41001, the District maintains substantially all of its cash in the Imperial County Treasury as part of the common investment pool (\$4,662,601 as of June 30, 2025). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$4,654,945. 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 (\$7,443 as of June 30, 2025) and in revolving fund (\$2,000 as of June 30, 2025) are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

## 3. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

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

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

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## 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 treasury is restricted by Government Code §53635 pursuant to §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 risk.

At June 30, 2025, credit risk for the District’s investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer's Investment Pool	Unrated	Not Applicable	\$ 4,654,945

### 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. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

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 June 30, 2025, the District bank accounts were held in institutions which held insurance for the entire amount, but not in the District’s name and as such the District was not exposed to custodial credit risk for any amount in excess of the FDIC insurance limitations per banking institution.

## Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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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. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District was not exposed to 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. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District maintains pooled investments with the Imperial County Treasury with a fair value of \$4,654,945. The average weighted maturity for this pool was 447 days at June 30, 2025.

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 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 at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 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.

# Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## E. Accounts Receivable

There are no significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2025, consisted of:

	Major Governmental Funds		Nonmajor Governmental Funds	Total
	General Fund	County Schools Facilities Fund		
Federal Government:				
Special Education	\$ 91,433	\$ -	\$ -	\$ 91,433
Child Nutrition Program	-	-	50,953	50,953
Migrant Education	5,865	-	-	5,865
Title I	1,601	-	-	1,601
Other Federal Programs	578	-	-	578
State Government:				
Lottery	23,895	-	-	23,895
ELOP	52,967	-	-	52,967
ASES	203,483	-	-	203,483
Arts & Music	5,385	-	-	5,385
Special Education	45,909	-	-	45,909
Child Nutrition Program	-	-	6,054	6,054
Local Sources				
Interest	39,226	6,667	3,422	49,315
Other Local Sources	283,315	-	-	283,315
Total Accounts Receivable	<u>\$ 753,657</u>	<u>\$ 6,667</u>	<u>\$ 60,429</u>	<u>\$ 820,753</u>

## F. Prepaid Expenditures/Expenses

Prepaid expenditures/expenses for the year ended June 30, 2025, consisted of:

	General Fund
Prepaid service agreements	\$ 15,928
Prepaid Insurance	49,429
Total	<u>\$ 65,357</u>

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

## G. Capital Assets, Lease Assets and Subscription Assets

Capital asset, lease asset and subscription asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 13,800	\$ -	\$ -	\$ 13,800
Work in progress	695,226	1,224,418	190,161	1,729,483
Total capital assets not being depreciated	<u>709,026</u>	<u>1,224,418</u>	<u>190,161</u>	<u>1,743,283</u>
Capital assets being depreciated or amortized:				
Land improvements	485,476	-	-	485,476
Buildings and improvements	18,983,314	308,161	-	19,291,475
Equipment	2,168,468	322,219	-	2,490,687
Total capital assets being depreciated	<u>21,637,258</u>	<u>630,380</u>	<u>-</u>	<u>22,267,638</u>
Accumulated depreciation for:				
Land improvements	(441,539)	(10,394)	-	(451,933)
Buildings and improvements	(7,794,458)	(404,095)	-	(8,198,553)
Equipment	(1,449,055)	(119,901)	-	(1,568,956)
Total accumulated depreciation	<u>(9,685,052)</u>	<u>(534,390)</u>	<u>-</u>	<u>(10,219,442)</u>
Governmental activities capital assets, net	<u>12,661,232</u>	<u>1,320,408</u>	<u>190,161</u>	<u>13,791,479</u>
Lease assets				
Equipment	60,302	-	-	60,302
Accumulated amortization for lease assets	<u>(60,302)</u>	<u>-</u>	<u>-</u>	<u>(60,302)</u>
Lease assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Governmental activities capital assets, lease assets, and subscription assets, net	<u>\$ 12,661,232</u>	<u>\$ 1,320,408</u>	<u>\$ 190,161</u>	<u>\$ 13,791,479</u>

Depreciation and amortization were charged to functions as follows:

	<u>Depreciation by Function</u>	<u>Amortization by Function</u>
Instruction	\$ 366,513	\$ -
Instruction Related	15,394	-
Pupil Services	104,854	-
Ancillary Services	3,127	-
Community Services	529	-
Administrative Services	4,062	-
Plant Services	39,911	-
	<u>\$ 534,390</u>	<u>\$ -</u>

# Seeley Union School District

Notes to the Financial Statements, Continued  
 For the Year Ended June 30, 2025

## H. Accounts Payable

Accounts payable balances in the fund financial statements as of June 30, 2025, consisted of:

	Major Governmental Funds			Total
	General Fund	County Schools Facilities Fund	Nonmajor Governmental Funds	
Vendors payable	\$ 121,602	\$ 53,167	\$ 390	\$ 175,159
Payroll and benefits	17,044	-	-	17,044
LCFF overpayment	161,571	-	-	161,571
<b>Total Accounts Payable</b>	<b>\$ 300,217</b>	<b>\$ 53,167</b>	<b>\$ 390</b>	<b>\$ 353,774</b>

## I. Unearned Revenue

Unearned revenue balances as of June 30, 2025, consisted of:

	General Fund
Federal Programs:	
Medical Incentives	\$ 97,999
State Programs:	
Strong Workforce	2,981
Universal Prekindergarten	76,634
<b>Total Unearned Revenue</b>	<b>\$ 177,614</b>

## J. Short Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as other financing sources. During the year ended June 30, 2025, the District did not enter into any short-term debt agreements.

# Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## K. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2025 consisted of:

	General Fund	County School Facilities	Nonmajor Governmental Funds	Total
<b>Nonspendable Fund Balance</b>				
Revolving Cash	\$ 2,000	\$ -	\$ -	\$ 2,000
Inventory	-	-	19,453	19,453
Prepaid Expenditures	65,357	-	-	65,357
<b>Total Nonspendable Fund Balance</b>	<b>67,357</b>	<b>-</b>	<b>19,453</b>	<b>86,810</b>
<b>Restricted Fund Balance</b>				
Capital Projects	-	463,880	77,996	541,876
Educational Programs	895,054	-	-	895,054
Debt Service	-	-	188,297	188,297
Child Nutrition	-	-	410,619	410,619
Student Activity Funds	-	-	7,442	7,442
Other Purposes	2,178	-	-	2,178
<b>Total Restricted Fund Balance</b>	<b>897,232</b>	<b>463,880</b>	<b>684,354</b>	<b>2,045,466</b>
<b>Assigned Fund Balance</b>				
Other Postemployment Benefits	469,543	-	-	469,543
<b>Total Assigned Fund Balance</b>	<b>469,543</b>	<b>-</b>	<b>-</b>	<b>469,543</b>
<b>Unassigned Fund Balance</b>				
For Economic Uncertainties	734,490	-	-	734,490
Other Unassigned	1,702,254	-	-	1,702,254
<b>Total Unassigned Fund Balance</b>	<b>2,436,744</b>	<b>-</b>	<b>-</b>	<b>2,436,744</b>
<b>Total Fund Balance</b>	<b>\$ 3,870,876</b>	<b>\$ 463,880</b>	<b>\$ 703,807</b>	<b>\$ 5,038,563</b>

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

## L. 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, 2025, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 6,264,808	\$ 42,440	\$ 57,516	\$ 6,249,732	\$ 67,973
Leases Payable	222,719	-	18,268	204,451	18,992
Retirement Incentive Payable	141,539	-	71,640	69,899	69,899
Net Pension Liability*	5,838,895	-	1,006,716	4,832,179	-
Total OPEB Liability*	38,116	-	38,116	-	-
Compensated Absences Payable*	150,818	-	6,869	143,949	68,483
Total Governmental Activities	<u>\$ 12,656,895</u>	<u>\$ 42,440</u>	<u>\$ 1,199,125</u>	<u>\$ 11,500,210</u>	<u>\$ 225,347</u>

\*Other long-term liabilities

- Payments for general obligation bonds are made from the bond interest and redemption fund.
- Payments for leases payable are made from the general fund.
- Payments for retirement incentive payable are made from the general fund.
- Payments for pension contributions are made from the general fund and the cafeteria fund.
- Payments for OPEB are made from the general fund.
- Payments for compensated absences are made from the general fund and the cafeteria fund.

### 2. General Obligation Bonds

On November 8, 2016 registered voters of the Seeley Union School District authorized the issuance of general obligation bonds not to exceed \$6,000,000 principal amount for the purpose of financing the renovation, construction and improvement of school facilities. On March 23, 2017 the District issued the 2016 Election Series A bonds with principal amounts totaling \$5,998,463 which consisted of \$535,000 in current interest bonds, \$4,800,000 in term bonds, and \$663,463 in capital appreciation bonds. No additional amounts will be issued under the 2016 authorization.

General obligation bonds at June 30, 2025 consisted of the following:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Due Within One Year
2016 Election, Series A					
Principal	\$ 5,758,463	\$ -	\$ 55,000	\$ 5,703,463	\$ 65,000
Premium	263,395	-	2,516	260,879	2,973
Accreted Interest	242,950	42,440	-	285,390	-
Total GO Bonds	<u>\$ 6,264,808</u>	<u>\$ 42,440</u>	<u>\$ 57,516</u>	<u>\$ 6,249,732</u>	<u>\$ 67,973</u>

## Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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The annual requirements to amortize the bonds outstanding at June 30, 2025 are as follows:

Year Ended June 30,	Principal	Interest	Accreted Interest	Total
2026	\$ 65,000	\$ 217,013	\$ -	\$ 282,013
2027	80,000	214,112	-	294,112
2028	95,000	210,612	-	305,612
2029	115,000	206,413	-	321,413
2030	130,000	201,513	-	331,513
2031-2035	960,000	908,263	-	1,868,263
2036-2040	1,127,526	696,718	447,474	2,271,718
2041-2045	1,345,937	601,100	814,063	2,761,100
2046-2050	1,785,000	129,100	-	1,914,100
Total	<u>\$5,703,463</u>	<u>\$ 3,384,844</u>	<u>\$ 1,261,537</u>	<u>\$ 10,349,844</u>

### *Accreted Interest*

Amounts represented in the repayment schedule for accreted interest are reflective of 100% of amounts to be repaid. Amounts represented as accreted interest in the debt summary are reflective of amounts that have accrued as of June 30, 2025.

Accreted interest is the process of systematically increasing the carrying amount of capital appreciation bonds to their estimated value at the maturity date of the bond. The District imputes the effective interest rate, using the present value, the face value, and the period of the bond and multiplies the effective interest rate by the book value of the debt at the end of the period.

### *Premium/Discount*

Bond premium arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond.

Bond discount arises when the market rate of interest is lower than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the discount decrease the face value of the bond and then amortize the discount over the life of the bond. The discounts are amortized over the life of the bond using the effective interest rate method.

# Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

Effective interest on general obligation bonds issued at a premium are as follows:

	2014 Election, Series A
Total Interest Payments	\$ 6,207,916
Less Bond Premium	(274,373)
Net Interest Payments	<u>5,933,543</u>
PAR Amount of Bonds	5,998,463
Periods	30
Effective Interest Rate	3.30%

### 3. Leases Payable

The District has entered into lease agreements for right of use for copy machines and a postage machine. The leases vary in length from 36 months to 63 months with imputed interest ranging from 0.20% to 0.90%. There are no residual value guarantees included in the leases. Additionally, the District has not experienced any losses associated with impairment of an underlying leased asset.

The following represents lease activity for the fiscal year ended June 30, 2025:

Description	Lease Term	Interest Rate	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
US Bancorp - Energy Project	15 Years	3.982%	\$ 222,719	\$ -	\$ 18,268	\$ 204,451
Total Leases Payable			<u>\$ 222,719</u>	<u>\$ -</u>	<u>\$ 18,268</u>	<u>\$ 204,451</u>

Future payments on the leases are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 18,992	\$ 7,996	\$ 26,988
2027	19,748	7,240	26,988
2028	20,534	6,454	26,988
2029	21,352	5,636	26,988
2030	22,202	4,786	26,988
2031-2035	101,623	6,326	107,949
Total	<u>\$ 204,451</u>	<u>\$ 38,438</u>	<u>\$ 242,889</u>

# Seeley Union School District

Notes to the Financial Statements, Continued  
 For the Year Ended June 30, 2025

## 4. Retirement Incentive Payable

In June 2023, the District offered an early retirement incentive to all employees through the Fringe Benefits Consortium for which 403(b) contributions are made on behalf of five employees who opted to accept the incentive for a period of three years. The liability for future payments is recorded at the present value of future payments due discounted using the Imperial County Treasury effective rate of return on cash in county treasury as of June 30, 2025.

The following table represents activity for the retirement incentive payable for the fiscal year ended June 30, 2025:

Description	Payment Term	Discount Rate	Liability July 1, 2024	Current Year Additions	Current Year Reductions	Liability June 30, 2025
2022-23 FBC Incentive	3 Years	2.49%	\$ 141,539	\$ -	\$ 71,640	\$ 69,899

  

Year Ended June 30,	Total Payment Due	Less Discount to Present Value at Inception	Liability Reduction
2026	73,423	(3,524)	69,899
Total	\$ 73,423	\$ (3,524)	\$ 69,899

## 5. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2025 amounted to \$143,949. This amount is included as part of long-term liabilities in the government-wide financial statements.

## 6. Net Pension Liability

The District’s beginning net pension liability was \$5,838,895 and decreased by \$1,006,716 during the year ended June 30, 2025 for an ending net pension liability of \$4,832,179. See Note M for additional information regarding the net pension liability.

## 7. Net OPEB Liability

The District’s beginning net OPEB liability was \$38,116 and decreased during the year ended June 30, 2025 by \$38,116. The ending net OPEB liability at June 30, 2025 was \$0. See Note N for additional information regarding the net OPEB liability.

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

## M. Pension Plans

### 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 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.

The Plan's provisions and benefits in effect at June 30, 2025 are summarized as follows:

<u>Hire Date</u>	<u>CalSTRS</u>	
	<u>Before</u>	<u>After</u>
	<u>Jan. 1, 2013</u>	<u>Jan. 1, 2013</u>
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	1.1 - 2.4%*	1.0 - 2.4%*
Required Employee Contribution Rates (2024-25)	10.250%	10.205%
Required Employer Contribution Rates (2024-25)	19.100%	19.100%
Required State Contribution Rates (2024-25)	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.

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

<u>Hire Date</u>	CalPERS	
	Before Jan. 1, 2013	After Jan. 1, 2013
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 (2024-25)	7.000%	8.000%
Required Employer Contribution Rates (2024-25)	27.050%	27.050%

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

\*\*The rate imposed on CalPERS 2% at 62 members is based on the normal cost of benefits.

c. Contributions

*CalSTRS*

For the fiscal year ended June 30, 2025, California Education Code §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 19.10% of creditable compensation for the fiscal year ended June 30, 2025. 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.

*CalPERS*

California Public Employees' Retirement Law §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, 2025, the employee contribution rate was 7.00% for employees hired prior to January 1, 2013 and 8.00% for employees hired on or after January 1, 2013, and the employer contribution rate was 27.05% of covered payroll.

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

## *On Behalf Payments*

Consistent with California Education Code §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, 2025 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:

CalSTRS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2023	10.828%	\$ 290,937	\$ 886,560
2024	10.828%	238,072	(75,916)
2025	10.828%	232,694	(38,698)

### d. Contributions Recognized

For the fiscal year ended June 30, 2025 (measurement period June 30, 2024), the contributions recognized for each plan were:

Governmental Fund Financial Statements (Current Financial Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
<i>Governmental Funds</i>			
Contributions - Employer	\$ 528,628	\$ 345,587	\$ 874,215
Contributions - State On Behalf Payments	232,694	-	232,694
Total Governmental Funds	<u>\$ 761,322</u>	<u>\$ 345,587</u>	<u>\$ 1,106,909</u>

Government-Wide Financial Statements (Economic Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Contributions - Employer	\$ 507,197	\$ 311,672	\$ 818,869
Contributions - State On Behalf Payments	232,694	-	232,694
Total Governmental Activities	<u>\$ 739,891</u>	<u>\$ 311,672</u>	<u>\$ 1,051,563</u>

## Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

### 2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024 (measurement date) the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

	Proportionate Share of the Net Pension Liability <u>Governmental Activities</u>
CalSTRS	\$ 2,715,369
CalPERS	2,116,810
Total	<u>\$ 4,832,179</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, 2024. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to measurement date June 30, 2024 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, 2024 and June 30, 2025 were as follows:

	<u>CalSTRS</u>			<u>CalPERS</u>
	State's Proportionate Share for District *Employees	Total for District Employees		
	District's Proportionate Share		District's Proportionate Share	
<i>Governmental Activities</i>				
Proportion June 30, 2024	0.004339%	0.002073%	0.006412%	0.007001%
Proportion June 30, 2025	0.004043%	0.001855%	0.005898%	0.005923%
Change in Proportion	<u>-0.000296%</u>	<u>-0.000218%</u>	<u>-0.000514%</u>	<u>-0.001078%</u>

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

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

a. Pension Expense

	<i>Governmental Activities</i>		
	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Total</u>
Change in Net Pension Liability	\$ (589,243)	\$ (417,475)	\$ (1,006,718)
State On Behalf Pension Expense	(38,698)	-	(38,698)
Employer Contributions	528,628	345,587	874,215
Change in Deferrals for:			
Experience Differences	(105,426)	(108,752)	(214,178)
Changes in Assumptions	7,249	69,965	77,214
Changes in Proportionate Share	283,719	406,570	690,289
Subsequent Contributions	(35,066)	(34,686)	(69,752)
Earnings Differences	25,076	188,473	213,549
Total Pension Expense	<u>\$ 76,239</u>	<u>\$ 449,682</u>	<u>\$ 525,921</u>

b. Deferred Outflows and Inflows of Resources

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		
	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Total</u>
<i>Governmental Activities</i>			
Subsequent Contributions	\$ 528,628	\$ 345,587	\$ 874,215
Experience Differences	307,181	177,462	484,643
Changes in Assumptions	11,886	46,789	58,675
Changes in Proportionate Share	560,174	83,038	643,212
Earnings Differences	-	82,226	82,226
Total Deferred Outflows of Resources	<u>\$ 1,407,869</u>	<u>\$ 735,102</u>	<u>\$ 2,142,971</u>

	<u>Deferred Inflows of Resources</u>		
	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Total</u>
<i>Governmental Activities</i>			
Experience Differences	\$ (118,818)	\$ (15,150)	\$ (133,968)
Changes in Assumptions	-	-	-
Changes in Proportionate Share	(302,720)	(340,662)	(643,382)
Earnings Differences	(11,096)	-	(11,096)
Total Deferred Inflows of Resources	<u>\$ (432,634)</u>	<u>\$ (355,812)</u>	<u>\$ (788,446)</u>

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2026. 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 multi-year period.

# Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30,	<i>Governmental Activities</i>				Net Effect on Expenses
	Deferred Outflows of Resources		Deferred Inflows of Resources		
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2026	\$ 761,533	\$ 515,261	\$ (312,169)	\$ (132,619)	\$ 832,006
2027	191,021	225,153	99,830	(117,469)	398,535
2028	185,079	20,704	(80,351)	(105,724)	19,708
2029	144,885	(26,016)	(73,272)	-	45,597
2030	107,764	-	(33,336)	-	74,428
Thereafter	17,587	-	(33,336)	-	(15,749)
Total	<u>\$ 1,407,869</u>	<u>\$ 735,102</u>	<u>\$ (432,634)</u>	<u>\$ (355,812)</u>	<u>\$ 1,354,525</u>

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2025, were based on actuarial valuations determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	6/30/2025	6/30/2025
Measurement Date	6/30/2024	6/30/2024
Valuation Date	6/30/2023	6/30/2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2007 - 2022	2000 - 2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Wage Growth	3.50%	Varies <sup>(3)</sup>
Payroll Growth	3.25%	Varies <sup>(3)</sup>
Investment Rate of Return	7.10%	6.90%
Post Retirement Benefit Increase	2.00% Simple <sup>(1)</sup>	2.00% - 2.30% <sup>(4)</sup>
Mortality	CalSTRS Data <sup>(2)</sup>	CalPERS Data <sup>(5)</sup>

(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.

(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 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website.

## Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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### d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 6.90% for CalPERS. The projection of cash flows used to determine the discount rates assumed the contributions from the 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 calculations is not necessary for either plan. The stress test results are presented in detailed reports that can be obtained from 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. Finally, the CalPERS discount rate was decreased from 7.15% to 6.90% at measurement date June 30, 2022 (Fiscal year June 30, 2023) resulting from a new actuarial experience study completed.

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 2021 with new policies in effect on July 1, 2022. 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.

## Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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

### CalSTRS

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return <sup>(1)</sup>	Long-Term Expected Real Rate of Return <sup>(2)</sup>
Public Equity	38.00%	8.00%	5.25%
Real Estate	15.00%	6.80%	4.05%
Private Equity	14.00%	9.50%	6.75%
Fixed Income	14.00%	5.20%	2.45%
Risk Mitigation Strategies	10.00%	5.00%	2.25%
Inflation Sensitive	7.00%	6.40%	3.65%
Cash/Liquid	2.00%	2.80%	0.05%

<sup>(1)</sup> 20 to 30 year geometric average.

<sup>(2)</sup> Real rates of return are net of assumed 2.75% inflation

### CalPERS

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return <sup>(3),(4)</sup>
Global Equity - cap weighted	30.00%	4.54%
Global Equity - non-cap weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

<sup>(3)</sup> An expected price inflation of 2.30% used for this period.

<sup>(4)</sup> Figures are based on the 2021-22 Asset Liability Management Study.

# Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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%	5.90%
Net Pension Liability	\$ 4,829,808	\$ 3,144,538
Current Discount Rate	7.10%	6.90%
Net Pension Liability	\$ 2,715,369	\$ 2,116,810
1% Increase	8.10%	7.90%
Net Pension Liability	\$ 949,782	\$ 1,267,824

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)
<b>Balance at June 30, 2024</b> (Previously Reported)	\$ 25,204,289	\$ 20,320,865	\$ 4,883,424	\$ 1,578,812	\$ 3,304,612
<b>Changes for the year</b>					
Change in proportionate share	(2,020,431)	(1,628,965)	(391,466)	(166,030)	(225,436)
Service cost	513,480	-	513,480	161,496	351,984
Interest	1,642,947	-	1,642,947	516,729	1,126,218
Experience differences	179,594	-	179,594	56,485	123,109
Change in assumptions	(315,602)	-	(315,602)	(99,261)	(216,341)
Change in benefits	1,946	-	1,946	612	1,334
Contributions:					
Employer	-	506,369	(506,369)	(159,260)	(347,109)
Employee	-	279,270	(279,270)	(87,834)	(191,436)
State on behalf	-	232,734	(232,734)	(73,198)	(159,536)
Net investment income	-	1,543,684	(1,543,684)	(485,509)	(1,058,175)
Other income	-	23,061	(23,061)	(7,253)	(15,808)
Benefit payments <sup>(1)</sup>	(1,131,708)	(1,131,708)	-	-	-
Administrative expenses	-	(11,973)	11,973	3,766	8,207
Borrowing costs	-	(19,640)	19,640	6,177	13,463
Other expenses	-	(413)	413	130	283
Net changes	(1,129,774)	(207,581)	(922,193)	(332,950)	(589,243)
<b>Balance at June 30, 2025</b>	<b>\$ 24,074,515</b>	<b>\$ 20,113,284</b>	<b>\$ 3,961,231</b>	<b>\$ 1,245,862</b>	<b>\$ 2,715,369</b>

(1) – Includes refunds of employee contributions

## Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

### CalPERS Governmental Activities

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balance at June 30, 2024</b>			
(Previously Reported)	\$ 8,437,154	\$ 5,902,869	\$ 2,534,285
<b>Changes for the year</b>			
Change in proportionate share	(1,299,136)	(908,912)	(390,224)
Service cost	183,563	-	183,563
Interest	498,529	-	498,529
Experience differences	171,579	-	171,579
Contributions:			
Employer	-	317,997	(317,997)
Employee	-	90,869	(90,869)
Net investment income	-	476,189	(476,189)
Benefit payments <sup>(1)</sup>	(352,650)	(352,650)	-
Administrative expenses	-	(4,133)	4,133
Net changes	(798,115)	(380,640)	(417,475)
<b>Balance at June 30, 2025</b>	<b>\$ 7,639,039</b>	<b>\$ 5,522,229</b>	<b>\$ 2,116,810</b>

(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.

# Seeley Union School District

Notes to the Financial Statements, Continued  
 For the Year Ended June 30, 2025

## N. Postemployment Benefits Other Than Pension Benefits

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District.

### 1. Plan Description

The District’s defined benefit OPEB plan, Seeley Union School District Retiree Health Care Plan (the Plan) provides OPEB for retirees that meet eligibility requirements until age 65. Retirees in the plan are eligible for the same medical plans as active employees. The Plan is a single employer defined benefit OPEB plan administered by the District. Authority to establish and amend the benefit terms and financing requirements lie with the Districts governing board. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

### 2. Benefits Provided

The District has one employee eligible and receiving benefits:

<u>Description</u>	<u>Grandfathered Plan</u>
Benefit types provided	Medical, dental and vision
Duration of benefits	To age 65
Required service	25 Years
Minimum age	54.5
Dependent coverage	Yes
District contribution %	100% to Cap of \$7,600

### 3. Contributions

The District will contribute 100% up to a cap of \$7,600. Retirees are not required to make any contributions, unless the cost of coverage exceeds the cap. For the year ended June 30, 2025 retirees did not make any contributions to the healthcare plan.

### 4. Plan Membership

Membership of the plan consisted of the following as of June 30, 2025:

Inactive plan members or beneficiaries currently receiving benefits	0
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	0
Total	0

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

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## 5. Net OPEB Liability

The Seeley Union School District's Net OPEB liability of \$38,116 was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2025.

## 6. Actuarial Assumptions and Other Inputs

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

Economic assumptions:

Inflation	2.50% per annum
Salary increases	2.75% per annum, in aggregate
Discount rate	3.93%
Healthcare cost trend rates	4.00%
Retiree's share of costs	0.00%

The discount rate is based on the Fidelity GO AA 20 Year Municipal Bond Index, which are tax-exempt municipal bonds with an average rating of AA/Aa or higher.

Mortality rates are based on the most recent rates used by CalPERS and CalSTRS for pension valuations. The CalPERS mortality table was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB. The CalSTRS mortality table was developed based on CalSTRS specific data. The table includes mortality improvements set at 110% of the ultimate improvement factor from the Mortality improvement scale (MP-2016) table, issued by the Society of Actuaries.

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of CalPERS actuarial experience study for the period July 1, 2000 through June 30, 2019 and the CalSTRS experience study for the period July 1, 2015 through June 30, 2018.

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

## 7. Changes in Net OPEB Liability

	<u>Total OPEB Liability</u>
Service cost	\$ -
Interest	-
Experience (Gains)/Losses	-
Changes of assumptions	-
Changes in benefit terms	-
Benefit payments	<u>(38,116)</u>
Net change in Total OPEB Liability	(38,116)
Total OPEB Liability - Beginning	<u>38,116</u>
Total OPEB Liability - Ending	<u><u>\$ -</u></u>

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

The following presents the Net OPEB liability of the Plan, as well as what the District's Net 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 (2.93%)</u>	<u>Valuation Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
Total OPEB Liability	\$ -	\$ -	\$ -

## 9. Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rate

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

	<u>1% Decrease (3.00%)</u>	<u>Healthcare Cost Trends Rate (4.00%)</u>	<u>1% Increase (5.00%)</u>
Total OPEB Liability	\$ -	\$ -	\$ -

## 10. OPEB Expense

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$38,116.

# Seeley Union School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

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## 11. Liabilities Due to The OPEB Plan

As of June 30, 2025, there are no liabilities owed to the OPEB Plan.

## O. Risk Management

The District is exposed to risk of losses due to:

- Torts,
- Theft of, damage to, or destruction of assets,
- Business interruption,
- Errors or omissions,
- Job related illness or injuries to employees,
- Natural disasters,
- Other risks associated with public entity risk pools

Risk management is the process of managing the District’s activities to minimize the adverse effects of these risks. The main element of risk management are risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses). Risk financing techniques include risk retention, risk transfer to and from an insurer, and risk transfer to a non-insurer.

The District has implemented the risk financing technique of risk transfer to an insurer. The District has purchased property & liability insurance as well as workers compensation insurance to cover any losses resulting from the risks identified above.

There have been no significant changes in property and liability or workers compensation coverage during the current fiscal year.

## P. Participation in Joint Powers Authorities

The District is a member of the San Diego County Schools Risk Management (SDCSR), for the operation of a common risk management and insurance program for property and liability coverage and workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

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

# Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## Q. Commitments and Contingencies

### 1. State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review 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.

### 2. Litigation

The District is periodically involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District as of June 30, 2025.

### 3. Construction Commitments

As of June 30, 2025, the District the following commitments with respect to unfinished capital projects:

	<u>Commitment</u>	<u>Date of Completion</u>
Construction in Process:		
TK Classroom Project	\$ 603,377	December 2025

## R. Deferred Outflows of Resources

In March 2017 the District issued general obligation bonds. As part of the issuance costs the District purchased a bond insurance policy. In accordance with GASB Statement No. 63, the pre-paid insurance policy is included in deferred outflows of resources being amortized over the life of the bonds.

In accordance with GASB Statement No. 68 & 71, payments made subsequent to the pension plan measurement date and other items as outlined in the GASB pronouncement have been recorded as deferred outflows of resources.

A summary of the deferred outflows of resources as of June 30, 2025, is as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Pension Related				
CalSTRS	\$ 1,509,885	\$ 123,109	\$ 225,125	\$ 1,407,869
CalPERS	939,783	41,491	246,172	735,102
Prepaid Bond Insurance	17,098	-	747	16,351
Total Deferred Outflows of Resources	<u>\$ 2,466,766</u>	<u>\$ 164,600</u>	<u>\$ 472,044</u>	<u>\$ 2,159,322</u>

# Seeley Union School District

Notes to the Financial Statements, Continued  
 For the Year Ended June 30, 2025

Future amortization of deferred outflows of resources is as follows:

Year Ending June 30,	Pension Related	Prepaid Bond Insurance	Total
2026	\$ 1,276,794	\$ 744	\$ 1,277,538
2027	416,174	744	416,918
2028	205,783	744	206,527
2029	118,869	744	119,613
2030	107,764	744	108,508
Thereafter	17,587	12,631	30,218
Total	<u>\$ 2,142,971</u>	<u>\$ 16,351</u>	<u>\$ 2,159,322</u>

## S. Deferred Inflows of Resources

In accordance with GASB Statement No. 68 & 71, items as outlined in the GASB pronouncement have been recorded as deferred inflows of resources.

A summary of the deferred inflows of resources as of June 30, 2025 is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Pension Related				
CalSTRS	\$ 359,098	\$ 384,722	\$ 311,186	\$ 432,634
CalPERS	38,923	458,131	141,242	355,812
Total Deferred Inflows of Resources	<u>\$ 398,021</u>	<u>\$ 842,853</u>	<u>\$ 452,428</u>	<u>\$ 788,446</u>

Future amortization of deferred inflows is as follows:

Year Ending June 30,	Pension Related
2026	\$ 444,788
2027	17,639
2028	186,075
2029	73,272
2030	33,336
Thereafter	33,336
Total	<u>\$ 788,446</u>

## Seeley Union School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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### T. Upcoming Accounting Guidance

The Governmental Accounting Standards Board (GASB) issues pronouncements and additional guidance for governmental agencies to establish consistent accounting across all governments in the United States. The following table represents items that have been issued by GASB that will become effective in future periods:

Description	Date Issued	Year Effective
GASB Statement No. 103 <i>Financial Reporting Model Improvements</i>	Apr-24	2025-26
GASB Statement No. 104 <i>Disclosure of Certain Capital Assets</i>	Sep-24	2025-26
GASB Implementation Guide No. 2025-1 <i>Implementation Guidance Update 2025 (Except Question 4.16)</i>	Jun-25	2025-26

The effects of the upcoming guidance and pronouncements on the District's financial statements has not yet been determined.

Required Supplementary Information

# Seeley Union School District

## Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Variance Original to Final Budget Positive/ (Negative)	Actual	Variance Actual to Final Budget Positive/ (Negative)
	Original	Final			
<b>Revenues</b>					
LCFF Sources					
State Apportionment	\$ 3,610,448	\$ 4,003,407	\$ 392,959	\$ 3,522,129	\$ (481,278)
Education Protection Account	1,110,101	632,547	(477,554)	1,114,821	482,274
Property Taxes	536,614	553,769	17,155	552,772	(997)
Federal Revenue	431,780	829,891	398,111	846,064	16,173
Other State Revenue	1,573,131	1,650,536	77,405	1,568,351	(82,185)
Interest Income	25,000	96,926	71,926	132,160	35,234
Fair Market Value Adjustment	-	-	-	57,316	57,316
Other Local Revenue	104,948	392,365	287,417	553,702	161,337
<b>Total Revenues</b>	<b>7,392,022</b>	<b>8,159,441</b>	<b>767,419</b>	<b>8,347,315</b>	<b>187,874</b>
<b>Expenditures</b>					
Current Expenditures:					
Certificated Salaries	2,868,015	2,876,341	(8,326)	2,970,254	(93,913)
Classified Salaries	952,366	1,092,547	(140,181)	1,155,409	(62,862)
Employee Benefits	1,581,256	1,734,892	(153,636)	1,776,162	(41,270)
Books and Supplies	1,044,201	955,972	88,229	1,118,700	(162,728)
Services and Other Operating	855,062	1,128,288	(273,226)	1,157,940	(29,652)
Other Outgo	80,464	132,694	(52,230)	156,834	(24,140)
Direct Support/Indirect Costs	-	(14,691)	14,691	(12,098)	(2,593)
Capital Outlay	285,053	760,361	(475,308)	757,516	2,845
Debt Service:					
Principal	16,893	91,893	(75,000)	91,688	205
Interest	10,096	10,096	-	8,724	1,372
<b>Total Expenditures</b>	<b>7,693,406</b>	<b>8,768,393</b>	<b>(1,074,987)</b>	<b>9,181,129</b>	<b>(412,736)</b>
Excess (Deficiency) of Revenues					
Over Expenditures	(301,384)	(608,952)	(307,568)	(833,814)	(224,862)
<b>Net Change in Fund Balance</b>	<b>(301,384)</b>	<b>(608,952)</b>	<b>(307,568)</b>	<b>(833,814)</b>	<b>(224,862)</b>
<b>Fund Balance - Beginning of Year</b>					
	4,235,147	4,235,147	-	4,235,147	-
<b>Fund Balance - End of Year</b>	<b>\$ 3,933,763</b>	<b>\$ 3,626,195</b>	<b>\$ (307,568)</b>	<b>\$ 3,401,333</b>	<b>\$ (224,862)</b>

See Accompanying Notes to Required Supplementary Information

## Seeley Union School District

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

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0040%	0.0043%	0.0038%	0.0032%	0.0029%	0.0033%	0.0030%	0.0032%	0.0034%	0.0037%
District's proportionate share of the net pension liability (asset)	\$ 2,715,369	\$ 3,304,613	\$ 2,638,372	\$ 1,468,063	\$ 2,854,941	\$ 3,020,220	\$ 2,780,187	\$ 2,995,435	\$ 2,713,995	\$ 2,466,595
State's proportionate share of the net pension liability (asset) associated with the District	1,245,862	1,578,812	1,609,289	1,088,533	2,029,709	1,660,940	1,686,840	1,607,307	1,555,346	1,292,619
Total	\$ 3,961,231	\$ 4,883,425	\$ 4,247,661	\$ 2,556,596	\$ 4,884,650	\$ 4,681,160	\$ 4,467,027	\$ 4,602,742	\$ 4,269,341	\$ 3,759,214
District's covered payroll*	2,655,482	2,608,723	2,423,989	1,895,424	1,813,813	1,797,303	1,606,272	1,712,345	1,667,148	1,693,097
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	102.26%	126.68%	108.84%	77.45%	157.40%	168.04%	173.08%	174.93%	162.79%	145.69%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	80.62%	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%

\*Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

See Accompanying Notes to Required Supplementary Information

# Seeley Union School District

## Schedule of the District's Contributions - CalSTRS

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 528,628	\$ 507,197	\$ 498,266	\$ 410,139	\$ 306,111	\$ 310,162	\$ 292,601	\$ 231,785	\$ 215,413	\$ 178,885
Contributions in relation to the contractually required contribution	<u>(528,628)</u>	<u>(507,197)</u>	<u>(498,266)</u>	<u>(410,139)</u>	<u>(306,111)</u>	<u>(310,162)</u>	<u>(292,601)</u>	<u>(231,785)</u>	<u>(215,413)</u>	<u>(178,885)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
District's covered payroll*	\$ 2,767,686	\$ 2,655,482	\$ 2,608,723	\$ 2,423,989	\$ 1,895,424	\$ 1,813,813	\$ 1,797,303	\$ 1,606,272	\$ 1,712,345	\$ 1,667,148
Contributions as a percentage of covered payroll	19.10%	19.10%	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%

\*Covered payroll on this schedule is based on the fiscal year.

## Seeley Union School District

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

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0059%	0.0070%	0.0066%	0.0064%	0.0062%	0.0054%	0.0055%	0.0053%	0.0052%	0.0049%
District's proportionate share of the net pension liability (asset)	\$ 2,116,810	\$ 2,534,282	\$ 2,282,699	\$ 1,292,863	\$ 1,904,499	\$ 1,563,006	\$ 1,462,740	\$ 1,275,993	\$ 1,034,135	\$ 724,690
District's covered payroll*	\$ 1,168,186	\$ 1,212,038	\$ 1,030,074	\$ 912,913	\$ 902,135	\$ 750,520	\$ 731,485	\$ 686,478	\$ 634,076	\$ 546,742
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	181.20%	209.09%	221.61%	141.62%	211.11%	208.26%	199.97%	185.88%	163.09%	132.55%
Plan fiduciary net position as a percentage of the total pension liability	72.29%	69.96%	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%

\*Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

# Seeley Union School District

## Schedule of the District's Contributions - CalPERS

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 345,587	\$ 311,672	\$ 307,494	\$ 235,990	\$ 188,973	\$ 177,910	\$ 135,559	\$ 113,607	\$ 95,338	\$ 75,119
Contributions in relation to the contractually required contribution	<u>(345,587)</u>	<u>(311,672)</u>	<u>(307,494)</u>	<u>(235,990)</u>	<u>(188,973)</u>	<u>(177,910)</u>	<u>(135,559)</u>	<u>(113,607)</u>	<u>(95,338)</u>	<u>(75,119)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>							
District's covered payroll*	\$ 1,277,586	\$ 1,168,186	\$ 1,212,038	\$ 1,030,074	\$ 912,913	\$ 902,135	\$ 750,520	\$ 731,485	\$ 686,478	\$ 634,076
Contributions as a percentage of covered payroll	27.050%	26.680%	25.370%	22.910%	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%

\*Covered payroll on this schedule is based on the fiscal year.

## Seeley Union School District

### Schedule of Changes in the District's Net OPEB Liability and Related Ratios – Seeley Union Retiree Health Benefits

Last Ten Fiscal Years\*

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB liability:										
Service cost	\$ -	\$ -	\$ 665	\$ 891	\$ 656	\$ 637	\$ 689	\$ 669	N/A	N/A
Interest	-	1,566	622	376	1,234	1,903	3,543	4,523	N/A	N/A
Changes of benefit terms	-	-	-	-	-	-	-	-	N/A	N/A
Experience differences	-	-	32,822	-	(27,694)	6,909	-	-	N/A	N/A
Changes of assumptions	-	(198)	(1,602)	(297)	(11,235)	2,671	(1,504)	-	N/A	N/A
Benefit payments	<u>(38,116)</u>	<u>(12,292)</u>	<u>(1,403)</u>	<u>-</u>	<u>(3,558)</u>	<u>(46,395)</u>	<u>(47,800)</u>	<u>(25,380)</u>	<u>N/A</u>	<u>N/A</u>
Net change in total OPEB liability	(38,116)	(10,924)	31,104	970	(40,597)	(34,275)	(45,072)	(20,188)	N/A	N/A
Total OPEB liability - beginning	<u>38,116</u>	<u>49,040</u>	<u>17,936</u>	<u>16,966</u>	<u>57,563</u>	<u>91,838</u>	<u>136,910</u>	<u>157,098</u>	<u>N/A</u>	<u>N/A</u>
Total OPEB liability - ending	<u>\$ -</u>	<u>\$ 38,116</u>	<u>\$ 49,040</u>	<u>\$ 17,936</u>	<u>\$ 16,966</u>	<u>\$ 57,563</u>	<u>\$ 91,838</u>	<u>\$ 136,910</u>	<u>N/A</u>	<u>N/A</u>
Covered payroll	4,045,272	3,823,668	3,820,761	3,454,063	2,808,337	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	0.00%	1.00%	1.28%	0.52%	0.60%	N/A	N/A	N/A	N/A	N/A

\*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

# Seeley Union School District

Notes to Required Supplementary Information  
For the Year Ended June 30, 2025

## A. Budgetary Comparison Schedule – General Fund

As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District’s Special Reserve Fund for Other Postemployment Benefits (Fund 20) was included with the General Fund as the fund did not meet the definition of a special revenue fund under GASB Statement No. 54. The Budgetary Comparison Schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only. Below is a table reconciling between the General Fund as reported in the Basic Financial Statements and the General Fund as reported in the Budgetary Comparison Schedule.

General Fund - Basic Financial Statements Ending Fund Balance	\$ 3,870,876
Less Fund 20 Fund Balance	<u>(469,543)</u>
General Fund - Budgetary Comparison Schedule Ending Fund Balance	<u><u>\$ 3,401,333</u></u>
General Fund - Basic Financial Statements Net Change in Fund Balance	\$ (811,051)
Less Fund 20 Net Change in Fund Balance	<u>(22,763)</u>
General Fund - Budgetary Comparison Schedule Net Change in Fund Balance	<u><u>\$ (833,814)</u></u>

## B. Excess of Expenditures Over Appropriations

As of June 30, 2025, the District’s expenditures which exceeded appropriations in the following categories:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>	<u>Reason for Excess Expenditures</u>
<b>General Fund:</b>		
Certificated Salaries	\$ 93,913	The District underestimated the costs of teacher salaries.
Classified Salaries	62,862	The District underestimated the costs of classified support services.
Employee Benefits	41,270	The District underestimated the increasing costs of employee benefits.
Books and Supplies	162,728	The District underestimated costs of books and supplies during the budgeting process.
Services and Other Operating	29,652	The District underestimated other operating costs during the budgeting process.
Other Outgo	24,140	The District underestimated debt principle and other outgo during the budgeting process.
Direct Support/Indirect Costs	2,593	The District underestimated indirect costs during the budgeting process.

Amounts in excess of appropriations were not considered a violation of any laws, regulations, contracts or grant agreements and did not have a direct or material effect on the financial statements.

## Seeley Union School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2025

### C. Schedule of District's Proportionate Share – CalSTRS

- Benefit Changes: Changes in benefits reflect changes enacted by law for benefits offered and eligibility criteria.
- Changes in Assumptions: Assumptions used in determining the total pension liability of the CalSTRS Plan changed due to actuarial experience studies performed by CalSTRS.

### D. Schedule of District's Contributions – CalSTRS

The total pension liability for California State Teachers' Retirement System (CalSTRS) for measurement date June 30, 2024, was determined with a valuation completed June 30, 2023. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Valuation Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Experience Study	2006 - 2010	2006 - 2010	2010 - 2015	2010 - 2015	2010 - 2015
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return <sup>(1)</sup>	7.60%	7.60%	7.10%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.50%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple				
Reporting Period	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Experience Study	2010 - 2015	2015 - 2018	2015 - 2018	2015 - 2018	2007 - 2022
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return <sup>(1)</sup>	7.10%	7.10%	7.10%	7.10%	7.10%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.50%	3.50%	3.50%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple				

(1) – Net of investment expenses but gross of administrative expenses.

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

Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on the CalSTRS website.

# Seeley Union School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2025

## E. Schedule of District’s Proportionate Share – CalPERS

1. Benefit Changes: Changes in benefits reflect changes enacted by law for benefits offered and eligibility criteria.
2. Changes in Assumptions: Assumptions used in determining the total pension liability of the CalPERS Plan changed due to actuarial experience studies performed by CalPERS.

## F. Schedule of District’s Contributions – CalPERS

The total pension liability for California Public Employees Retirement System – School Pool (CalPERS) for measurement date June 30, 2024, was determined with a valuation completed June 30, 2023. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Valuation Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Experience Study	1997 - 2011	1997 - 2011	1997 - 2011	1997 - 2015	1997 - 2015
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return <sup>(1)</sup>	7.65%	7.65%	7.15%	7.15%	7.15%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.50%	2.50%
Wage Growth (Average)	3.00%	3.00%	3.00%	3.00%	3.00%
Post-Retirement Benefit Increases	2.00% Simple				
Reporting Period	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Experience Study	1997 - 2015	1997 - 2015	2000 - 2019	2000 - 2019	2000 - 2019
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return <sup>(1)</sup>	7.15%	7.15%	6.90%	6.90%	6.90%
Consumer Price Inflation	2.50%	2.50%	2.50%	2.50%	2.30%
Wage Growth (Average)	2.75%	2.75%	2.75%	2.75%	Varies by Age
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00 - 2.30%

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the December 2021 experience study report (based on demographic data from 2000 to 2019) available on the CalPERS website.

# Seeley Union School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2025

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

- 1) Benefit Changes: There were no benefit changes during the 2024-25 fiscal year.
- 2) Changes in Assumptions: Changes in assumptions reflect changes due to experience studies and updates to discount rates annually.
- 3) The following are the discount rates used for each period:

<u>Year</u>	<u>Discount Rate</u>
2018	3.50%
2019	2.60%
2020	2.20%
2021	2.16%
2022	3.54%
2023	3.65%
2024	3.93%
2025	3.93%

Additional information can be obtained by requesting a copy of the OPEB valuation from the District.

## H. Schedule of District's Contributions to OPEB Plan

The District is funding OPEB contributions on a pay-as-you-go basis plus an amount determined by the board based on budgetary considerations through the OPEB Trust administered by CalPERS.

## Combining Statements as Supplementary Information

**Seeley Union School District**

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds		Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
	Associated Student Body Fund	Cafeteria Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	
<b>Assets</b>					
Cash and Cash Equivalents	\$ 7,442	\$ 351,277	\$ 77,299	\$ 188,297	\$ 624,315
Accounts Receivable	-	59,732	697	-	60,429
Stores Inventories	-	19,453	-	-	19,453
<b>Total Assets</b>	<u>\$ 7,442</u>	<u>\$ 430,462</u>	<u>\$ 77,996</u>	<u>\$ 188,297</u>	<u>\$ 704,197</u>
<b>Liabilities and Fund Balance:</b>					
Liabilities:					
Accounts Payable	\$ -	\$ 390	\$ -	\$ -	\$ 390
Total Liabilities	<u>-</u>	<u>390</u>	<u>-</u>	<u>-</u>	<u>390</u>
Fund Balance:					
Nonspendable	-	19,453	-	-	19,453
Restricted	7,442	410,619	77,996	188,297	684,354
Total Fund Balance	<u>7,442</u>	<u>430,072</u>	<u>77,996</u>	<u>188,297</u>	<u>703,807</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,442</u>	<u>\$ 430,462</u>	<u>\$ 77,996</u>	<u>\$ 188,297</u>	<u>\$ 704,197</u>

# Seeley Union School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds  
For the Year Ended June 30, 2025

	Special Revenue Funds		Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
	Associated Student Body Fund	Cafeteria Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ 243,330	\$ 243,330
Federal Revenue	-	576,935	-	-	576,935
Other State Revenue	-	112,153	-	-	112,153
Interest and Investment Income/(Loss)	-	13,798	3,178	4,499	21,475
Other Local Revenue	1,860	2,622	17,123	-	21,605
Total Revenues	<u>\$ 1,860</u>	<u>\$ 705,508</u>	<u>\$ 20,301</u>	<u>\$ 247,829</u>	<u>\$ 975,498</u>
<b>Expenditures</b>					
Current Expenditures:					
Pupil Services	-	596,725	-	-	596,725
Ancillary Services	2,366	-	-	-	2,366
General Administration	-	12,098	-	-	12,098
Plant Services	-	2,343	-	-	2,343
Capital Outlay	-	13,708	-	-	13,708
Debt Service:					
Principal	-	-	-	55,000	55,000
Interest	-	-	-	219,413	219,413
Total Expenditures	<u>2,366</u>	<u>624,874</u>	<u>-</u>	<u>274,413</u>	<u>901,653</u>
Net Change in Fund Balance	(506)	80,634	20,301	(26,584)	73,845
Fund Balance, Beginning of Year	7,948	349,438	57,695	214,881	629,962
Fund Balance, End of Year	<u>\$ 7,442</u>	<u>\$ 430,072</u>	<u>\$ 77,996</u>	<u>\$ 188,297</u>	<u>\$ 703,807</u>

## Other Supplementary Information

**Seeley Union School District**

Schedule of Average Daily Attendance

For the Year Ended June 30, 2025

	Second Period Report		Annual Report	
	Original 8E527ED8	Revised	Original 641212B5	Revised
TK/K-3				
Regular ADA	111.25	N/A	110.03	N/A
Total TK/K-3	111.25	N/A	110.03	N/A
Grades 4-6				
Regular ADA	124.52	N/A	124.27	N/A
Total Grades 4-6	124.52	N/A	124.27	N/A
Grades 7-8				
Regular ADA	66.99	N/A	66.69	N/A
Total Grades 7-8	66.99	N/A	66.69	N/A
Total ADA	302.76	N/A	300.99	N/A

N/A – There were no audit findings which resulted in revisions to average daily attendance.

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts and charter schools. This schedule provides information regarding the attendance of students by grade span and adjustments to the attendance as a result of an audit finding when applicable.

**Seeley Union School District**

Schedule of Instructional Time

For the Year Ended June 30, 2025

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Transitional Kindergarten	36,000	57,890	0	57,890	180	0	180	Complied
Kindergarten	36,000	57,890	0	57,890	180	0	180	Complied
1st Grade	50,400	59,200	0	59,200	180	0	180	Complied
2nd Grade	50,400	59,200	0	59,200	180	0	180	Complied
3rd Grade	50,400	55,600	0	55,600	180	0	180	Complied
4th Grade	54,000	55,600	0	55,600	180	0	180	Complied
5th Grade	54,000	59,200	0	59,200	180	0	180	Complied
6th Grade	54,000	61,900	0	61,900	180	0	180	Complied
7th Grade	54,000	61,900	0	61,900	180	0	180	Complied
8th Grade	54,000	61,900	0	61,900	180	0	180	Complied

## Seeley Union School District

Schedule of Instructional Time, Continued

For the Year Ended June 30, 2025

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This schedule provides the information necessary to determine if the District has complied with Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 of the Education Code. The requirements are as follows:

1) EC §46207: As a condition of apportionment the following annual instructional minutes must be offered:

- To pupils in Kindergarten 36,000 minutes
- To pupils in grades 1 to 3 50,400 minutes
- To pupils in grades 4 to 8 54,000 minutes
- To pupils in grades 9 to 12 64,800 minutes

2) EC §46208: As a condition of apportionment 180 school days must be offered for traditional calendars. In order to qualify as a school day the following minimum daily minutes must be met:

- EC §46112: Grades 1 to 3 230 minutes
- EC §46113: Grades 4 to 8 240 minutes
- EC §46114: Kindergarten 180 minutes
- EC §46141: Grades 9 to 12 240 minutes

The District did not request a J-13A waiver during the 2024-25 fiscal year.

**Seeley Union School District**  
 Schedule of Financial Trends & Analysis  
 For the Year Ended June 30, 2025

General Fund	Budget 2026 (See Note 1)	2025	2024 (See Note 1)	2023 (See Note 1)
Revenues and Other Financing Sources	\$ 7,415,332	\$ 8,347,315	\$ 8,512,194	\$ 8,939,134
Expenditures and Other Financing Uses	<u>7,530,554</u>	<u>9,181,129</u>	<u>8,210,442</u>	<u>7,873,333</u>
Net Change in Fund Balance	<u>(115,222)</u>	<u>(833,814)</u>	<u>301,752</u>	<u>1,065,801</u>
Ending Fund Balance	<u>\$ 3,286,111</u>	<u>\$ 3,401,333</u>	<u>\$ 4,235,147</u>	<u>\$ 3,933,395</u>
Available Reserves (See Note 2)	<u>\$ 2,269,623</u>	<u>\$ 2,436,744</u>	<u>\$ 1,939,290</u>	<u>\$ 1,939,290</u>
Available Reserves as a Percentage of Total Outgo	<u>30.14%</u>	<u>26.54%</u>	<u>23.62%</u>	<u>24.63%</u>
Long Term Debt (See Note 3)	<u>\$ 6,409,658</u>	<u>\$ 6,524,082</u>	<u>\$ 6,629,066</u>	<u>\$ 6,730,769</u>
Average Daily Attendance at P2 (See Note 4)	<u>303</u>	<u>303</u>	<u>310</u>	<u>322</u>

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 general fund balance has decreased by \$532,062 (13.527%) over the past two years. The fiscal year 2025-26 budget projects a decrease of \$115,222 (3.388%). For a district of this size, the State recommends available reserves of 3% of total general fund expenditures and other financing uses (total outgo).

Total long-term debt has decreased by \$206,687 (3.07%) over the past two years.

Average daily attendance (ADA) has decreased by 19 over the past two years.

# Seeley Union School District

## Schedule of Financial Trends & Analysis, Continued

For the Year Ended June 30, 2025

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### Notes:

1. AU-C §725.05 requires the following conditions be met to provide an opinion on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole:
  - a) The supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.
  - b) The supplementary information relates to the same period as the financial statements.
  - c) The auditor issued an audit report on the financial statements that contained neither an adverse opinion nor a disclaimer of opinion.
  - d) The supplementary information will accompany the audited financial statements or such audited financial statements will be made readily available by the District.

Three of the above columns are not related to the same period as the financial statements and as such we do not provide an opinion on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. Additionally, the analysis presented utilizes information from periods outside the period of the financial statements and as such we do not provide an opinion on whether the analysis is fairly stated, in all material respects, to the financial statements as a whole. The information has been presented for analysis only and has not been audited.

2. Available reserves consist of all unassigned fund balances contained within the general fund.
3. Long term debt consists of general obligation bonds, other long term debt, and leases payable.
4. GASB Statement No. 54 requires the inclusion of the Special Reserve Fund for Other Postemployment Benefits (Fund 20) with the General Fund for reporting purposes only. This schedule has been prepared without the inclusion of Fund 20.

# Seeley Union School District

## Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

June 30, 2025

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	General Fund (Fund 01)	Special Reserve Fund for Postemployment Benefits (Fund 20)
June 30, 2025, annual financial and budget report fund balances	<u>\$ 3,401,333</u>	<u>\$ 469,543</u>
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
GASB 54 Fund Presentation	<u>469,543</u>	<u>(469,543)</u>
Net adjustments and reclassifications	<u>469,543</u>	<u>(469,543)</u>
June 30, 2025, audited financial statement fund balances	<u><u>\$ 3,870,876</u></u>	<u><u>\$ -</u></u>

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the SACS Annual Financial and Budget Report with the audited financial statements. Funds that required no adjustment are not presented.

**Seeley Union School District**

Schedule of Charter Schools

For the Year Ended June 30, 2025

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As of June 30, 2025, the District has not sponsored any charter schools.

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

# Seeley Union School District

## Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
<b>CHILD NUTRITION CLUSTER:</b>				
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Education				
School Breakfast Program	10.553	13525	\$ -	\$ 232,858
National School Lunch Program	10.555	13396	-	167,510
National School Lunch Program - Noncash Commodities	10.555	13396	-	35,515
Supply Chain Assistance (SCA) Funds	10.555	15655	-	7,570
Fresh Fruit and Vegetable Program	10.582	14968	-	20,112
Total Child Nutrition Cluster			-	463,565
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>				
<u>U.S. Department of Education</u>				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	-	87,519
IDEA Mental Health	84.027	15197	-	3,914
IDEA Assistance Entitlement	84.027	15638	-	19,189
Total Special Education (IDEA) Cluster			-	110,622
<b>OTHER PROGRAMS:</b>				
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Education				
Child Adult Care Food Program	10.558	13666	-	113,370
<u>U.S. Department of Education</u>				
Direct Program				
Impact Aid	84.041	N/A	-	104,248
Passed through California Department of Education				
ESSA Title I Basic	84.010	14329	-	164,811
Subtotal ESSA Title I Program			-	164,811
Migrant Education	84.011	14838	-	26,435
Migrant Education Summer	84.011	10005	-	4,210
Subtotal Migrant Education Program			-	30,645

See Accompanying Notes to Schedule of Expenditures of Federal Awards

# Seeley Union School District

Schedule of Expenditures of Federal Awards, Continued

For the Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
Title III Immigrant Education	84.365	15146	-	1,637
Title III English Learner Program	84.365	14346	-	22,695
Subtotal Title III Program			-	24,332
COVID-19: ESSER III	84.425D	15559	-	359,817
Subtotal COVID-19 Program			-	359,817
Rural and Low Income Schools	84.358	14356	-	20,682
Title II Supporting Effective Instruction	84.367	14341	-	18,598
Title IV Student Support Academic Enrichment	84.424	15396	-	12,309
 TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 1,422,999

# Seeley Union School District

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

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## Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of 2 CFR §200.502 *Basis for Determining Federal Awards Expended* and 2CFR §200.510(b) *Schedule of Expenditures of Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

## Summary of Significant Accounting Policies

The expenditures reported on the schedule 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.

## Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 *Direct and Indirect Costs*. The District used an indirect cost rate of 6.59% based on the rate approved by the California Department of Education for each program which did not have a pre-defined allowable indirect cost rate. The District did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 *Indirect Costs*. The following programs utilized a lower indirect cost rate based on program restrictions or other factors determined by the District:

<b>Program</b>	<b>AL #</b>	<b>Indirect Cost Rate</b>
Title II	84.367	3.98%
Child Nutrition Cluster	84.425	5.87%

## Schoolwide Program

The District operates “schoolwide programs” at all school sites. Using federal funding, schoolwide programs are designed to upgrade an entire educational program within a school for all students, rather than limiting services to certain targeted students. The following federal program amounts were expended by the District in its schoolwide programs:

<b>Program</b>	<b>AL #</b>	<b>Amount Expended</b>
Title I	84.010	\$ 164,811

## Other Information

# Seeley Union School District

Local Education Agency Organization Structure

June 30, 2025

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The Seeley Union School District was established in 1912 and is comprised of approximately 20 square miles, located in and around the town of Seeley in Imperial County, California. There were no changes in the boundaries of the District during the current fiscal year. The District currently operates one elementary school.

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## GOVERNING BOARD

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<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Sarah Garcia	President	Four Year Term Expires December 2026
Adriana Parga	Clerk	Four Year Term Expires December 2026
Patricia Burton	Trustee	Four Year Term Expires December 2028
James Garcia	Trustee	Four Year Term Expires December 2028
Teresa Morales	Trustee	Four Year Term Expires December 2028

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## ADMINISTRATION

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Andrea Ellis  
Superintendent/Principal

Corey Caston  
Chief Business Official

## Other Independent Auditors' 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*

To the Board of Education  
Seeley Union School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seeley Union School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 28, 2026.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

## Purpose of this Report

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



El Cajon, California

January 28, 2026

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

To the Board of Education  
Seeley Union School District

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

**Opinion on Each Major Federal Program**

We have audited the Seeley Union School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

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

**Responsibilities of Management for Compliance**

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

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

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

## **Report on Internal Control Over Compliance**

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

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

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

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

*Wilkinson Hadley King & Co. LLP*

El Cajon, California

January 28, 2026

Independent Auditor's Report on State Compliance and on  
Internal Control over State Compliance

To the Board of Education  
Seeley Union School District

**Report on Compliance for Applicable State Programs**

**Opinion on Each Applicable State Program**

We have audited the Seeley Union School District's (the District) compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 identified below for the year ended June 30, 2025.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above on each of its applicable state programs for the year ended June 30, 2025.

**Basis for Opinion on Each Applicable State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's 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 generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of each applicable state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District’s internal control over state 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 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following programs:

	Procedures Performed
<b><u>Local Education Agencies Other than Charter Schools</u></b>	
A. Attendance.....	Yes
B. Teacher Certification and Misassignments.....	Yes
C. <i>(Reserved)</i> .....	N/A
D. Independent Study.....	No
E. Continuation Education.....	N/A
F. Instructional Time.....	Yes
G. Instructional Materials.....	Yes
H. Ratio of Administrative Employees to Teachers.....	Yes
I. Classroom Teacher Salaries.....	Yes
J. Early Retirement Incentive.....	N/A
K. Gann Limit Calculation.....	Yes
L. School Accountability Report Card.....	Yes
M. Juvenile Court Schools.....	N/A
N. Middle or Early College High Schools.....	N/A
O. K-3 Grade Span Adjustment.....	Yes
P. <i>(Reserved)</i> .....	N/A
Q. Apprenticeship: Related and Supplemental Instruction.....	N/A
R. Comprehensive School Safety Plan.....	Yes
S. District of Choice.....	N/A
TT. Home to School Transportation Reimbursement.....	Yes

Procedures  
Performed

**School Districts, County Offices of Education, and Charter Schools**

T.	Proposition 28 Arts & Music in Schools.....	Yes
U.	After/Before School Education and Safety Program.....	Yes
V.	Proper Expenditure of Education Protection Account Funds.....	Yes
W.	Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
X.	Local Control and Accountability Plan.....	Yes
Y.	Independent Study - Course Based.....	N/A
Z.	Immunizations.....	No
AZ.	Educator Effectiveness.....	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G).....	Yes
CZ.	Career Technical Education Incentive Grant.....	N/A
DZ.	Expanded Learning Opportunities Program (ELO-P).....	Yes
EZ.	Transitional Kindergarten.....	Yes
FZ.	Kindergarten Continuance.....	Yes

N/A – The School District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform the procedures for independent study because the District did not offer a full-time independent study program and the short-term independent study was below the level which required testing.

We did not perform procedures for Immunizations because the school sites for the District did not appear on the California Department of Public Health list of LEAs that are subject to the audit of immunizations.

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 State 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 state 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 state 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 state 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 state compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over state 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.



El Cajon, California  
January 28, 2026

## Auditor's Results, Findings & Recommendations

**Seeley Union School District**

Schedule of Auditor’s Results  
For the Year Ended June 30, 2025

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weakness(es) identified?        Yes   X   No

One or more significant deficiencies identified that are not considered material weakness(es)?        Yes   X   No

Noncompliance material to financial statements noted?        Yes   X   No

**FEDERAL AWARDS**

Internal control over major federal programs:

One or more material weakness(es) identified?        Yes   X   No

One or more significant deficiencies identified that are not considered material weakness(es)?        Yes   X   No

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

Compliance supplement utilized for single audit November 2025

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?        Yes   X   No

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.558	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

**STATE AWARDS**

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

Internal control over applicable state programs:

One or more material weakness(es) identified?            Yes   X   No

One or more significant deficiencies identified that are not considered material weakness(es)?            Yes   X   No

Any audit findings disclosed that are required to be reported in accordance with *2024-25 Guide for Annual Audits of California K-12 Local Education Agencies*?            Yes   X   No

# Seeley Union School District

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

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Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), or the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

### A. Financial Statement Findings

None

### B. Federal Awards

None

### C. State Award Findings

None

**Seeley Union School District**

Schedule of Prior Year Audit Findings

For the Year Ended June 30, 2025

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Finding/Recommendation	Status	Explanation if Not Implemented
No findings in the prior year audit report		