Selma Unified School District
County of Fresno
Selma, California
June 30, 2025

Independent Auditor's Report
and Financial Statements

LPS
Certified Public Accountants

Selma Unified School District
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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Selma Unified School District ("the District") as of and for the year ended June 30, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Selma Unified School District as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Selma Unified School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2, *Code of Federal Regulations,* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F–Audit Requirements (Uniform Guidance), and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *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 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025 on our consideration of Selma Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Selma Unified School District's internal control over financial reporting and compliance.

Respectfully submitted,



Linger, Peterson & Shrum
Fresno, California
December 12, 2025

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Management's Discussion and Analysis (MD&A)
June 30, 2025

INTRODUCTION

Our discussion and analysis of Selma Unified School District's (District) financial performance provides an overview of the District's financial activities for the year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which follow this section.

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

FINANCIAL HIGHLIGHTS

- The District's total government-wide revenues were $153,025,554 which was less than expenses of $159,018,582 by $(5,993,028).
- Long-term debt was $170,059,258 at June 30, 2025.

OVERVIEW OF FINANCIAL STATEMENTS

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

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- Fund financial statements focus on reporting the individual parts of the District operations in more detail. The fund financial statements comprise the remaining statement.
    - Governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

Board of Trustees: Narinder Sahota, Joel Fedor, Estella Kessler, Mark Medina, Stella Padron-Duarte

Superintendent: Edward Gomes

Government-Wide Statements

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

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

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

The government-wide financial statements of the District include government activities. Most of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local Control Funding Formula (LCFF) and Federal and State grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds-not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by State law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues. The District has one kind of fund:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information in the reconciliations following each governmental funds statement that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position was $13,584,302 at June 30, 2025 shown in the following table.

	2025	2024	
Assets			
Current and other assets	$ 65,328,596	$ 74,217,876	-11.98%
Capital assets	110,931,341	100,350,342	10.54%
Total Assets	$ 176,259,937	$ 174,568,218	0.97%
Deferred Outflows of Resources	$ 31,940,237	$ 29,360,751	8.79%
Liabilities			
Current liabilities	$ 13,818,762	$ 13,026,804	6.08%
Long-term liabilities	170,059,258	165,049,904	3.04%
Total Liabilities	$ 183,878,020	$ 178,076,708	3.26%
Deferred Inflows of Resources	$ 10,737,852	$ 6,274,931	71.12%
Net Position			
Net investment in capital assets	$ 46,584,848	$ 33,238,311	40.15%
Restricted	29,654,800	38,129,451	-22.23%
Unrestricted	(62,655,346)	(51,790,432)	20.98%
Total Net Position	$ 13,584,302	$ 19,577,330	-30.61%

Changes in Net Position

The District's total revenues were $153,025,554. A majority of the revenue comes from General Revenues, which is made up of LCFF and property taxes (74%). Federal and State aid for specific programs accounted for another 3% of total revenues. Local revenues account for 9% of the total revenues. The remaining was received through program revenues made up of charges for services, and operating grants and contributions.

The total cost of all programs and services was $159,018,582. The District's expenses are predominately related to educating and caring for students (79%). Administrative activities accounted for just 6% of total costs. The remaining expenses were for plant services (maintenance and operations), ancillary services, other outgo and interest on long-term obligations.

	2025	2024	
Revenues			
Program revenues:			
Charges for services	$ 898,078	$ 785,705	14.30%
Operating grants and contributions	38,829,972	57,337,588	-32.28%
Capital grants and contributions	-	4,197	-100.00%
General revenues:			
LCFF sources	92,088,754	92,999,075	-0.98%
State revenues	13,676,170	5,000,720	173.48%
Local revenues	7,532,580	7,868,265	-4.27%
Total Revenues	$ 153,025,554	$ 163,995,550	-6.69%
Expenses			
Program expenses:			
Instruction	$ 87,995,142	$ 68,405,122	28.64%
Instruction-related services	14,316,261	10,751,487	33.16%
Pupil services	23,132,894	20,457,724	13.08%
Ancillary services	2,997,587	1,948,769	53.82%
Community services	17	-	0.00%
General administration	8,781,660	9,428,509	-6.86%
Plant services	17,415,693	17,428,675	-0.07%
Other	1,522,191	1,521,818	0.02%
Interest on long-term obligations	2,857,137	2,536,130	12.66%
Total Expenses	$ 159,018,582	$ 132,478,234	20.03%
Changes in Net Position	$ (5,993,028)	$ 31,517,316	-119.02%

Governmental Activities

The cost of all governmental activities this year was $159,018,582.

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

Net Cost of Governmental Activities

	2025		2024	
	Total Cost of Services	**Net Costs of Services**	**Total Cost of Services**	**Net Costs of Services**
Instruction	$ 87,995,142	$ (69,437,352)	$ 68,405,122	$ (38,754,300)
Instruction-related services	14,316,261	(12,148,887)	10,751,487	(8,351,893)
Pupil services	23,132,894	(11,288,295)	20,457,724	(8,758,306)
Ancillary services	2,997,587	(1,969,789)	1,948,769	(1,666,092)
Community services	17	(17)	-	-
General Administration	8,781,660	(6,832,999)	9,428,509	(7,783,960)
Plant Services	17,415,693	(13,273,703)	17,428,675	(5,019,139)
Other outgo	1,522,191	(1,482,373)	1,521,818	(1,480,924)
Interest on Long-Term Debt	2,857,137	(2,857,137)	2,536,130	(2,536,130)
Totals-Governmental Activities	$ 159,018,582	$ (119,290,552)	$ 132,478,234	$ (74,350,744)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its government funds as well. As the District completed the year, its governmental funds reported a combined fund balance of $52,141,880 compared to last year's ending fund balance of $61,683,232.

General Fund Budgetary Highlights

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the District had invested $110,931,341 in a broad range of capital assets, including land, land improvements, buildings and equipment. More detailed information about the District's capital assets is presented in the notes to the financial statements.

	2025	2024	Percentage Change
Land	$ 1,843,632	$ 1,843,632	0.00%
Work-in-Progress	22,838,573	12,623,723	80.92%
Land improvements	6,554,650	6,513,218	0.64%
Buildings	75,144,399	74,688,284	0.61%
Equipment	4,375,849	4,401,128	-0.57%
Subscription based assets	174,238	280,357	-37.85%
Total capital assets	$ 110,931,341	$ 100,350,342	10.54%

Long-Term Debt

At year-end, the District had $170,059,258 in debt as shown in the following table. More detailed information about the District's debt is presented in the notes to the financial statements.

	2025	2024	Percentage Change
Net pension liability	$ 86,008,000	$ 78,718,000	9.26%
General obligation bonds payable	51,983,983	53,769,002	-3.32%
Other post-employment benefits payable	19,412,938	19,412,938	0.00%
Accreted interest	6,750,258	6,327,678	6.68%
Qualified zone academic bonds payable	3,857,140	4,821,426	-20.00%
Compensated absences payable	1,098,111	555,764	97.59%
Certificates of participation payable	774,585	1,141,049	-32.12%
Subscription based liability	174,243	280,359	-37.85%
Early retirement incentives-PARS	-	23,688	-100.00%
Total long-term debt	$ 170,059,258	$ 165,049,904	3.04%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the following factors were taken into consideration.

1. Negotiations are settled for the school year 2024-25.
2. The District strives to provide a safe and nurturing learning environment to support student social, emotional and academic success.

3. The District works hard to protect and preserve the fiscal health of the District through conservative budgeting and has a Board policy of a ten percent reserve. We strive to achieve long-term stability so that our energy can be focused on providing quality education to our students. We are very thankful for the State and Federal one-time funding providing technology, HVAC, Social Emotional Learning and expanded programs for our students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Superintendent, Edward Gomes, at (559) 898-6500.

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Basic Financial Statements

Selma Unified School District
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets:	
Cash and cash equivalents	$ 56,348,227
Accounts receivable	8,728,194
Stores inventories	153,101
Unamortized issuance costs	99,074
Capital assets not depreciated	24,682,205
Capital assets, net of accumulated depreciation and amortization	86,249,136
Total assets	176,259,937
Deferred Outflows of Resources:	
Deferred outflows of resources - Pensions	28,090,125
Deferred outflows of resources - OPEB	3,850,112
Total deferred outflows of resources	31,940,237
Liabilities:	
Accounts payable	12,510,468
Unearned revenue	1,308,294
Long-term liabilities	
Other than pensions and OPEB due within one year	3,688,729
Other than pensions and OPEB due after one year	60,949,591
Net pension liability	86,008,000
Other postemployment benefits liability (OPEB)	19,412,938
Total liabilities	183,878,020
Deferred Inflows of Resources:	
Deferred inflows of resources - Pensions	6,126,009
Deferred inflows of resources - OPEB	4,611,843
Total deferred inflows of resources	10,737,852
Net Position:	
Net investment in capital assets	46,584,848
Restricted for:	
Debt service	4,080,656
Capital projects	7,064,877
Other purposes	18,509,267
Unrestricted	(62,655,346)
Total net position	$ 13,584,302

The accompanying notes are an integral part of this statement.

Selma Unified School District
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government:				
Governmental Activities:				
Instruction	$ 87,995,142	$ 590,203	$ 17,963,932	$ (69,441,007)
Instruction-related services	14,316,261	16,997	2,150,869	(12,148,395)
Pupil services	23,132,894	213,129	11,634,162	(11,285,603)
Ancillary services	2,997,587	9,568	1,018,475	(1,969,544)
Community services	17	-	-	(17)
General administration	8,781,660	14,500	1,932,450	(6,834,710)
Plant services	17,415,693	53,681	4,090,266	(13,271,746)
Other outgo	1,522,191	-	39,818	(1,482,373)
Interest on long-term obligations	2,857,137	-	-	(2,857,137)
Total governmental activities	159,018,582	898,078	38,829,972	(119,290,532)
Total primary government	$ 159,018,582	$ 898,078	$ 38,829,972	(119,290,532)
	General Revenues:			
	LCFF sources			92,088,754
	State revenues			13,676,170
	Local revenues			7,532,580
	Total general revenues			113,297,504
	Change in Net Position			(5,993,028)
	Net Position - Beginning			19,577,330
	Net Position - Ending			$ 13,584,302

The accompanying notes are an integral part of this statement.

Selma Unified School District
Balance Sheet - Governmental Funds
June 30, 2025

	General Fund (Combined)	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash in County Treasury	$ 42,317,216	$ 13,683,905	$ 56,001,121
Cash on hand and in banks	-	342,106	342,106
Cash in revolving fund	5,000	-	5,000
Accounts receivable	7,504,155	1,224,039	8,728,194
Due from other funds	3,610,513	3,018,083	6,628,596
Stores inventories	92,781	60,320	153,101
Total assets	53,529,665	18,328,453	71,858,118
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	$ 11,199,814	$ 579,534	$ 11,779,348
Due to other funds	6,018,084	610,512	6,628,596
Unearned revenue	1,308,294	-	1,308,294
Total liabilities	18,526,192	1,190,046	19,716,238
Fund Balance:			
Nonspendable fund balances:			
Revolving cash	5,000	-	5,000
Stores inventories	92,781	60,320	153,101
Restricted fund balances	16,303,452	13,351,348	29,654,800
Assigned fund balances	3,541,662	3,726,739	7,268,401
Unassigned:			
Reserve for economic uncertainty	15,060,576	-	15,060,576
Other unassigned	2	-	2
Total fund balance	35,003,473	17,138,407	52,141,880
Total liabilities and fund balances	$ 53,529,665	$ 18,328,453	$ 71,858,118

The accompanying notes are an integral part of this statement.

Selma Unified School District
Reconciliation of the Balance Sheet - Governmental Funds, to the Statement of Net Position
June 30, 2025

Total Fund Balances - Balance Sheet, Governmental Funds	$	52,141,880
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets		185,263,959
Accumulated depreciation/amortization		(74,332,618)
Certain debt issue costs are recognized in the funds as expenditures in the period the debt was incurred, whereas in the government-wide statements, they are amortized over the life of the debt:		
Unamortized prepaid insurance related to debt		99,074
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(731,120)
General obligation bonds payable		(51,983,983)
Accreted interest		(6,750,258)
Qualified Zone Academic bonds payable		(3,857,140)
Other post-employment benefits payable (OPEB)		(19,412,938)
Net pension liability		(86,008,000)
Compensated absences payable		(1,098,111)
Certificates of participation payable		(774,585)
Note payable		(174,243)
Deferred outflows and inflows of resources are not reported in the funds because they are applicable to future periods:		
Deferred outflows of resources related to pensions		28,090,125
Deferred inflows of resources related to pensions		(6,126,009)
Deferred outflows of resources related to OPEB		3,850,112
Deferred inflows of resources related to OPEB		(4,611,843)
Total Fund Balance of Governmental Activities - Statement of Net Position	$	13,584,302

The accompanying notes are an integral part of this statement.

Selma Unified School District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2025

	General Fund (Combined)	Other Governmental Funds	Total Governmental Funds
Revenues:			
LCFF sources:			
State apportionment or State aid	$ 63,236,426	$ -	$ 63,236,426
Education protection account funds	20,200,360	-	20,200,360
Local sources	8,651,968	-	8,651,968
Federal revenue	5,172,783	6,255,267	11,428,050
Other State revenue	26,009,114	1,894,896	27,904,010
Other local revenue	6,181,802	5,807,457	11,989,259
Total revenues	129,452,453	13,957,620	143,410,073
Expenditures:			
Current:			
Instruction	72,603,744	460,032	73,063,776
Instruction-related services	11,821,375	360,300	12,181,675
Pupil services	14,095,466	7,153,582	21,249,048
Ancillary services	2,004,223	828,731	2,832,954
Community services	17	-	17
General administration	8,089,693	266,969	8,356,662
Plant services	12,442,305	311,876	12,754,181
Other outgo	1,522,191	-	1,522,191
Capital outlay	6,978,000	8,602,481	15,580,481
Debt service:			
Principal	1,330,750	1,785,019	3,115,769
Interest and other service charges	258,260	2,036,411	2,294,671
Total expenditures	131,146,024	21,805,401	152,951,425
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,693,571)	(7,847,781)	(9,541,352)
Other Financing Sources (Uses):			
Transfers in	3,000,000	3,000,000	6,000,000
Transfers out	(6,000,000)	-	(6,000,000)
Total other financing sources (uses)	(3,000,000)	3,000,000	-
Net Change in Fund Balance	(4,693,571)	(4,847,781)	(9,541,352)
Fund Balance, July 1	39,697,044	21,986,188	61,683,232
Fund Balance, June 30	$ 35,003,473	$ 17,138,407	$ 52,141,880

The accompanying notes are an integral part of this statement.

Selma Unified School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, to the Statement of Activities
Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$	(9,541,352)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Expenditures for capital outlay		15,503,809
Depreciation and amortization expense		(4,922,810)
Governmental funds report repayments of long-term debt as expenditures. In the Government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		3,115,769
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:		
Change in accrued interest payable and accreted interest		(562,466)
Compensated absences		(542,347)
Other post-employment benefits cost in excess of contributions		(2,444,590)
Early Retirement Incentives-PARS		23,688
Subscription based liability		106,116
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:		(6,728,845)
Change in Net Position of Governmental Activities - Statement of Activities	$	(5,993,028)

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

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

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund. The General Fund, reported in these financial statements, includes the following Funds maintained by the District:

- Deferred Maintenance Fund (Fund 14)
- Special Revenue Fund for Other Than Capital Outlay Projects (Fund 17)
- Special Reserve Fund for Postemployment Benefits (Fund 20)

Although funds listed above are separate funds authorized in the Education Code, they don't meet the definition of a Special Revenue Fund under accounting principles generally accepted in the United States of America, and have therefore been combined into the General Fund for financial reporting purposes. The beginning fund balances have also been combined.

The District reports the following nonmajor governmental funds:

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

Adult Education Fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs.

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

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

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

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

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

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

Measurement Focus, Basis of Accounting

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

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

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

Encumbrances

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

Assets, Liabilities, and Equity

Deposits and Investments

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

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

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

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

Stores Inventories and Prepaid Expenditures

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

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

Capital Assets

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

Depreciation is computed using the straight-line method over the following useful lives:

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

Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

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

Compensated Absences

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

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

Unearned Revenue

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

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.

Amounts due to and due from other funds as of June 30, 2025, consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	$ 610,513	$ 6,018,084
Adult Education Fund	-	308,383
Cafeteria Special Revenue Fund	18,083	301,189
Deferred Maintenance Fund	3,000,000	-
Building Fund	-	940
Special Reserve Fund for Capital Outlay Projects	3,000,000	-
Total	$ 6,628,596	$ 6,628,596

Transfers to and from other funds during the year ended June 30, 2025, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	Deferred Maintenance Fund	$ 3,000,000	To reserve 1% for future maintenance costs
General Fund	Special Reserve Fund for Capital Outlay Projects	3,000,000	For future capital outlay expenditures
		$ 6,000,000	

Property Taxes

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

Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows.

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

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

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the 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. 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 conveys 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.

Deferred Inflows and Deferred Outflows of Resources

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

GASB 54 Fund Presentation

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

Pensions

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

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

Valuation Date (VD) (STRS)	June 30, 2023
Valuation Date (VD) (PERS)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

Use of Estimates

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

Fair Value Measurements

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

Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.

Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 Inputs: Unobservable inputs for an asset or liability.

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

Excess Sick Leave

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

Excess Expenditures Over Appropriations

As of June 30, 2025, expenditures exceeded appropriations in individual funds as follows:

Appropriations Category	Excess Expenditures
General Fund (Combined):	
Debt Service	$ 1,589,010

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

Implementation of New Standards

The following Governmental Accounting Standards Board (GASB) statements are effective for the current fiscal year:

GASB Statement No. 101, Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave, not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, Certain Risk Disclosures

This Statement requires a government to assess whether a concentration or constraint as they relate to inflows and outflows of resources makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

Future Standards

The following Governmental Accounting Standards Board (GASB) statements are effective for future years:

GASB Statement No. 103, Financial Reporting Model Improvements

This Statement requires that the information presented in management's discussion and analysis (MD&A) be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, Disclosure of Certain Capital Assets

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Note 2 - Cash and Investments

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Fresno County Treasury as part of the common investment pool ($7,313,000,287 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 $56,001,121. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

Cash on hand, in banks, and in revolving fund

Cash balances on hand and in banks ($342,106 as of June 30, 2025) and in the revolving fund $5,000 are insured up to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

The District's cash and investments balances at June 30, 2025 are as follows:

	Fair Value
Cash in County Treasury	$ 56,001,121
Cash on hand and in banks	342,106
Cash in revolving fund	5,000
Total cash and cash equivalents	$ 56,348,227

Analysis of Specific Deposit and Investment Risks

Credit Risk

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

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to significant custodial credit risk.

Concentration of Credit Risk

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

Interest Rate Risk

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

Foreign Currency Risk

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

Investment Accounting Policy

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

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

Note 3 - Accounts Receivable

Accounts receivable at June 30, 2025 consisted of the following:

	General Fund (Combined)	All Other Governmental Funds	Total Governmental Funds
Federal programs	$ 1,807,413	$ 1,136,472	$ 2,943,885
State categorical aid programs	4,784,393	85,194	4,869,587
Other local receivables	912,349	2,373	914,722
Total	$ 7,504,155	$ 1,224,039	$ 8,728,194

Note 4 - Capital Assets

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

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,843,632	$ -	$ -	$ 1,843,632
Work in progress	12,623,723	15,138,528	(4,923,678)	22,838,573
Total capital assets not being depreciated	14,467,355	15,138,528	(4,923,678)	24,682,205
Capital assets being depreciated:				
Buildings	138,208,346	4,679,301	-	142,887,647
Improvements of sites	6,729,513	244,377	-	6,973,890
Equipment	9,968,461	365,281	-	10,333,742
Subscription assets	386,475	-	-	386,475
Total capital assets being depreciated	155,292,795	5,288,959	-	160,581,754
Less: Accumulated depreciation/amortization for:				
Buildings	(63,520,062)	(4,223,186)	-	(67,743,248)
Improvements of sites	(216,295)	(202,945)	-	(419,240)
Equipment	(5,567,333)	(390,560)	-	(5,957,893)
Subscription assets amortization	(106,118)	(106,119)	-	(212,237)
Total accumulated depreciation/amortization	(69,409,808)	(4,922,810)	-	(74,332,618)
Total capital assets being depreciated/amortized, net	85,882,987	366,149	-	86,249,136
Total governmental activities capital assets, net	$100,350,342	$15,504,677	$(4,923,678)	$110,931,341

Depreciation/amortization was charged to functions as follows:

Instruction	$ 98,475
Supervision of instruction	6,552
Instructional library, media, and technology	6,095
Home-to-school transportation	56,459
Food services	137,311
All other pupil services	9,608
Ancillary services	27,522
All other general administration	21,646
Data processing	13,726
Plant services	4,545,416
Total	$ 4,922,810

Note 5 - Accounts Payable

Accounts payable at June 30, 2025 consisted of the following:

	General Fund (Combined)	All Other Governmental Funds	Total Governmental Funds
Vendor payables	$ 5,330,750	$ 524,111	$ 5,854,861
Salaries and benefits	5,869,064	55,423	5,924,487
Total	$ 11,199,814	$ 579,534	$ 11,779,348

Note 6 - Unearned Revenue

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

	General Fund (Combined)
Every Student Succeeds Act (ESSA): Title I, Part A, Basic Grants Low Income and Neglected	$ 512,624
ESSA: Title IV, Part A, Student Support and Academic Enrichment	343,039
ESSA: Title III, Immigrant Education Program	3,943
ESSA: Title III, English Learner Student Program	37,951
Child Dev: California Prekindergarten Planning and Implementation Grant Program – California Universal Prekindergarten Planning Grants	228,703
Governor's Career Technical Education (CTE) Initiative: California Partnership Academies	6,532
K–12 Strong Workforce Program	15,529
Agricultural Career Technical Education Incentive	1,576
Other	158,397
Total	$ 1,308,294

Note 7 - Long-term Obligations other than Pension and OPEB

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:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation bonds	$ 53,769,002	$ -	$ (1,785,019)	$ 51,983,983	$ 1,997,723
Accreted interest	6,327,678	662,561	(239,981)	6,750,258	241,147
Qualified zone academic bonds	4,821,426	-	(964,286)	3,857,140	964,286
Other post-employment benefits	19,412,938	-	-	19,412,938	-
Net pension liability	78,718,000	7,290,000	-	86,008,000	-
Compensated absences	555,764	542,347	-	1,098,111	-
Certificates of participation	1,141,049	-	(366,464)	774,585	379,457
Subscription based liability	280,359	-	(106,116)	174,243	106,116
Early retirement incentives-PARS	23,688	-	(23,688)	-	-
Total governmental activities	$ 165,049,904	$ 8,494,908	$ (3,485,554)	$ 170,059,258	$ 3,688,729

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

Liability	Activity Type	Fund
General obligation bonds	Governmental	Bond Interest and Redemption
Accreted interest	Governmental	General
Qualified zone academic bonds	Governmental	General
Other post-employment benefits	Governmental	General
Net pension liability	Governmental	General
Compensated absences	Governmental	General
Certificates of participation	Governmental	General
Subscription based liability	Governmental	General

General Obligation Bonds and Accreted Interest

The outstanding general obligation bond debt of the District at June 30, 2025, is as follows:

Bond	Date of Issue	Maturity Date	Interest Rate %
2006, Series 2007B General Obligation Bonds	11/20/07	8/1/32	4.00 - 5.00
2006, Series 2009C	9/29/09	8/1/39	4.91 - 7.37
2014 General Obligation Refunding Bonds	12/18/14	8/1/31	4.36 - 10.19
2016, Series 2017A General Obligation Bonds	2/1/17	2/1/42	1.75 - 5.00
2016, Series 2019B General Obligation Bonds	1/16/19	8/1/48	3.00 - 3.38
Election of 2006 Series 2020D	2/25/20	8/1/43	2.15 - 2.95
Election of 2016 Series 2020C	2/25/20	8/1/49	3.00 - 4.00
Election of 2006 Series 2020E	8/25/20	8/1/43	2.11 - 2.81
Election of 2022 Series A	7/11/23	8/1/52	5.00

Bond	Original Issue	Bond Outstanding 06/30/2024	Issued During Year	Redeemed During Year	Bond Outstanding 06/30/2025
2006, Series 2007B General Obligation Bonds	$ 3,772,061	$ 1,411,725	$ -	$ (152,446)	$ 1,259,279
2006, Series 2009C	3,000,008	2,744,815	-	(32,573)	2,712,242
2014 General Obligation Refunding Bonds	10,460,000	7,180,000	-	(695,000)	6,485,000
2016, Series 2017A General Obligation Bonds	10,100,000	8,525,000	-	(80,000)	8,445,000
2016, Series 2019B General Obligation Bonds	7,000,000	6,130,000	-	-	6,130,000
Election of 2006 Series 2020D	4,045,274	4,045,274	-	-	4,045,274
Election of 2016 Series 2020C	13,700,000	13,250,000	-	-	13,250,000
Election of 2006 Series 2020E	1,482,188	1,482,188	-	-	1,482,188
Election of 2022 Series A	9,000,000	9,000,000	-	(825,000)	8,175,000
	$ 62,559,531	$ 53,769,002	$ -	$ (1,785,019)	$ 51,983,983

The annual requirements to amortize general obligation bonds, payable and outstanding, and accreted interest as of June 30, 2025 are as follows:

	General Obligation Bonds		
Year Ending June 30,	Debt	Interest	Total
2026	$ 1,997,723	$ 1,978,534	$ 3,976,257
2027	2,207,185	1,894,924	4,102,109
2028	1,269,136	1,831,271	3,100,407
2029	1,464,915	1,781,817	3,246,732
2030	1,645,877	1,736,180	3,382,057
2031-2035	6,267,667	12,719,653	18,987,320
2036-2040	7,886,088	15,412,617	23,298,705
2041-2045	13,100,392	7,691,257	20,791,649
2046-2050	14,370,000	1,980,312	16,350,312
2051-2053	1,775,000	113,747	1,888,747
Totals	$ 51,983,983	$ 47,140,312	$ 99,124,295

Year Ending June 30,	Accreted Interest
2026	$ 241,147
2027	231,107
2028	223,399
2029	213,248
2030	203,495
2031-2035	2,599,319
2036-2040	3,038,543
Total	$ 6,750,258

Qualified Zone Academy Bonds

The outstanding qualified zone academy bond debt of the District at June 30, 2025, is as follows:

Bond	Date of Issue	Maturity Date	Interest Rate %
QZAB	4/26/12	4/26/29	4.66

Bond	Original Issue	Bond Outstanding 06/30/2024	Issued During Year	Redeemed During Year	Bond Outstanding 06/30/2025
QZAB	$ 13,500,000	$ 4,821,426	$ -	$ (964,286)	$ 3,857,140

The annual requirements to amortize qualified zone academy bonds, payable and outstanding, and interest as of June 30, 2025 are as follows:

	Qualified Zone Academy Bonds		
Year Ending June 30,	Debt	Interest	Total
2026	$ 964,286	$ 179,743	$ 1,144,029
2027	964,286	134,807	1,099,093
2028	964,286	89,871	1,054,157
2029	964,282	44,936	1,009,218
Totals	$ 3,857,140	$ 449,357	$ 4,306,497

Certificates of Participation

Future commitments for certificates of participation as of June 30, 2025 are as follows:

Bond	Date of Issue	Maturity Date	Interest Rate %
2021 Refunding	9/1/12	8/1/26	3.2

Bond	Original Issue	Bond Outstanding 06/30/2024	Issued During Year	Redeemed During Year	Bond Outstanding 06/30/2025
2021 Refunding	$ 4,488,379	$ 1,141,049	$ -	$ (366,464)	$ 774,585

	Certificates of Participation		
Year Ending June 30,	Debt	Interest	Total
2026	$ 379,457	$ 21,751	$ 401,208
2027	395,128	6,322	401,450
Totals	$ 774,585	$ 28,073	$ 802,658

Compensated Absences

Compensated absences at June 30, 2025 consisted of:

	Compensated Absences	Benefits	Total
Certificated	$ 589,954	$ 33,231	$ 623,185
Classified	353,294	121,632	474,926
Total	$ 943,248	$ 154,863	$ 1,098,111

All amounts are due after one year.

Subscription Based Liability

The District has Subscription Based Liabilities outstanding at year end. Variable payments not included in the measurement of the Subscription Based Liabilities are estimated by the District and payable upon contract expiration.

Future minimum contract payment obligations are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 106,116	$ -	$ 106,116
2027	68,127	-	68,127
Total	$ 174,243	$ -	$ 174,243

Note 8 - Pension

General Information About the Pension Plans

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.

Benefits Paid

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

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

	CalSTRS	
	Before	On or After
Hire Date	Jan. 1, 2013	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	55-60	55-62
Monthly benefits, as a % of eligible compensation	1.4-2.4%	1.16-2.4%
Required Employee Contribution Rates	10.25%	10.21%
Required Employer Contribution Rates	19.10%	19.10%
Required State Contribution Rates	10.83%	10.83%

	CalPERS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 55	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	7.00%	8.00%
Required Employer Contribution Rates	26.68%	26.68%

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

Contributions

CalSTRS

For the fiscal year ended June 30, 2025 (measurement date June 30, 2024), California Education Code Section 22950 requires members to contribute monthly to the system 10.21% (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. For fiscal year June 30, 2025 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation.

CalPERS

California Public Employees' Retirement Law section 20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2025 (measurement date June 30, 2024), employees hired prior to January 1, 2013 contributed 7.00%, employees hired on or after January 1, 2013 contributed 8.00% of annual pay, and the contribution rate was 26.68% of covered payroll.

On Behalf Payments

Consistent with California Education Code Section 22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2025 (measurement date June 30, 2024) the State contributed 10.83% 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. The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District. 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
2022	10.83%	$ 3,744,120
2023	10.83%	3,384,719
2024	10.83%	4,687,606

Contributions Recognized

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

	Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	$ 8,018,386	$ 5,873,599	$ 13,891,985
Contributions - State On Behalf Payments	4,687,606	-	4,687,606
Total Contributions	$ 12,705,992	$ 5,873,599	$ 18,579,591

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

As of June 30, 2025 (measured June 30, 2024), the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	$ 50,599,000
CalPERS	35,409,000
Total Net Pension Liability	$ 86,008,000

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 (STRS) and June 30, 2023 (PERS) 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:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Proportion June 30, 2024	0.058%	0.028%	0.086%	0.095%
Proportion June 30, 2025	0.075%	0.034%	0.109%	0.099%
Change in Proportion	0.017%	0.006%	0.023%	0.004%

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

Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	$ 6,433,000	$ 857,000	$ 7,290,000
On Behalf Contribution Amount	4,687,606	-	4,687,606
Employer Contributions to Pension Plan	9,452,310	5,213,671	14,665,981
Change in Other Outflows/Inflows of Resources	384,788	(945,943)	(561,155)
Total Pension Expense	$ 20,957,704	$ 5,124,728	$ 26,082,432

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:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	$ 11,145,059	$ 5,873,599	$ 17,018,658
Differences between actual and expected experience	5,723,422	2,968,487	8,691,909
Changes in assumptions	221,493	782,648	1,004,141
Net difference between projected and actual earnings	-	1,375,417	1,375,417
Total Deferred Outflows of Resources	$ 17,089,974	$ 11,000,151	$ 28,090,125

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	$ (2,212,675)	$ (253,418)	$ (2,466,093)
Changes in assumptions	(3,455,750)	-	(3,455,750)
Net difference between projected and actual earnings	(204,166)	-	(204,166)
Total Deferred Inflows of Resources	$ (5,872,591)	$ (253,418)	$ (6,126,009)

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2025. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect
Year Ended June 30	CalSTRS	CalPERS	CalSTRS	CalPERS	on Expenses
2026	$ 9,208,348	$ 7,843,824	$ (4,813,038)	$ (253,418)	$ 11,985,716
2027	1,189,962	3,245,190	2,864,574	-	7,299,726
2028	1,079,216	346,338	(1,452,138)	-	(26,584)
2029	1,079,216	(435,201)	(1,320,071)	-	(676,056)
2030	1,078,839	-	(575,958)	-	502,881
Thereafter	3,454,393	-	(575,960)	-	2,878,433
Total	$ 17,089,974	$ 11,000,151	$ (5,872,591)	$ (253,418)	$ 21,964,116

Actuarial Assumptions

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

	CalSTRS	CalPERS
Fiscal Year	June 30, 2025	June 30, 2025
Measurement Date	June 30, 2024	June 30, 2024
Valuation Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2007-2022 and 2017-2022	2000-2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	6.90%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

(1) CalSTRS post retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The current mortality assumption uses a base year of 2023 and projected improvement is based on the MP–2021 Ultimate Projection Scale.

(3) Varies by entry age and service.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.30% thereafter.

(5) CalPERS mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using the 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.10% CalSTRS and 6.90% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the discount bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS respective websites.

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 May 2023 with new policies in effect on July 1, 2023. 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.

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

CalSTRS

Asset Class	Assumed Asset Allocation	Long Term Expected Rate of Return*	Long Term Expected Real Rate of Return**
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 Mitigating Strategies	10.00%	5.00%	2.25%
Inflation Sensitive	7.00%	6.40%	3.65%
Cash/Liquidity	2.00%	2.80%	0.05%

*20-30 year geometric average
** Real rates of return are net of assumed 2.75% inflation

CalPERS

Asset Class	Assumed Asset Allocation	Real Return (1)(2)
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%

(1) An expected inflation of 2.30% used for this period
(2) Figures are based on the 2021-22 Asset Liability Management Study

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	$ 89,999,433	$ 52,599,656
Current Discount Rate	7.10%	6.90%
Net Pension Liability	$ 50,599,000	$ 35,409,000
1% Increase	8.10%	7.90%
Net Pension Liability	$ 17,698,384	$ 21,207,278

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

Note 9 - Other Retirement Plans

Section 403(b) Tax-Sheltered Annuity Plan

Plan Description

The District's Board of Trustees authorized the establishment of a Section 403(b) Tax-Sheltered Annuity Plan. This is a retirement plan funded by elective deferrals made under salary reduction agreements.

Funding Policy

All eligible employees electing to participate in this plan choose the amount of monthly compensation deferrals up to the maximums allowed by the Internal Revenue Code and its regulations and rulings. The District does not contribute to the plan on behalf of participating employees. For the fiscal year ended June 30, 2025, there were 215 employees that had elected to participate, with total compensation deferrals of $1,101,363.

Note 10 - Postemployment Benefits other than Pension Benefits (OPEB)

General Information about the OPEB plan

Plan Description

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

Benefits Provided

The amount and duration of District-paid contributions for retiree health insurance vary by employment classification, age, and date of hire. All employees may retire with District-paid healthcare benefits after the later of age 55 and 10 years of service immediately prior to retirement, with the most recent five years of service as a fulltime employee, if hired prior to January 1, 1992.

If hired on or after January 1, 1992:

- Certificated employees may retire with District-paid healthcare benefits after the later of age 55 and 18 years of service immediately prior to retirement, with the most recent five years of service as a full-time employee.
- Classified employees may retire with District-paid healthcare benefits after the later of age 55 and 15 years of service immediately

All District-paid benefits end at age 65 and are subject to the following District caps.

Certificated employees with full-time equivalencies (FTE) less than 60% and Classified employees with full-time equivalencies (FTE) less than 75% are not eligible for District-paid healthcare benefits, either before or after retirement.

Plan Membership

At June 30, 2025, the following retirees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	29
Inactive employees entitled to but not yet receiving benefit payments	-
Participating active employees	631
Total number of participants	660

Contributions

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

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

Total OPEB Liability

The District's Total OPEB Liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions

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

Actuarial cost method	Entry age, level percent of pay
Valuation of fiduciary net position	No assets held in an irrevocable trust as of the measurement date
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00 percent
Inflation rate	2.50 percent
Healthcare cost trend rate	5.50 percent
Preretirement Mortality	
Certificated	Mortality Rates for active employees from CalSTRS Experience Analysis (2015-2018).
Classified	Preretirement Mortality Rates from CalPERS Experience Study (2000-2019).
Postretirement Mortality	
Certificated	Mortality Rates for retired members and beneficiaries from CalSTRS Experience Analysis (2015-2018).
Classified	Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).

Actuarial assumptions used in the July 1, 2023 valuation were based on a review of plan experience during the period July 1, 2021 to June 30, 2023.

Discount Rate

For OPEB Plans That Are Not Administered through Trusts That Meet the Criteria in Paragraph 4, GASB 75 requires a discount rate that is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in Total OPEB Liability

	Total OPEB liability
Balance at June 30, 2024	$ 19,412,938
Changes for the year:	
No changes	-
Balance at June 30, 2025	$ 19,412,938

As the report date can be within 12 months of the measurement date, the District is reporting the amounts from the 6/30/2024 measurement date as the amounts as of 6/30/2025. Therefore, in the actuary report, the amounts are shown as 7/02/2023 through 6/30/2024, however, the will present these numbers as 6/30/2024 through 6/30/2025.

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

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

	1 % Decrease 2.97%	Valuation discount rate 3.97%	1 % Increase 4.97%
Total OPEB liability	$ 20,972,638	$ 19,412,938	$ 17,928,703

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

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

	1 % Decrease 4.5%	Health care cost valuation trend 5.5%	1 % Increase 6.5%
Total OPEB liability	$ 16,999,641	$ 19,412,938	$ 22,287,096

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

For the fiscal year ended June 30,2025, the District recognized OPEB expense of $2,444,590.

At June 30, 2025 the District reported the following deferred outflows and inflows of resources related to other postemployment benefits.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Changes in assumptions or other inputs	$ 3,730,821	$ 2,064,123
Difference between expected and actual experience	881,022	1,317,061
Employer contributions subsequent to measurement date	-	468,928
Total	$ 4,611,843	$ 3,850,112

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

Year end June 30	Deferred Inflows of Resources	Deferred Outflows of Resources
2026	$ 563,778	$ 1,177,831
2027	563,778	708,903
2028	559,965	623,982
2029	559,545	614,542
2030	559,545	486,300
Thereafter	1,805,232	238,554
Total	$ 4,611,843	$ 3,850,112

Note 11 - Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

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

Construction Commitments

The District has construction contracts-in-progress as follows:

	Project Authorization	Expended to June 30, 2025	Remaining Commitment
Andrew Jackson ES New UPK Modular Building	$ 134,696	$ 91,685	$ 43,011
Andrew Jackson ES Outdoor Walk-in Cooler	172,776	101,931	70,845
Selma USD District Wide ELOP	572,201	563,046	9,155
Selma Unified Maintenance & Operations Building Complex	1,206,935	1,146,588	60,347
Total	$ 2,086,608	$ 1,903,250	$ 183,358

Note 12 - Restricted Fund Balances

Restricted fund balances at June 30, 2025 are as follows:

Expanded Learning Opportunities Program	$ 2,345,284
Literacy Coaches and Reading Specialists Grant Program	909,923
Educator Effectiveness, FY 2021-22	796,198
Lottery : Instructional Materials	1,434,607
CA Community Schools Partnership Act - Implementation Grant	4,014,820
Golden State Pathways Program	89,621
Mental Health-Related Services	514,907
Special Education Early Intervention Preschool Grant	83,169
Arts, Music, and Instructional Materials Discretionary Block Grant	133,263
Arts and Music in Schools (AMS)-Funding Guarantee and Accountability Act (Prop 28)	1,398,325
Child Nutrition: Food Service Staff Training Funds	33,785
Child Nutrition: Kitchen Inf rastructure and Training Funds - 2022 KIT Funds	411,412
Child Nutrition: Commercial Dishwasher Grant	165,909
Dual Enrollment Opportunities	70,336
LCFF Equity Multiplier	766,484
Other Restricted State	99,359
Ongoing & Major Maintenance Account (RMA: Education Code Section 17070.75)	689,335
Other Restricted Local	2,346,715
Student Body Fund	342,106
Building Fund	4,796,665
Capital Facilities Fund	1,045,136
County Schools Facilities Fund	1,223,076
Bond Interest and Redemption Fund	4,080,656
Total	$ 29,654,800

Note 13 - Joint Power Agreements

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

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

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

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

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

The JPAs provide insurance and services as noted for member organizations.

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

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

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

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

Condensed financial information for the above JPAs for the year ended June 30, 2025 was not available as of the audit report date. Complete financial statements for the JPAs may be obtained from the JPAs at the addresses indicated below.

OSS	Keenan & Associates
FCSIG	10860 Gold Center Drive, Suite 350
	Rancho Cordova, California 95670
VROP	310 W Myrtle Ave.
	Reedley, California 93654

Note 14 - Subsequent Events

Subsequent events have been evaluated through December 12, 2025, the date these financial statements were available to be issued.

Required Supplementary Information

Selma Unified School District
General Fund (Combined)
Budgetary Comparison Schedule
June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
LCFF sources:				
State apportionment or State aid	$ 68,640,656	$ 63,236,426	$ 63,236,426	$ -
Education protection account funds	18,406,514	20,200,360	20,200,360	-
Local sources	7,562,462	8,651,968	8,651,968	-
Federal revenue	7,102,792	5,172,783	5,172,783	-
Other State revenue	18,367,159	26,009,114	26,009,114	-
Other local revenue	6,401,692	6,181,802	6,181,802	-
Total revenues	126,481,275	129,452,453	129,452,453	-
Expenditures:				
Current:				
Certificated salaries	45,131,719	44,691,867	44,691,867	-
Classified salaries	20,221,129	21,201,795	21,201,795	-
Employee benefits	32,287,049	31,022,286	31,022,286	-
Books and supplies	9,394,414	7,803,730	7,803,730	-
Services and other	17,510,955	16,604,115	16,604,115	-
Other outgo	3,453,018	8,844,232	1,522,191	(7,322,041)
Direct support / indirect costs	-	-	(266,970)	(266,970)
Capital outlay	190,224	6,978,000	6,978,000	-
Debt service:				
Principal	-	(15,325)	1,330,750	1,346,075
Interest and other service charges	-	15,325	258,260	242,935
Total expenditures	128,188,508	137,146,025	131,146,024	(6,000,001)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,707,233)	(7,693,572)	(1,693,571)	6,000,001
Other Financing Sources (Uses):				
Transfers in	-	500,000	3,000,000	2,500,000
Transfers out	-	-	(6,000,000)	(6,000,000)
Total other financing sources (uses)	-	500,000	(3,000,000)	(3,500,000)
Net Change in Fund Balance	(1,707,233)	(7,193,572)	(4,693,571)	2,500,001
Fund Balance, July 1	39,697,044	39,697,044	39,697,044	-
Fund Balance, June 30	$ 37,989,811	$ 32,503,472	$ 35,003,473	$ 2,500,001

Selma Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability
California State Teachers' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's portion of the net pension liability (asset)	0.075%	0.058%	0.067%	0.066%	0.066%	0.066%	0.064%	0.064%	0.062%	0.061%
District's proportionate share of the net pension liabiliy (asset)	50,599,000	44,166,000	46,605,000	27,158,719	64,229,347	59,158,920	58,419,763	58,109,964	49,929,386	41,203,421
State's proportionate share of the net pension liability (asset) associated with the District	23,215,029	21,161,168	23,339,606	13,665,499	33,109,968	31,951,705	33,570,868	34,508,078	21,697,000	21,792,009
Total	$73,814,029	$65,327,168	$69,944,606	$40,824,218	$97,339,315	$91,110,625	$91,990,631	$92,618,042	$71,626,386	$62,995,430
District's covered-employee payroll	$45,077,615	$43,438,428	$39,348,181	$ 950,084	$ 802,774	$ 866,770	$ 935,529	$ 814,035	$ 756,772	$ 802,389
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	112.25%	101.67%	118.44%	2858.56%	8000.93%	6825.22%	6244.57%	7138.51%	6597.68%	5135.09%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	80.62%	81.20%	87.48%	72.75%	72.56%	70.99%	69.46%	70.00%	74.00%

Selma Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability
California Public Employees' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's portion of the net pension liability (asset)	0.099%	0.095%	0.081%	0.082%	0.086%	0.089%	0.087%	0.080%	0.080%	0.080%
District's proportionate share of the net pension liabiliy (asset)	$35,409,000	$34,552,000	$27,829,000	$16,690,502	$26,410,458	$25,989,094	$23,186,008	$16,818,010	$16,818,010	$12,140,000
District's covered-employee payroll	$24,112,905	$16,294,184	$19,906,698	$15,992,013	$13,329,495	$13,688,999	$14,237,410	$11,443,300	$10,984,296	$10,190,960
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	146.85%	212.05%	139.80%	104.37%	198.14%	189.85%	162.85%	146.97%	153.11%	119.13%
Plan fiduciary net position as a percentage of the total pension liability	72.29%	69.96%	80.97%	80.97%	69.90%	70.05%	70.85%	71.87%	73.92%	79.43%

Selma Unified School District
Schedule of District Contributions
California State Teachers' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	9,452,310	6,659,376	7,429,508	6,383,106	5,090,075	5,968,232	5,739,717	4,945,352	5,709,583	5,096,233
Contributions in relation to the contractually required contribution	(9,452,310)	(6,659,376)	(7,429,508)	(6,383,106)	(5,090,075)	(5,968,232)	(5,739,717)	(4,945,352)	(5,709,583)	(5,096,233)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$45,077,615	$43,438,428	$39,348,181	$40,969,929	$35,881,645	$36,779,351	$36,827,969	$34,271,324	$45,386,192	$30,856,440
Contributions as a percentage of covered-employee payroll	20.97%	15.33%	18.88%	15.58%	14.19%	16.23%	15.59%	14.43%	12.58%	16.52%

Selma Unified School District
Schedule of District Contributions
California Public Employee' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	5,213,671	4,192,042	2,839,893	2,829,402	2,431,181	2,433,873	2,221,542	1,777,259	1,525,499	1,202,342
Contributions in relation to the contractually required contribution	(5,213,671)	(4,192,042)	(2,839,893)	(2,829,402)	(2,431,181)	(2,433,873)	(2,221,542)	(1,777,259)	(1,525,499)	(1,202,342)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$24,112,905	$16,294,184	$19,906,698	$15,992,013	$13,329,495	$13,688,999	$14,237,410	$11,443,300	$10,984,296	$10,190,960
Contributions as a percentage of covered-employee payroll	21.62%	25.73%	14.27%	17.69%	18.24%	17.78%	15.60%	15.53%	13.89%	11.80%

Selma Unified School District

Selma Unified School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Single Employer Plan
Last Ten Fiscal Years*

	Fiscal Year						
	2025	2024	2023	2022	2021	2020	2019
Total OPEB liability:							
Service cost	$ -	$ 1,077,556	$ 1,635,494	$ -	$ 993,582	$ 444,020	$ 455,124
Interest	-	738,253	461,922	-	568,591	499,873	495,522
Differences between expected and actual experience	-	-	927,813	-	1,366,529	(34,284)	-
Changes of assumptions or other inputs	-	(1,573,207)	(3,266,876)	-	2,780,119	764,328	-
Other adjustments	-	(962,983)	1,829,070	-	-	-	-
Benefit payments	-	(560,436)	(569,349)	-	(279,266)	(553,436)	(530,726)
Net change in total OPEB liability	-	(1,280,817)	1,018,074	-	5,429,555	1,120,501	419,920
Total OPEB liability - beginning	19,412,938	20,693,755	19,675,681	19,675,681	14,246,126	13,125,625	12,705,705
Total OPEB liability - ending	$ 19,412,938	$ 19,412,938	$ 20,693,755	$ 19,675,681	$ 19,675,681	$ 14,246,126	$ 13,125,625
Covered-employee payroll	69,732,867	73,051,255	56,961,942	49,211,140	51,065,379	47,078,281	47,078,281
Total OPEB liability as a percentage of covered-employee payroll	27.84%	26.57%	36.33%	39.98%	38.53%	30.26%	27.88%

Notes to Schedule: There were no changes in benefit terms or assumptions in 2025. The following are the discount rates used in each period.

2025	3.97%
2024	3.69%
2023	3.69%
2022	2.45%
2021	2.45%
2020	3.13%
2019	3.90%

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

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Supplementary Information

Selma Unified School District
Schedule of Average Daily Attendance
Year Ended June 30, 2025

Grades TK-3:	Second Period Report	Annual Report	Revised Annual Report
Regular ADA	1,657.18	1,662.24	1,653.47
Extended Year Special Education	2.57	2.57	2.57
Grades TK-3 Total	1,659.75	1,664.81	1,656.04
Grades 4-6:			
Regular ADA	1,272.14	1,275.14	1,275.08
Extended Year Special Education	0.76	0.76	0.76
Grades 4-6 Total	1,272.90	1,275.90	1,275.84
Grades 7 and 8:			
Regular ADA	834.44	831.23	832.61
Extended Year Special Education	1.06	1.06	1.06
Community Day School	1.45	1.45	1.73
Grades 7 and 8 Total	836.95	833.74	835.40
Grades 9-12:			
Regular ADA	1,715.47	1,700.84	1,708.90
Extended Year Special Education	1.39	1.39	1.39
Community Day School	3.88	3.88	4.17
Grades 9-12 Total	1,720.74	1,706.11	1,714.46
ADA Grand Total	5,490.34	5,480.56	5,481.74

There were audit findings which resulted in revisions to attendance. Refer to Schedule of Findings and Questioned Costs.

Average daily attendance is a measurement of the number of pupils attending classes of the district or charter school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionment of state funds are made to school districts and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Selma Unified School District
Schedule of Instructional Time
Year Ended June 30, 2025

Grade Level	Ed. Code 46207 Minutes Requirement	Ed. Code 46207 Adjusted & Reduced	2024-25 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Transitional Kindergarten	36,000	N/A	53,925	180	N/A	Complied
Kindergarten	36,000	N/A	53,925	180	N/A	Complied
Grade 1	50,400	N/A	56,010	180	N/A	Complied
Grade 2	50,400	N/A	56,010	180	N/A	Complied
Grade 3	50,400	N/A	55,365	180	N/A	Complied
Grade 4	54,000	N/A	56,610	180	N/A	Complied
Grade 5	54,000	N/A	56,010	180	N/A	Complied
Grade 6	54,000	N/A	56,010	180	N/A	Complied
Grade 7	54,000	N/A	62,156	180	N/A	Complied
Grade 8	54,000	N/A	62,156	180	N/A	Complied
Grade 9	64,800	N/A	65,262	180	N/A	Complied
Grade 10	64,800	N/A	65,262	180	N/A	Complied
Grade 11	64,800	N/A	65,262	180	N/A	Complied
Grade 12	64,800	N/A	65,262	180	N/A	Complied

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

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

Selma Unified School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2025

General Fund (Combined)	Budget 2026 (see note a)	2025	2024	2023
Revenue and other financial sources	$131,963,209	$132,452,453	$152,575,808	$133,380,081
Expenditures	146,831,593	131,146,024	144,945,455	124,676,354
Other uses and transfers out	-	6,000,000	1,000,000	1,402,264
Total outgo	146,831,593	137,146,024	145,945,455	126,078,618
Change in fund balance (deficit)	(14,868,384)	(4,693,571)	6,630,353	7,301,463
Ending fund balance	$ 20,135,089	$ 35,003,473	$ 39,697,044	$ 33,066,691
Available reserves (see note b)	$ 10,182,400	$ 15,060,578	$ 14,598,679	$ 14,542,378
Available reserves as a percentage of total outgo	6.9%	11.0%	10.0%	11.5%
Total long-term debt	$166,370,529	$170,059,258	$164,943,788	$154,660,767
Average daily attendance at P-2	5,542	5,490	5,591	5,540

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

The fund balance of the General Fund (combined) has increased by $1,936,782 (5.9%) over the past two years. The fiscal year 2025-2026 budget projects a decrease of $14,868,384 (42.5%). For an organization of this size, the State recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District hasn't incurred an operating deficit in any of the past two years, but projects a decrease during the 2025-2026 fiscal year. Total long-term debt has increased by $15,398,491 over the past two years.

Average daily attendance has decreased by 50 over the past two years. The District anticipates average daily attendance to increase by 52 during fiscal year 2025-2026.

Notes:

a. The budget for 2026 is included for analytical purposes only and has not been subjected to audit.
b. Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

Selma Unified School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2025

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

	General Fund	Student Body Fund	Adult Education Fund	Cafeteria Special Revenue Fund
June 30, 2025, annual financial and budget report fund balances	$ 31,637,606	$ 347,253	$ 31,648	$ 1,953,588
Adjustments and reclassifications:				
To record FMV of cash in county treasury	(175,795)	-	(709)	(6,379)
To record current year activity	-	(5,147)	-	-
To remove a duplicated accounts receivable entry	-	-	-	(175,530)
Net adjustments and reclassifications	(175,795)	(5,147)	(709)	(181,909)
June 30, 2025, audited financial statement fund balances	$ 31,461,811	$ 342,106	$ 30,939	$ 1,771,679

	Deferred Maintenance Fund	Special Reserve Fund for Postemployment Benefits	Building Fund	Capital Facilities Fund
June 30, 2025, annual financial and budget report fund balances	$ 3,500,000	$ 43,915	$ 4,816,867	$ 1,049,540
Adjustments and reclassifications:				
To record FMV of cash in county treasury	(2,095)	(184)	(20,202)	(4,404)
Net adjustments and reclassifications	(2,095)	(184)	(20,202)	(4,404)
June 30, 2025, audited financial statement fund balances	$ 3,497,905	$ 43,731	$ 4,796,665	$ 1,045,136

	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund
June 30, 2025, annual financial and budget report fund balances	$ 1,228,221	$ 3,851,718	$ 4,097,822
Adjustments and reclassifications:			
To record FMV of cash in county treasury	(5,145)	(3,568)	(17,166)
Net adjustments and reclassifications	(5,145)	(3,568)	(17,166)
June 30, 2025, audited financial statement fund balances	$ 1,223,076	$ 3,848,150	$ 4,080,656

Charter Schools

The following charter schools are chartered by the Selma Unified School District.

Charter Schools	Included in Audit
None	Not applicable

Selma Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - passed through California Department of Education			
Child Nutrition Cluster			
Child Nutrition: School Programs	10.555	13523	$ 4,517,490
Total Child Nutrition Cluster			4,517,490
Child Nutrition: CACFP Claims - Centers and Family Day Care	10.558	13393	1,327,886
Total U.S. Department of Agriculture			5,845,376
U.S. Department of Education - passed through California Department of Education			
Special Education Cluster			
Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Private School ISPs	84.027	10169	408
Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	1,516,980
Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	28,552
Total Special Education Cluster			1,545,940
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	2,710,067
ESEA: ESSA School Improvement (CSI) Funding for LEAs	84.010	15438	162,451
Subtotal (84.010)			2,872,518
ESEA (ESSA): Title I, Part C, Migrant Ed (Regular and Summer Program)	84.011	14326	184,071
ESSA (ESEA): Title I, Migrant Ed Summer Program	84.011	10005	48,572
ESEA (ESSA): Title I, Part C, Migrant Education (MESRP)	84.011	10144	1,848
Subtotal (84.011)			234,491
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	10,670
American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425	15566	8,021
Subtotal (84.425)			18,691
Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Sec. 131	84.048	14894	72,925
Adult Education: Adult Basic Education, English Language Acquisition, and ELCE (Section 231)	84.002A	14508	112,839
Adult Education: Adult Secondary Education (Section 231)	84.002	13978	129,368
Subtotal (84.002)			242,207
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	312,036
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	36,513
ESEA (ESSA) : Title III, Immigrant Student Program	84.365	15146	9,673
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346	180,296
Subtotal (84.365)			189,969
Total U.S. Department of Education			5,525,290
U.S. Department of Health and Human Services - passed through California Department of Education			
Medicaid Cluster			
Dept of Health Care Services (DHCS): Medi-Cal Billing Option	93.778	10013	57,384
Total Medicaid Cluster			57,384
Total U.S. Department of Health and Human Services			57,384
Total Federal Programs			$ 11,428,050

The accompanying notes are an integral part of this statement.

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Selma Unified School District. The information in the Schedule is presented in accordance with the requirements of Title 2, *Code of Federal Regulations,* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F–Audit Requirements (Uniform Guidance). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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

The District did not participate in any loan or loan guarantee programs as described in Title 2, *Code of Federal Regulations,* Part 200.502(b) during the year ended June 30, 2025.

The District did not provide any awards to subrecipients.

Selma Unified School District
Combining Balance Sheet - All General Funds
June 30, 2025

	General Fund	Deferred Maintenance Fund	Special Revenue Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Post-employment Benefits	General Fund (Combined)
Assets:					
Cash in County Treasury	$ 41,775,563	$ 497,905	$ 26	$ 43,722	$ 42,317,216
Cash in revolving fund	5,000	-	-	-	5,000
Accounts receivable	7,504,146	-	-	9	7,504,155
Due from other funds	610,513	3,000,000	-	-	3,610,513
Stores inventories	92,781	-	-	-	92,781
Total assets	49,988,003	3,497,905	26	43,731	53,529,665
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable	$ 11,199,814	$ -	$ -	$ -	$ 11,199,814
Due to other funds	6,018,084	-	-	-	6,018,084
Unearned revenue	1,308,294	-	-	-	1,308,294
Total liabilities	18,526,192	-	-	-	18,526,192
Fund Balance:					
Nonspendable fund balances:					
Revolving cash	5,000	-	-	-	5,000
Stores inventories	92,781	-	-	-	92,781
Restricted fund balances	16,303,452	-	-	-	16,303,452
Assigned fund balances	-	3,497,905	26	43,731	3,541,662
Unassigned:					
Reserve for economic uncertainty	15,060,576	-	-	-	15,060,576
Other unassigned	2	-	-	-	2
Total fund balance	31,461,811	3,497,905	26	43,731	35,003,473
Total liabilities and fund balances	$ 49,988,003	$ 3,497,905	$ 26	$ 43,731	$ 53,529,665

The accompanying notes are an integral part of this statement.

Selma Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All General Funds
Year Ended June 30, 2025

	General Fund	Deferred Maintenance Fund	Special Revenue Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Post-employment Benefits	General Fund (Combined)
Revenues:					
LCFF sources:					
State apportionment or State aid	$ 63,236,426	$ -	$ -	$ -	$ 63,236,426
Education protection account funds	20,200,360	-	-	-	20,200,360
Local sources	8,651,968	-	-	-	8,651,968
Federal revenue	5,172,783	-	-	-	5,172,783
Other State revenue	26,009,114	-	-	-	26,009,114
Other local revenue	6,182,819	(2,095)	2	1,076	6,181,802
Total revenues	129,453,470	(2,095)	2	1,076	129,452,453
Expenditures:					
Current:					
Instruction	72,603,744	-	-	-	72,603,744
Instruction-related services	11,821,375	-	-	-	11,821,375
Pupil services	14,095,466	-	-	-	14,095,466
Ancillary services	2,004,223	-	-	-	2,004,223
Community services	17	-	-	-	17
General administration	8,089,693	-	-	-	8,089,693
Plant services	12,442,305	-	-	-	12,442,305
Other outgo	1,522,191	-	-	-	1,522,191
Capital outlay	6,978,000	-	-	-	6,978,000
Debt service:					
Principal	1,330,750	-	-	-	1,330,750
Interest and other service charges	258,260	-	-	-	258,260
Total expenditures	131,146,024	-	-	-	131,146,024
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,692,554)	(2,095)	2	1,076	(1,693,571)
Other Financing Sources (Uses):					
Transfers in	-	3,000,000	-	-	3,000,000
Transfers out	(6,000,000)	-	-	-	(6,000,000)
Total other financing sources (uses)	(6,000,000)	3,000,000	-	-	(3,000,000)
Net Change in Fund Balance	(7,692,554)	2,997,905	2	1,076	(4,693,571)
Fund Balance, July 1	39,154,365	500,000	24	42,655	39,697,044
Fund Balance, June 30	$ 31,461,811	$ 3,497,905	$ 26	$ 43,731	$ 35,003,473

The accompanying notes are an integral part of this statement.

Selma Unified School District
Combining Balance Sheet - Nonmajor Funds
June 30, 2025

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service Fund - Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
Assets:				
Cash in County Treasury	$ 1,684,733	$ 7,919,279	$ 4,079,893	$ 13,683,905
Cash on hand and in banks	342,106	-	-	342,106
Accounts receivable	1,221,695	1,581	763	1,224,039
Due from other funds	18,083	3,000,000	-	3,018,083
Stores inventories	60,320	-	-	60,320
Total assets	3,326,937	10,920,860	4,080,656	18,328,453
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ 572,641	$ 6,893	$ -	$ 579,534
Due to other funds	609,572	940	-	610,512
Total liabilities	1,182,213	7,833	-	1,190,046
Fund Balance:				
Nonspendable fund balances:				
Stores inventories	60,320	-	-	60,320
Restricted fund balances	2,205,815	7,064,877	4,080,656	13,351,348
Assigned fund balances	(121,411)	3,848,150	-	3,726,739
Total fund balance	2,144,724	10,913,027	4,080,656	17,138,407
Total liabilities and fund balances	$ 3,326,937	$ 10,920,860	$ 4,080,656	$ 18,328,453

The accompanying notes are an integral part of this statement.

Selma Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Funds
Year Ended June 30, 2025

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service Fund - Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
Revenues:				
Federal revenue	$ 6,255,267	$ -	$ -	$ 6,255,267
Other State revenue	1,868,513	-	26,383	1,894,896
Other local revenue	1,194,714	597,076	4,015,667	5,807,457
Total revenues	9,318,494	597,076	4,042,050	13,957,620
Expenditures:				
Current:				
Instruction	460,032	-	-	460,032
Instruction-related services	360,300	-	-	360,300
Pupil services	7,153,582	-	-	7,153,582
Ancillary services	828,731	-	-	828,731
General administration	266,969	-	-	266,969
Plant services	163,853	148,023	-	311,876
Capital outlay	110,176	8,492,305	-	8,602,481
Debt service:				
Principal	-	-	1,785,019	1,785,019
Interest and other service charges	-	-	2,036,411	2,036,411
Total expenditures	9,343,643	8,640,328	3,821,430	21,805,401
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,149)	(8,043,252)	220,620	(7,847,781)
Other Financing Sources (Uses):				
Transfers in	-	3,000,000	-	3,000,000
Total other financing sources (uses)	-	3,000,000	-	3,000,000
Net Change in Fund Balance	(25,149)	(5,043,252)	220,620	(4,847,781)
Fund Balance, July 1	2,169,873	15,956,279	3,860,036	21,986,188
Fund Balance, June 30	$ 2,144,724	$ 10,913,027	$ 4,080,656	$ 17,138,407

The accompanying notes are an integral part of this statement.

Selma Unified School District
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2025

	Student Body Fund	Adult Education Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Assets:				
Cash in County Treasury	$ -	$ 168,631	$ 1,516,102	$ 1,684,733
Cash on hand and in banks	342,106	-	-	342,106
Accounts receivable	-	182,107	1,039,588	1,221,695
Due from other funds	-	-	18,083	18,083
Stores inventories	-	-	60,320	60,320
Total assets	342,106	350,738	2,634,093	3,326,937
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ -	$ 11,416	$ 561,225	$ 572,641
Due to other funds	-	308,383	301,189	609,572
Total liabilities	-	319,799	862,414	1,182,213
Fund Balance:				
Nonspendable fund balances:				
Stores inventories	-	-	60,320	60,320
Restricted fund balances	342,106	15,096	1,848,613	2,205,815
Assigned fund balances	-	15,843	(137,254)	(121,411)
Total fund balance	342,106	30,939	1,771,679	2,144,724
Total liabilities and fund balances	$ 342,106	$ 350,738	$ 2,634,093	$ 3,326,937

The accompanying notes are an integral part of this statement.

Selma Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds
Year Ended June 30, 2025

	Student Body Fund	Adult Education Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Federal revenue	$ -	$ 242,207	$ 6,013,060	$ 6,255,267
Other State revenue	-	753,630	1,114,883	1,868,513
Other local revenue	823,584	27,355	343,775	1,194,714
Total revenues	823,584	1,023,192	7,471,718	9,318,494
Expenditures:				
Current:				
Instruction	-	460,032	-	460,032
Instruction-related services	-	360,300	-	360,300
Pupil services	-	-	7,153,582	7,153,582
Ancillary services	828,731	-	-	828,731
General administration	-	20,993	245,976	266,969
Plant services	-	163,166	687	163,853
Capital outlay	-	-	110,176	110,176
Total expenditures	828,731	1,004,491	7,510,421	9,343,643
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,147)	18,701	(38,703)	(25,149)
Net Change in Fund Balance	(5,147)	18,701	(38,703)	(25,149)
Fund Balance, July 1	347,253	12,238	1,810,382	2,169,873
Fund Balance, June 30	$ 342,106	$ 30,939	$ 1,771,679	$ 2,144,724

The accompanying notes are an integral part of this statement.

Selma Unified School District
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2025

	Building Fund	Capital Facilities Fund	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Capital Projects Funds
Assets:					
Cash in County Treasury	$ 4,801,660	$ 1,046,653	$ 1,222,816	$ 848,150	$ 7,919,279
Accounts receivable	1,103	218	260	-	1,581
Due from other funds	-	-	-	3,000,000	3,000,000
Total assets	4,802,763	1,046,871	1,223,076	3,848,150	10,920,860
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable	$ 5,158	$ 1,735	$ -	$ -	$ 6,893
Due to other funds	940	-	-	-	940
Total liabilities	6,098	1,735	-	-	7,833
Fund Balance:					
Restricted fund balances	4,796,665	1,045,136	1,223,076	-	7,064,877
Assigned fund balances	-	-	-	3,848,150	3,848,150
Total fund balance	4,796,665	1,045,136	1,223,076	3,848,150	10,913,027
Total liabilities and fund balances	$ 4,802,763	$ 1,046,871	$ 1,223,076	$ 3,848,150	$ 10,920,860

The accompanying notes are an integral part of this statement.

Selma Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds
Year Ended June 30, 2025

	Building Fund	Capital Facilities Fund	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Capital Projects Funds
Revenues:					
Other local revenue	$ 274,464	$ 293,136	$ 33,043	$ (3,567)	$ 597,076
Total revenues	274,464	293,136	33,043	(3,567)	597,076
Expenditures:					
Current:					
Plant services	90,500	50,644	567	6,312	148,023
Capital outlay	7,021,327	47,720	101,718	1,321,540	8,492,305
Total expenditures	7,111,827	98,364	102,285	1,327,852	8,640,328
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,837,363)	194,772	(69,242)	(1,331,419)	(8,043,252)
Other Financing Sources (Uses):					
Transfers in	-	-	-	3,000,000	3,000,000
Total other financing sources (uses)	-	-	-	3,000,000	3,000,000
Net Change in Fund Balance	(6,837,363)	194,772	(69,242)	1,668,581	(5,043,252)
Fund Balance, July 1	11,634,028	850,364	1,292,318	2,179,569	15,956,279
Fund Balance, June 30	$ 4,796,665	$ 1,045,136	$ 1,223,076	$ 3,848,150	$ 10,913,027

The accompanying notes are an integral part of this statement.

Other Information

Selma Unified School District
Local Education Agency Organization Structure
June 30, 2025

The District was originally formed in 1878 and serves approximately 6,000 students with eight elementary schools, one middle school, one high school, one independent study school, one continuation school and one adult education school. There were no changes in the boundaries of the District during the year ended June 30, 2025.

Governing Board

Name	Office	Term Expiration
Narinder Sahota	President	2028
Joel Fedor	Vice-President	2026
Estella Kessler	Clerk	2026
Stella Padron-Duarte	Member	2028
Mark Medina	Member	2026

Administration

Edward Gomes
Superintendent

Raquel Hammond
Chief Academic Officer

Russell Dixon
Chief Human Resources Officer

Jessica Villarreal
Assistant Superintendent,
Business & Support Services

Other Independent Auditor Reports

LPS
Certified Public Accountants

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 Trustees
Selma Unified School District
Selma, California 93662

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Selma Unified School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Selma Unified School District's basic financial statements, and have issued our report thereon dated December 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Selma Unified School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Selma Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Selma Unified School District's internal control. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 12, 2025

LPS
Certified Public Accountants

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

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

In our opinion, Selma Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2, *Code of Federal Regulations,* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F–Audit Requirements (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

Purpose of This Report

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

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 12, 2025

LPS
Certified Public Accountants

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

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

Report on Compliance

Opinion

We have audited the District's compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* (K-12 Audit Guide), published by the Education Audit Appeals Panel, applicable to the District's state program requirements identified below for the year ended June 30, 2025.

In our opinion, Selma Unified School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2024-25 K-12 Audit Guide Procedures	Procedures Performed?
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not applicable
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Not applicable
Educator Effectiveness	Not applicable
Expanded Learning Opportunities Grant (ELO-G)	Not applicable
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Not applicable
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes - Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

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

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

Report on Internal Control over Compliance

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with the requirements referred to above, which is required to be reported in accordance with the K-12 Audit Guide and which is described in the accompanying schedule of audit findings and questioned costs as finding 2025-001. Our opinion is not modified with respect to matters identified.

The District’s response to the noncompliance finding identified in our audit is described in the accompanying schedule of audit findings and questioned costs. The District’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Purpose of This Report

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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 12, 2025

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Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2, *Code of Federal Regulations*, Part 200, paragraph 200.516(a)?	No
Identification of major programs:	

Name of federal program or cluster	**Assistance Listing Number (ALN)**
Title I	84.010
Special Education Cluster	84.027, 84.173

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*?	Yes
Type of auditor's report issued on compliance for state programs:	Unmodified

Financial Statement Findings

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

There were no financial statement findings or questioned costs.

Federal Award Findings and Questioned Costs

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

There were no federal award findings or questioned costs.

State Award Findings and Questioned Costs

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

2025-001 Attendance Reporting [10000]

Federal Program Information

This finding does not relate to any federal programs.

Criteria or Specific Requirement

According to Education Code Sections 41341(a)(1) and 14503(a), attendance reports must be amended for any change in ADA.

Condition

Average daily attendance for the Annual "Attendance School District" report was understated by 1.18 ADA. This is not a repeat finding.

Questioned Costs

The District was underpaid for the Annual by 1.18 ADA for TK through 12th grade, totaling $333.85, as calculated below.

Perspective

The Lottery Prop 20 and Non-Prop 20 funding based on June, 2025 are as followed:

Annual	Per District	Per Audit	Difference
Grades TK-3	1,664.81	1,656.04	(8.77)
Grades 4-6	1,275.90	1,275.84	(0.06)
Grades 7-8	833.74	835.40	1.66
Grades 9-12	1,706.11	1,714.46	8.35
Total	5,480.56	5,481.74	1.18

Lottery Prop 20	$	455,577.53
Non-Prop 20		1,095,003.89
	$	1,550,581.42
Divided by total ADA		5,480.56
Adjustment per ADA	$	282.92
Understated ADA		1.18
(Overpaid) Underpaid Apportionment	$	333.85

Effect

The District's ADA was underreported on the Annual by 1.18 ADA, resulting in underpaid apportionment of $333.85.

Cause

The District had make-up days that impacted the Annual ADA.

Recommendation

An Amended P2 and Annual "Attendance School District" Report should be filed.

Views of Responsible Officials and Planned Corrective Actions

The District management has reviewed all attendance and will prepare the amended Annual report.

Selma Unified School District
Summary Schedule of Prior Audit Findings
June 30, 2025

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented

There were no prior year findings or questioned costs.

SELMA UNIFIED SCHOOL DISTRICT
3036 THOMPSON AVE., SELMA, CA 93662

(559) 898-6500 FAX (559) 896-7147
www.selmausd.org

Corrective Action Plan
June 30, 2025

Finding Number: 2025-001
Contact Person: Edward Gomes, Superintendent,
Anticipated Completion Date: June 30, 2026
Corrective Action Plan: The District management has reviewed all attendance, and will prepare the amended Annual reports.

Board of Trustees: Narinder Sahota, Joel Fedor, Estella Kessler, Mark Medina, Stella Padron-Duarte

Superintendent: Edward Gomes

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