

CITY OF SELMA

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2021

CONTENTS

	<u>Page</u>
Independent auditor's report	1-2
Management's discussion and analysis	3-8
FINANCIAL STATEMENTS:	
Government-wide financial statements:	
Statement of net position	9
Statement of activities	10
Fund financial statements:	
Balance sheet – governmental funds	11
Reconciliation of the governmental funds balance sheet to statement of net position	12
Statement of revenues, expenditures, and changes in fund balance – governmental funds	13
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental funds to the statement of activities	14
Statement of net position – proprietary funds	15-16
Statement of revenues, expenses and changes in net position - proprietary funds	17
Statement of cash flows – proprietary funds	18-19
Statement of fiduciary net position – fiduciary funds	20
Statement of changes in fiduciary net position – fiduciary funds	21
Notes to financial statements	22-54
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
Schedule of revenues, expenditures, and changes in fund balance – budget and actual - General fund	55
Schedule of revenues, expenditures, and changes in fund balance – budget and actual – Citizens Tax Initiative – Measure S	56
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Last 10 Years	57
Schedule of Funding Progress PERS Information	58-59
Schedule of Changes in Net OPEB Liability and Related Ratios	60-61
COMBINING STATEMENTS AS SUPPLEMENTARY INFORMATION	
Combining balance sheet – nonmajor governmental funds	62
Combining statement of revenues, expenditures, and changes in fund balance – nonmajor governmental funds	63

Special revenue funds:	
Combining balance sheet – nonmajor special revenue funds	64-67
Combining statement of revenues, expenditures, and changes in fund balance – nonmajor special revenue funds	68-71
Debt service funds:	
Combining balance sheet – nonmajor debt service funds	72-73
Combining statement of revenues, expenditures, and changes in fund balance – nonmajor debt service funds	74-75
Capital projects funds:	
Combining balance sheet – nonmajor capital projects funds	76-78
Combining statement of revenues, expenditures, and changes in fund balance – nonmajor capital projects funds	79-81
Enterprise funds:	
Combining statement of net position – nonmajor enterprise funds	82
Combining statement of revenues, expenses, and changes in net position – nonmajor enterprise funds	83
Internal service funds:	
Combining statement of net position	84
Combining statement of revenues, expenses, and changes in net position	85
APPROPRIATIONS LIMIT REPORT:	
Independent auditor’s report on applying agreed-upon procedures	86-87
Appropriations limit schedule	88
Notes to appropriations limit schedule	89



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the City Council
City of Selma
Selma, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Selma as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Selma as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Budgetary Comparison Schedules, and Schedules of Changes in Net Pension and Other Post-Employment Benefits (OPEB) Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sampson, Sampson & Patterson, LLP

Clovis, California
June 9, 2022

Management's Discussion and Analysis

This discussion and analysis of the City of Selma's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements, and accompanying notes to those financial statements.

Financial Highlights

The City's governmental funds ended the year with a combined fund balance of \$26.7 million.

The City's General Fund ended the year with a balance of \$11,196,754, an increase of \$4,478,852 from the previous year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements include all activities of the City of Selma and its component unit, the Selma Public Finance Authority, using the integrated approach as prescribed by GASB Statement No. 34. The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services are financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the Government.

Reporting the City as a Whole

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received.

The *Statement of Net Position* presents information on all the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increase or decreases in net position may serve as one indicator of whether the City's financial position is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed in the most recent fiscal year. All changes of net position are reported as soon as the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported on this statement for some items that will result in cash flow in future fiscal periods (e.g. earned but unused vacation leave).

The government-wide financial statements of the City are divided as follows:

Governmental Activities: Most of the City's basic services are included here such as public safety, transportation (street and roads), community development, culture and recreation, and general government. These services are primarily financed by property and sales taxes, federal and state grants, and development fees.

Business-type Activities: The City charges fees to customers to cover the costs of services provided. These services include Ambulance, Garbage Disposal, Transit, Pioneer Village, and Cultural Arts.

Fund Financial Statements. The fund financial statements provide more detailed information about the City's most significant funds, not the city as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law or by bond covenants. Management establishes other funds due to legal requirements for using certain taxes, grants, and other money. All the funds of the City can be classified into three categories: governmental funds, proprietary funds, and fiduciary funds.

Management's Discussion and Analysis

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. Such information is useful in evaluating a government's near term financing requirements.

Since the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation between governmental funds and governmental activities. This reconciliation explains the relationship (or differences) between the fund statements and the government-wide statements.

The City of Selma maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Local Transportation Fund (LTF), RSTP Grant, CMAQ Grant fund, and Measure S fund all of which are considered major funds. Data from the other funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Budgetary comparison statements have been provided for the General Fund and the Measure S Fund to demonstrate compliance to their budgets.

Proprietary funds. The City has two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions represented as business-type activities in the government-wide financial statements. The City utilized enterprise funds to account for those activities that are supported primarily by user charges to external users. This includes the ambulance service, garbage service, and transit, plus several non-major enterprise activities. Internal service funds are used to account for activities that include employee benefits, general services, risk management and fleet services. Since all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Ambulance, Garbage, and Transit Funds, which are major funds. Other additional non-major enterprise funds are combined into a single aggregated presentation elsewhere in this report. All of the internal service funds are combined into a single, aggregated presentation in the fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the city. Fiduciary funds are not reflected in the government-wide financial statements because the city cannot use these funds to finance its operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements.

Other information. The combining statements referred to earlier in connection with the non-major governmental, enterprise, and internal service funds are presented immediately following the required supplementary information on the City's retirement plan.

Management's Discussion and Analysis

Government-wide Financial Analysis

Below is a table showing the City's net position for the fiscal year ended June 30, 2021, with comparative data for the fiscal year ended June 30, 2020.

City of Selma's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 31,850,540	\$ 29,928,467	\$ 5,277,056	\$ 5,249,834	\$ 37,127,596	\$ 35,178,301
Capital and long-term assets	66,877,012	63,776,342	471,369	334,279	67,348,381	64,110,621
Total assets	<u>\$ 98,727,552</u>	<u>\$ 93,704,809</u>	<u>\$ 5,748,425</u>	<u>\$ 5,584,113</u>	<u>\$ 104,475,977</u>	<u>\$ 99,288,922</u>
Deferred outflows related to pensions	\$ 3,274,870	\$ 3,827,642	\$ 321,222	\$ 223,897	\$ 3,596,092	\$ 4,051,539
Deferred outflows related to OPEB	465,629	525,985	5,671	30,768	511,300	556,753
Deferred loss on bond refunding	97,818	107,134			97,818	107,134
	<u>3,838,317</u>	<u>4,460,761</u>	<u>366,893</u>	<u>254,665</u>	<u>4,205,210</u>	<u>4,715,426</u>
Long-term liabilities outstanding	7,938,762	8,433,822			7,938,762	8,433,822
Net pension liability	15,387,496	15,159,109	1,509,307	886,741	16,896,803	16,045,850
Net OPEB liability	5,357,683	6,142,387	525,517	359,303	5,883,200	6,501,690
Other liabilities	<u>3,039,221</u>	<u>5,023,642</u>	<u>372,369</u>	<u>300,224</u>	<u>3,411,590</u>	<u>5,323,866</u>
Total liabilities	<u>31,723,162</u>	<u>34,758,960</u>	<u>2,407,193</u>	<u>1,546,268</u>	<u>34,130,355</u>	<u>36,305,228</u>
Deferred inflows related to pensions	77,453	453,426	7,597	26,523	85,050	479,949
Deferred inflows related to OPEB	1,178,245	366,459	115,570	21,435	1,293,815	387,894
Investment in capital assets, net of related debt	59,163,967	55,489,339	471,369	334,279	59,635,336	55,823,618
Restricted	14,005,665	15,354,362			14,005,665	15,354,362
Unrestricted	<u>(3,582,623)</u>	<u>(8,256,976)</u>	<u>3,113,589</u>	<u>3,910,273</u>	<u>(469,034)</u>	<u>(4,346,703)</u>
Total net position	<u>\$ 69,587,009</u>	<u>\$ 62,586,725</u>	<u>\$ 3,584,958</u>	<u>\$ 4,244,552</u>	<u>\$ 73,171,967</u>	<u>\$ 66,831,277</u>

As of June 30, 2021 the City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) by \$73.2 million. Governmental activities finished the year with a positive net position balance of \$69.6 million. Business type activities finished the year with a positive balance of \$3.6 million. The net position of the City increased by \$6.3 million from 2020. Net position as noted earlier may serve over time as a useful indicator of the City's financial position.

A portion the City's long-term liabilities relate to the acquisition of capital assets. Some of those assets include the City's corporation yard, equipment, and street infrastructure. These capital assets are utilized to provide services to citizens and are not available for future spending. The repayment of the debt on these assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position amounts to \$14.0 million of the total. Restricted net position is the resource that is subject to external restrictions on how it may be used. These restrictions are established by bond covenants or restrictions on the use of funds by state or federal regulations. The unrestricted net position may be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements. At June 30, 2021, the unrestricted net position amount was a negative \$3.6 million due to the implementation of GASB Statement No. 68 in 2015 and 75 in 2018. The GASB Statement No. 68 adjustment reflects the cumulative effect of the unfunded pension liability from prior years. The GASB Statement No. 75 adjustment reflects the cumulative effect of the other post-employment benefits (OPEB) from prior years.

Management's Discussion and Analysis

Governmental activities.

The following lists key components of these activities:

City of Selma's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,754,860	\$ 1,338,230	\$ 7,944,683	\$ 7,260,661	\$ 9,699,543	\$ 8,598,891
Operating grants and contributions	1,298,220	180,315			1,298,220	180,315
Capital grants and contributions	1,549,629	2,502,490			1,549,629	2,502,490
General revenues:						
Taxes	16,642,597	14,304,242			16,642,597	14,304,242
Licenses and permits	319,081	396,371			319,081	396,371
Intergovernmental charges	1,539,922	2,142,917			1,539,922	2,142,917
Fines	45,010	40,578			45,010	40,578
Franchise fees	1,029,501	919,180			1,029,501	919,180
Revenue for the use of property	204,588	510,504	44,204	101,393	248,792	611,897
Miscellaneous	814,770	914,641	16,601	107,543	831,371	1,022,184
Transfers	2,728,201	1,549,961	(2,728,201)	(1,549,961)		
Total revenues	27,926,379	24,799,429	5,277,287	5,919,636	33,203,666	30,719,065
Expenses:						
General government	2,751,971	2,140,973			2,751,971	2,140,973
Public safety	10,269,967	11,569,477			10,269,967	11,569,477
Public Works	5,669,671	5,477,615			5,669,671	5,477,615
Community development	1,278,532	912,396			1,278,532	912,396
Cultural and recreation	688,891	752,097			688,891	752,097
Debt Service	267,063	259,313			267,063	259,313
Ambulance			3,427,589	2,431,304	3,427,589	2,431,304
Garbage services			1,525,641	1,425,409	1,525,641	1,425,409
Pioneer Village			70,952	70,010	70,952	70,010
Transit Services			797,783	811,933	797,783	811,933
Cultural Arts			114,916	186,019	114,916	186,019
Total expense	20,926,095	21,111,871	5,936,881	4,924,675	26,862,976	26,036,546
Increase in net position	7,000,284	3,687,558	(659,594)	994,961	6,340,690	4,682,519
Prior period adjustments		1,049,123				1,049,123
Net position - beginning	62,586,725	57,850,044	4,244,552	3,249,591	66,831,277	61,099,635
Net position - ending	\$ 69,587,009	\$ 62,586,725	\$ 3,584,958	\$ 4,244,552	\$ 73,171,967	\$ 66,831,277

Management's Discussion and Analysis

The Governmental revenues for the year were \$27.9 million. Taxes, which include property, sales and other taxes account for \$16.6. million or 59% of the City's governmental activities revenue. Total governmental expenses for the year were \$20.9 million. Public Safety, which includes police and fire, accounts for \$10.3 million or 49% of the total governmental activity expenses.

Financial Analysis of the City's Funds

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

Governmental funds. Not all of the City's governmental funds ended the year with positive fund balances. Any negative balance funds will be trued up in the subsequent fiscal year. The ending fund balance for all funds is \$26.7 million, which is an increase of \$3.6 million, when compared to the prior year.

Proprietary funds. As indicated in the description of proprietary funds, there are two types of funds, enterprise and internal service funds. The Ambulance, Garbage, and Transit funds ended the year with a positive unrestricted balance.

General Fund Budgetary Highlights expropriations

Throughout the fiscal year it was not considered necessary to adjust the original total General Fund budget. The Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual, General Fund, shows the original budget and final budget.

Capital Assets and Debt Administration

Capital Assets. The City's Investment in Capital Assets for its governmental and business-type activities are as follows:

City of Selma						
Capital Assets						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 7,990,302	\$ 7,990,302	\$	\$	\$ 7,990,302	\$ 7,990,302
Construction in progress	796,083	13,406,948			796,083	13,406,948
Building and improvements	14,365,049	3,494,492	17,136	18,191	14,382,185	3,512,683
Machinery and equipment	4,502,173	3,434,982	454,233	316,088	4,956,406	3,751,070
Road network	39,223,405	35,449,618			39,223,405	35,449,618
Total	\$ 66,877,012	\$ 63,776,342	\$ 471,369	\$ 334,279	\$ 67,348,381	\$ 64,110,621

Management's Discussion and Analysis

Long-term Debt. The City's long-term debt as of June 30, 2021 was \$7.6 million with governmental activities accounting for all of debt.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Special assessment debt with governmental commitment	\$	\$ 110,000	\$	\$	\$	\$ 110,000
Tax allocation bonds						
Capital leases	671,971	876,622			671,971	876,622
Lease revenue bonds						
Certificates of participation						
Revenue bonds	3,114,092	3,348,855			3,114,092	3,348,855
General obligation bond	3,755,000	3,840,000			3,755,000	3,840,000
Contracts payable	50,000	100,000			50,000	100,000
Total	\$ 7,591,063	\$8,275,477	\$	\$	\$7,591,063	\$8,275,477

Economic Factors

The City of Selma has witnessed some economic impacts from the COVID-19 pandemic much like other cities in the state but still maintained growth in its tax revenues at a year-over-year increase of 16 percent. The City continues to maintain its fiscal policies to grow its reserves to better position itself to withstand a downturn in the economy. In addition, the city created new fiscal policies to address its pension obligations and flatten the bell curve for the coming years. While looking to grow Selma's downtown and commercial and industrial zones to expand its economic diversity, additional development is anticipated in the upcoming years that will increase revenues.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Selma finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Director, City of Selma 1710 Tucker Street, Selma, CA 93662.

CITY OF SELMA
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$26,685,623	\$2,879,715	\$ 29,565,338
Receivables:			
Accounts, net	464,841	2,340,488	2,805,329
Intergovernmental	4,253,537		4,253,537
Prepaid expenses		93,750	93,750
Internal balances	36,897	(36,897)	
Cash with fiscal agent - restricted	409,642		409,642
Capital assets (net of accumulated depreciation):			
Non-depreciable	8,786,385		8,786,385
Depreciable	<u>58,090,627</u>	<u>471,369</u>	<u>58,561,996</u>
Total assets	<u>98,727,552</u>	<u>5,748,425</u>	<u>104,475,977</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	3,274,870	321,222	3,596,092
Deferred outflows related to OPEB	465,629	45,671	511,300
Deferred loss on bond refunding	<u>97,818</u>		<u>97,818</u>
Total deferred outflows of resources	<u>3,838,317</u>	<u>366,893</u>	<u>4,205,210</u>
Liabilities			
Accounts payable	1,527,640	188,119	1,715,759
Accrued wages/benefits	479,242	181,946	661,188
Deposits and other liabilities	347,674	2,304	349,978
Accrued interest payable	101,891		101,891
Noncurrent liabilities:			
Due within one year	582,774		582,774
Due in more than one year	7,938,762		7,938,762
Net OPEB liability	5,357,683	525,517	5,883,200
Net pension liability	<u>15,387,496</u>	<u>1,509,307</u>	<u>16,896,803</u>
Total liabilities	<u>31,723,162</u>	<u>2,407,193</u>	<u>34,130,355</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	77,453	7,597	85,050
Deferred inflows related to OPEB	<u>1,178,245</u>	<u>115,570</u>	<u>1,293,815</u>
Total deferred inflows of resources	<u>1,255,698</u>	<u>123,167</u>	<u>1,378,865</u>
Net position			
Invested in capital assets, net of related debt	59,163,967	471,369	59,635,336
Restricted for:			
Capital projects	2,431,119		2,431,119
Community development	593,936		593,936
Debt service	865,497		865,497
Public safety	1,805,233		1,805,233
Streets and roads	8,309,880		8,309,880
Unrestricted	<u>(3,582,623)</u>	<u>3,113,589</u>	<u>(469,034)</u>
Total net position	<u>\$69,587,009</u>	<u>\$3,584,958</u>	<u>\$73,171,967</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
General government	\$ 2,751,971	\$	\$ 702,707	\$	\$ (2,049,264)	\$	\$ (2,049,264)
Public safety	10,269,967	73,153	189,571	12,000	(9,995,243)		(9,995,243)
Public works	5,669,671	867,045		1,504,329	(3,298,297)		(3,298,297)
Community development	1,278,532	759,884	405,942	14,000	(98,706)		(98,706)
Parks and recreation	688,891	54,778		19,300	(614,813)		(614,813)
Interest and other charges	267,063				(267,063)		(267,063)
Total governmental activities	<u>20,926,095</u>	<u>1,754,860</u>	<u>1,298,220</u>	<u>1,549,629</u>	<u>(16,323,386)</u>		<u>(16,323,386)</u>
Business-type activities:							
Ambulance	3,427,589	5,344,748				1,917,159	1,917,159
Garbage	1,525,641	1,517,882				(7,759)	(7,759)
Pioneer Village	70,952					(70,952)	(70,952)
Transit service	797,783	1,055,694				257,911	257,911
Cultural arts	114,916	26,359				(88,557)	(88,557)
Total business-type activities	<u>5,936,881</u>	<u>7,944,683</u>				<u>2,007,802</u>	<u>2,007,802</u>
Total primary government	<u>\$26,862,976</u>	<u>\$9,699,543</u>	<u>\$1,298,220</u>	<u>\$1,549,629</u>	<u>\$(16,323,386)</u>	<u>\$ 2,007,802</u>	<u>\$(14,315,584)</u>
General revenues:							
Taxes					16,642,597		16,642,597
Licenses and permits					319,081		319,081
Intergovernmental					1,539,922		1,539,922
Fines					45,010		45,010
Franchise fees					1,029,501		1,029,501
Use of money and property					204,588	44,204	248,792
Miscellaneous					814,770	16,601	831,371
Transfers					<u>2,728,201</u>	<u>(2,728,201)</u>	
Total general revenues and transfers					<u>23,323,670</u>	<u>(2,667,396)</u>	<u>20,656,274</u>
Change in net position					7,000,284	(659,594)	6,340,690
Net position, beginning of year					<u>62,586,725</u>	<u>4,244,552</u>	<u>66,831,277</u>
Net position, end of year					<u>\$ 69,587,009</u>	<u>\$ 3,584,958</u>	<u>\$ 73,171,967</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Street LTF	RSTP Grant	CMAQ Grant	Citizens Tax Initiative- Measure S	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	\$ 9,179,504	\$2,411,032	\$	\$	\$1,160,004	\$11,562,212	\$24,312,752
Cash with fiscal agent	300,000					109,642	409,642
Accounts receivable	210,259					33,962	244,221
Interfund receivables	732,346					3,200	735,546
Due from other agencies	<u>1,892,248</u>	<u></u>	<u>564,771</u>	<u>303,744</u>	<u>433,580</u>	<u>643,138</u>	<u>3,837,481</u>
Total assets	<u>\$12,314,357</u>	<u>\$2,411,032</u>	<u>\$564,771</u>	<u>\$303,744</u>	<u>\$1,593,584</u>	<u>\$12,352,154</u>	<u>\$29,539,642</u>
Liabilities							
Accounts payable	\$ 553,861	\$ 13,100	\$381,426	\$244,069	\$ 1,831	\$ 218,121	\$ 1,412,408
Accrued wages/benefits	426,603				5,781	39,785	472,169
Interfund payables			183,345	59,675		455,629	698,649
Deposits	25,002						25,002
Other liabilities	<u>112,137</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>105,000</u>	<u>217,137</u>
Total liabilities	<u>1,117,603</u>	<u>13,100</u>	<u>564,771</u>	<u>303,744</u>	<u>7,612</u>	<u>818,535</u>	<u>2,825,365</u>
Fund balance							
Nonspendable							
Restricted for:							
Streets and roads		2,397,932				5,911,948	8,309,880
Public safety					1,585,972	219,261	1,805,233
Community development						593,936	593,936
Debt service						865,497	865,497
Capital projects						2,431,119	2,431,119
Committed for:							
Streets and roads						24,403	24,403
Community development						166,950	166,950
Recreation						3,351	3,351
Capital projects						657,998	657,998
Assigned for:							
Equipment replacement						809,372	809,372
Unassigned	<u>11,196,754</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>(150,216)</u>	<u>11,046,538</u>
Total fund balance	<u>11,196,754</u>	<u>2,397,932</u>	<u></u>	<u></u>	<u>1,585,972</u>	<u>11,533,619</u>	<u>26,714,277</u>
Total liabilities and fund balance	<u>\$12,314,357</u>	<u>\$2,411,032</u>	<u>\$564,771</u>	<u>\$303,744</u>	<u>\$1,593,584</u>	<u>\$12,352,154</u>	<u>\$29,539,642</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Reconciliation of the Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2021

Total fund balance – governmental funds balance sheet			\$ 26,714,277
Amounts reported for governmental activities in the statement of net position are different because:			
Long-term receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			416,056
Capital assets used in governmental activities are not reported in the funds.			66,877,012
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.			
At June 30, these liabilities consisted of the following:			
Long-term debt	\$ (7,705,328)		
Other liabilities	(105,535)		
Compensated absences	(816,208)		
Net OPEB liabilities	(5,357,683)		
Net pension liability	<u>(15,387,496)</u>	(29,372,250)	
Interest accrued on long-term debt obligations is reported as a liability in the statement of net position but does not get reported in the fund statements.		(101,891)	
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds.		2,471,186	
Deferred outflows of resources related to pensions.		3,740,499	
Deferred inflows of resources related to pensions.		(1,255,698)	
Deferred loss on refunding		<u>97,818</u>	
Net position of governmental activities – Statement of Net Position			<u>\$ 69,587,009</u>

CITY OF SELMA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Street LTF	RSTP Grant	CMAQ Grant	Citizens Tax Initiative- Measure S	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$13,149,014	\$	\$	\$	\$ 2,404,973	\$ 853,113	\$16,407,100
Licenses and permits	319,081						319,081
Intergovernmental	688,105	109,651	474,334	281,429		2,271,924	3,825,443
Charges for services	506,345					1,248,515	1,754,860
Fines	41,248					3,762	45,010
Franchise fees	1,021,115						1,021,115
Use of money and property	86,467	21,968			7,210	64,589	180,234
Assessment payments						431,042	431,042
Miscellaneous	291,870					518,107	809,977
Total revenues	<u>16,103,245</u>	<u>131,619</u>	<u>474,334</u>	<u>281,429</u>	<u>2,412,183</u>	<u>5,391,052</u>	<u>24,793,862</u>
Expenditures							
General government	2,618,281					50,180	2,668,461
Public safety	9,074,123				246,240	506,130	9,826,493
Public works	1,064,018					1,692,590	2,756,608
Community development	724,937					549,173	1,274,110
Recreation	513,040					22,486	535,526
Capital outlay	78,703	1,164,369	545,709	281,429	15,000	3,819,024	5,904,234
Debt service:							
Principal	381,284					282,214	663,498
Interest and fiscal charges	121,861					145,730	267,591
Total expenditures	<u>14,576,247</u>	<u>1,164,369</u>	<u>545,709</u>	<u>281,429</u>	<u>261,240</u>	<u>7,067,527</u>	<u>23,896,521</u>
Excess (deficiency) of revenues over (under) expenditures	1,526,998	(1,032,750)	(71,375)		2,150,943	(1,676,475)	897,341
Other financing sources (uses)							
Operating transfers in	3,075,000					2,524,880	5,599,880
Operating transfers out	(123,146)	(142,224)			(1,662,500)	(943,809)	(2,871,679)
Total other financing sources (uses)	<u>2,951,854</u>	<u>(142,224)</u>			<u>(1,662,500)</u>	<u>1,581,071</u>	<u>2,728,201</u>
Net change in fund balance	4,478,852	(1,174,974)	(71,375)		488,443	(95,404)	3,625,542
Fund balance, beginning of year	<u>6,717,902</u>	<u>3,572,906</u>	<u>71,375</u>		<u>1,097,529</u>	<u>11,629,023</u>	<u>23,088,735</u>
Fund balance, end of year	<u>\$11,196,754</u>	<u>\$2,397,932</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,585,972</u>	<u>\$11,533,619</u>	<u>\$26,714,277</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balance – total governmental funds	\$ 3,625,542
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets was allocated over their estimated useful lives as depreciation expenses. This is the net amount of capital assets recorded in the current period.	5,602,516
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and changes in Net Position, but they did not require the use of current financial resources.	(3,042,768)
Payments received on long-term receivables and other reductions are reported as revenues in the fund statements but reduced the receivable amount in the statement of net position.	(360,524)
Repayment of debt principal is an expenditure in the funds but is not an expense in the statement of activities. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in treatment of long-term debt and related items.	658,577
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	570,714
The net revenue (expense) of internal service funds is reported with governmental activities.	348,610
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and those earned was:	(42,109)
Accrued interest on long-term debt obligations is reported in the governmental activities but is not reported in the government fund statements.	5,449
Unfunded OPEB liabilities in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	(67,334)
Pension contributions are reported as expenditures in the governmental funds, but contributions are reported as deferred outflows in the statement of net position.	<u>(298,389)</u>
Change in net position of governmental activities – Statement of Activities	<u>\$ 7,000,284</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities – Enterprise Funds					Internal Service Funds
	Ambulance	Garbage	Transit	Nonmajor Enterprise Funds	Total	
Assets						
Current assets:						
Cash and investments	\$2,464,346	\$128,617	\$266,753	\$ 19,999	\$2,879,715	\$2,372,871
Accounts receivable, net	2,146,172		189,235	5,081	2,340,488	220,620
Prepaid expenses	93,750				93,750	
Total current assets	<u>4,704,268</u>	<u>128,617</u>	<u>455,988</u>	<u>25,080</u>	<u>5,313,953</u>	<u>2,593,491</u>
Noncurrent assets:						
Capital assets:						
Machinery and equipment	537,356			287,697	825,053	298,917
Less: Accumulated depreciation	<u>(83,123)</u>			<u>(270,561)</u>	<u>(353,684)</u>	<u>(74,397)</u>
Total noncurrent assets	<u>454,233</u>			<u>17,136</u>	<u>471,369</u>	<u>224,520</u>
Total assets	<u>5,158,501</u>	<u>128,617</u>	<u>455,988</u>	<u>42,216</u>	<u>5,785,322</u>	<u>2,818,011</u>
Deferred outflows of resources:						
Deferred outflows related to pensions	268,129		45,188	7,905	321,222	81,499
Deferred outflows related to OPEB	<u>38,123</u>		<u>6,425</u>	<u>1,123</u>	<u>45,671</u>	<u>11,589</u>
Total deferred outflow of resources	<u>306,252</u>		<u>51,613</u>	<u>9,028</u>	<u>366,893</u>	<u>93,088</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Statement of Net Position
Proprietary Funds
June 30, 2021
(continued)

	Business-Type Activities – Enterprise Funds					Internal
	Ambulance	Garbage	Transit	Nonmajor Enterprise Funds	Total	Service Funds
Liabilities						
Current liabilities:						
Accounts payable	21,454	124,249	34,044	8,372	188,119	115,232
Accrued wages/benefits	141,583		33,327	7,036	181,946	7,073
Deposits payable				2,304	2,304	
Interfund payables				36,897	36,897	
Current portion of capital leases						10,642
Total current liabilities	<u>163,037</u>	<u>124,249</u>	<u>67,371</u>	<u>54,609</u>	<u>409,266</u>	<u>132,947</u>
Noncurrent liabilities:						
Capital leases						21,660
Net pension liability	1,259,843		212,325	37,139	1,509,307	382,933
Net other post-employment benefits liability	438,657		73,928	12,932	525,517	133,331
Total noncurrent liabilities	<u>1,698,500</u>		<u>286,253</u>	<u>50,071</u>	<u>2,034,824</u>	<u>537,924</u>
Total liabilities	<u>1,861,537</u>	<u>124,249</u>	<u>353,624</u>	<u>104,680</u>	<u>2,444,090</u>	<u>670,871</u>
Deferred inflows of resources:						
Deferred inflows related to pensions	6,341		1,069	187	7,597	1,928
Deferred inflows related to OPEB	96,468		16,258	2,844	115,570	29,322
Total Deferred inflow of resources	<u>102,809</u>		<u>17,327</u>	<u>3,031</u>	<u>123,167</u>	<u>31,250</u>
Net Position						
Invested in capital assets, net of related debt	454,233			17,136	471,369	192,218
Unrestricted	<u>3,046,174</u>	<u>4,368</u>	<u>136,650</u>	<u>(73,603)</u>	<u>3,113,589</u>	<u>2,016,760</u>
Total net position	<u>\$3,500,407</u>	<u>\$ 4,368</u>	<u>\$136,650</u>	<u>\$ (56,467)</u>	<u>\$3,584,958</u>	<u>\$2,208,978</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities – Enterprise Funds					Internal Service Funds
	Ambulance	Garbage	Transit	Nonmajor Enterprise Funds	Total	
Operating Revenues						
Charges for services	\$ 5,344,748	\$1,517,882	\$1,055,694	\$ 26,359	\$ 7,944,683	\$2,504,257
Rents				28,953	28,953	
Miscellaneous				16,601	16,601	2,228
Total operating revenues	<u>5,344,748</u>	<u>1,517,882</u>	<u>1,055,694</u>	<u>71,913</u>	<u>7,990,237</u>	<u>2,506,485</u>
Operating Expenses						
Personnel services	1,686,959		574,397	61,639	2,322,995	304,595
Services and supplies	1,703,298	1,525,641	223,386	90,078	3,542,403	859,881
Other internal services				33,096	33,096	975,884
Depreciation	37,332			1,055	38,387	30,769
Total operating expenses	<u>3,427,589</u>	<u>1,525,641</u>	<u>797,783</u>	<u>185,868</u>	<u>5,936,881</u>	<u>2,171,129</u>
Operating income (loss)	<u>1,917,159</u>	<u>(7,759)</u>	<u>257,911</u>	<u>(113,955)</u>	<u>2,053,356</u>	<u>335,356</u>
Nonoperating revenues (expenses)						
Interest income	15,251				15,251	14,380
Interest expense						(1,126)
Total nonoperating revenues (expenses)	<u>15,251</u>				<u>15,251</u>	<u>13,254</u>
Income (loss) before transfers	<u>1,932,410</u>	<u>(7,759)</u>	<u>257,911</u>	<u>(113,955)</u>	<u>2,068,607</u>	<u>348,610</u>
Transfers						
Transfers in				34,299	34,299	
Transfers out	(2,462,500)		(300,000)		(2,762,500)	
Net transfers	<u>(2,462,500)</u>		<u>(300,000)</u>	<u>34,299</u>	<u>(2,728,201)</u>	
Change in net position	(530,090)	(7,759)	(42,089)	(79,656)	(659,594)	348,610
Net position, beginning of year	<u>4,030,497</u>	<u>12,127</u>	<u>178,739</u>	<u>23,189</u>	<u>4,244,552</u>	<u>1,860,368</u>
Net position, end of year	<u>\$ 3,500,407</u>	<u>\$ 4,368</u>	<u>\$ 136,650</u>	<u>\$ (56,467)</u>	<u>\$ 3,584,958</u>	<u>\$2,208,978</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities – Enterprise Funds					Governmental Activities
	Ambulance	Garbage	Transit	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities						
Cash received for current services	\$ 4,739,133	\$	\$ 1,055,258	\$ 25,631	\$ 5,820,022	\$ 2,533,626
Cash received for rents				28,953	28,953	
Cash received for other operating revenues		1,517,882		16,601	1,534,483	2,228
Cash paid for services and supplies	(985,015)	(1,519,099)	(193,636)	(116,289)	(2,814,039)	(2,052,642)
Cash paid for salaries and benefits	<u>(1,792,429)</u>	<u></u>	<u>(513,538)</u>	<u>(48,332)</u>	<u>(2,354,299)</u>	<u>(180,244)</u>
Net cash provided (used) by operating activities	<u>1,961,689</u>	<u>(1,217)</u>	<u>348,084</u>	<u>(93,436)</u>	<u>2,215,120</u>	<u>302,968</u>
Cash flows from noncapital financing activities						
Transfers (to) from other funds	(2,462,500)		(300,000)	34,299	(2,728,201)	
Loans from (to) other funds	<u></u>	<u></u>	<u></u>	<u>30,039</u>	<u>30,039</u>	<u></u>
Net cash provided (used) by noncapital financing activities	<u>(2,462,500)</u>	<u></u>	<u>(300,000)</u>	<u>64,338</u>	<u>(2,698,162)</u>	<u></u>
Cash flows from capital and related financing activities						
Principal paid on long-term debt						(20,916)
Interest paid						(1,126)
Capital expenditures	<u>(175,477)</u>	<u></u>	<u></u>	<u></u>	<u>(175,477)</u>	<u>(36,103)</u>
Net cash used by capital and related financing activities	<u>(175,477)</u>	<u></u>	<u></u>	<u></u>	<u>(175,477)</u>	<u>(58,145)</u>
Cash flows from investing activities						
Interest received	<u>15,251</u>	<u></u>	<u></u>	<u></u>	<u>15,251</u>	<u>14,380</u>
Net cash provided by investing activities	<u>15,251</u>	<u></u>	<u></u>	<u></u>	<u>15,251</u>	<u>14,380</u>
Net increase (decrease) in cash and cash equivalents	(661,037)	(1,217)	48,084	(29,098)	(643,268)	259,203
Cash and cash equivalents, beginning of year	<u>3,125,383</u>	<u>129,834</u>	<u>218,669</u>	<u>49,097</u>	<u>3,522,983</u>	<u>2,113,668</u>
Cash and cash equivalents, end of year	<u>\$ 2,464,346</u>	<u>\$ 128,617</u>	<u>\$ 266,753</u>	<u>\$ 19,999</u>	<u>\$ 2,879,715</u>	<u>\$ 2,372,871</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021
(continued)

	Business-Type Activities – Enterprise Funds					Governmental Activities
	Ambulance	Garbage	Transit	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	\$ 1,917,159	\$ (7,759)	\$ 257,911	\$ (113,955)	\$ 2,053,356	\$ 335,356
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	37,332			1,055	38,387	30,769
Accounts receivable	(605,615)		(436)	(728)	(606,779)	(149,474)
Prepaid expenses	(93,750)				(93,750)	
Deferred outflow of resources	(103,465)		(7,258)	(1,505)	(112,228)	(12,834)
Accounts payable	4,619	6,542	29,750	6,885	47,796	(38,034)
Accrued wages/benefits	34,494		(10,090)	(55)	24,349	(2,550)
Net pension related liabilities	553,745		57,884	10,937	622,566	103,494
Net OPEB	152,550		11,349	2,315	166,214	20,104
Deferred inflow of resources	64,620		8,974	1,615	75,209	16,137
Total adjustments	<u>44,530</u>	<u>6,542</u>	<u>90,173</u>	<u>20,519</u>	<u>161,764</u>	<u>(32,388)</u>
Net cash provided (used) by operating activities	<u>\$ 1,961,689</u>	<u>\$ (1,217)</u>	<u>\$ 348,084</u>	<u>\$ (93,436)</u>	<u>\$ 2,215,120</u>	<u>\$ 302,968</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2021

	Redevelopment Successor Agency Private-Purpose Trust Funds
Assets	
Cash and investments	\$ 1,232,150
Restricted cash with fiscal agent	359,995
Accounts receivable	54,344
Notes receivable	<u>13,305</u>
Total Assets	<u>\$ 1,659,794</u>
Liabilities	
Other liabilities	\$ 83,044
Long-term debt	<u>4,265,037</u>
Total Liabilities	<u>4,348,081</u>
Net Position (Deficit)	
Held in trust for retirement of obligations of the former Selma Redevelopment Agency	<u>(2,688,287)</u>
Total Net Position (Deficit)	<u>\$(2,688,287)</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2021

	Redevelopment Successor Agency Private-Purpose Trust Funds
Additions:	
Property taxes	\$ 888,286
Investment earnings	1,261
Miscellaneous	<u>1,300</u>
Total Additions	<u>890,847</u>
Deductions	
Community development	79,825
Interest and fiscal charges	<u>238,422</u>
Total Deductions	<u>318,247</u>
Change in net position	<u>572,600</u>
Net position, beginning of year	<u>(3,260,887)</u>
Net position, end of year	<u>\$(2,688,287)</u>

See independent auditor's report and notes to financial statements.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The combined financial statements of City of Selma (the “City”) have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The City of Selma is a general law city incorporated on March 15, 1893 and as such draws its authority from the constitution and laws of the State of California. The City has a council/manager form of government and is governed by a five-member elected council. The City Manager is appointed by the City Council. The City provides the following services: Police and fire protection, ambulance, transit, street construction and maintenance, planning and zoning, and general administrative services.

The City’s financial statements include the operations of all organizations for which the City Council exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Blended Component Units

Based on the aforementioned oversight criteria, the operations of the Selma Public Finance Authority (Authority) have been blended into the accompanying financial statements. Members of the City Council, as well as City administrative personnel make up a significant portion of the governing bodies.

The Authority’s specific and primary purpose is to provide financial assistance to the City of Selma and other agencies by acquiring qualified obligations which were issued for the acquisition, construction, and improvement of public facilities and property.

Separate financial statements for the Authority can be obtained from the Finance Director, City of Selma, 1710 Tucker Street, Selma, CA 93662.

2. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City'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 City 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 City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, results from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Major Funds:

Major funds are defined as funds that have either assets, and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds. The City does not prepare legally adopted budgets for the Street LTF Fund, RSTP Grant Fund, or the CMAQ Grant Fund.

The City reports the following major governmental funds:

General Fund: The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Street LTF Fund: This fund accounts for the activities of the City's local transportation fund allocation for various transit projects.

RSTP Grant Fund: This fund accounts for various street projects funded through the Regional Surface Transportation Program.

CMAQ Grant Fund: This fund accounts various transportation projects funded through the Congestion Mitigation and Air Quality Program.

Citizens Tax Initiative – Measure S: This fund accounts for the proceeds from the half-cent sales tax measure approved by voters in 2007 to raise funds for public safety.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

The City reports the following major enterprise funds:

Ambulance Fund: This fund accounts for the operations of the ambulance service provided by the City.

Garbage Fund: This fund accounts for the transactions relating to the commercial and residential garbage collection for the City.

Transit Fund: This fund accounts for the transactions between the City and the Fresno County Rural Transit Agency (FCRTA). The City performs repairs and maintenance services necessary to maintain FCRTA's vehicle fleet.

In addition, the City reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Private Purpose Trust Fund: This fund is used to account for the assets of the former City of Selma Redevelopment Agency during the wind down period.

Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements 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 flow takes place. Nonexchange transactions, in which the City 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 City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned,

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

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.

3. Financial Statement Amounts

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes

Taxes are payable in two installments on November 1 and March 1. They become delinquent on December 10 and April 10 respectively. The lien date is January 1 of each year. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects the taxes for the City.

On October 12, 1993, the Fresno County Board of Supervisors voted to adopt an alternate method of property tax apportionment known as the Teeter Plan. The method applies to current secured and supplemental, but not to unsecured. The basic concept of the Teeter Plan is that the County will apportion taxing agencies 100% of their levy (adjusted for roll changes) with the County owning the delinquent receivables. The County will apportion the current secured and unitary into a revenue account in three installments. The first 50% was apportioned December 15, the balance will be apportioned by April 15, and June 15 at 45% and 5% respectively.

Inventories and Prepaid Items

Inventories on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Local Government of Example's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

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 end 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 for machine and equipment, and \$10,000 is used for buildings and building improvement.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Roads and Infrastructure	30-50
Buildings	50
Building Improvement	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

Payable Balances

The City believes that sufficient detail of 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.

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 assets.

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.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

Committed Fund Balance – represents amounts that can only be used for specific purposes because of a formal action by the City Council. Committed amounts cannot be used for any other purpose unless the City Council 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 City Council. 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 City 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 City Council or by an official or body to which the City Council 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 City 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 which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow resource (expense/expenditure) until then. The City has three items that qualify for reporting in this category, deferred outflows related to pensions, deferred outflows related to OPEB, and deferred loss on bond refunding.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. The separate financial element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has two types of deferred inflows which arises only under a full accrual basis of accounting, deferred inflows related to pensions and deferred inflows related to OPEB.

Other Postemployment Benefits (OPEB)

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

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	June 30, 2019 to June 30, 2020

Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

Finance-Related Legal and Contractual Provisions

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

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

Deficit Fund Balance or Fund Net Assets of Individual Funds

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

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Cultural Arts Enterprise Fund	<u>\$ (68,376)</u>	Retain future excess revenues
Capital Projects Funds:		
Development Impact Storm Drain	\$ (90,001)	Retain future excess revenues
Selma Crossing Project	<u>(3,704)</u>	Retain future excess revenues
Total Capital Projects Funds	<u>\$ (93,705)</u>	
Special Revenue Fund:		
High Speed Rail CVTC	<u>\$ (56,511)</u>	Retain future excess revenues

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$29,565,338
Restricted cash and investments with fiscal agent	409,642
Fiduciary funds:	
Cash and investments	1,232,150
Restricted cash and investments with fiscal agent	<u>359,995</u>
Total cash and investments	<u>\$31,567,125</u>

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

Cash and investments as of June 30, 2021 consists of the following:

Cash on hand	\$ 1,475
Deposits with financial institutions	4,213,205
Investments	<u>27,352,445</u>
Total cash and investments	<u>\$31,567,125</u>

Investment Authorized by the California Government Code and the City's Investment Policy

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	None
US Treasury Obligations	N/A	None	None
US Government Agency Issues	N/A	None	None
Insured Passbook on Demand Deposits with Banks and Savings and Loans	N/A	None	None
Certificate of Deposits	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	20%	10%
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	20%	10%

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

Investment Authorized by Debt Agreement

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest-rate risk, credit risk, and concentration of credit risk.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	\$50 million
US Treasury Obligations	N/A	None	None
US Government Agency Issues	N/A	None	None
Insured Passbook on Demand Deposits with Banks and Savings and Loans	N/A	None	None
Certificate of Deposits	1 year	None	None
Bankers Acceptances	1 year	None	None
Commercial Paper	N/A	None	None
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Investment Agreements	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk the changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of short-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair value of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Fair Value	12 Months or Less
State Investment Pool	\$26,582,808	\$26,582,808
PARS Section 115 Pension Trust	300,000	300,000
Held by Bond Trustee:		
Money Market Funds	<u>469,637</u>	<u>469,637</u>
	<u>\$27,352,445</u>	<u>\$27,352,445</u>

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest-rate fluctuations (to a greater degree than already indicated in the information provided above).

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual Standard and Poor's rating as of fiscal year end for each investment type.

Investment Type	Amount	Ratings as of Fiscal Year End		
		Minimum Legal Rating	Not Rated	AAAm
State Investment Pool	\$26,582,808	N/A	\$26,582,808	\$
PARS Section 115 Investment Trust	300,000	N/A	300,000	
Held by Bond Trustee:				
Money Market Funds	469,637	N/A		469,637
	<u>\$27,352,445</u>		<u>\$26,882,808</u>	<u>\$469,637</u>

Concentration of Credit Risk

The investment policy of the City of Selma contains no limitations on the amount that can be invested with any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer that represented 5% or more of the total investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (example broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state laws (unless so waived by the governmental unit). The fair value of the pledged securities and the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

As of June 30, 2021, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. In addition, as of June 30, 2021, no investments were held by the same broker-dealer (counterparty) that was used by the City of Selma to purchase the securities.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the value provided by (LAIF) for the entire (LAIF) portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by (LAIF), which are recorded on an amortized cost basis.

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the City's management. City management considers observable data to be the market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant markets.

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City Management's perceived risk of that investment. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. When quoted prices in active markets are not available, fair values are based on evaluated prices received by City's asset manager from a third-party service provider.

The City has no investments subject to categorization.

Investments Not Subject to Fair Value Hierarchy:	
California Local Agency Investment Fund	\$26,582,808
PARS Section 115 Investment Trust	300,000
Held with Fiscal Agent:	
Money Market Mutual Funds	<u>469,637</u>
Total Investment Portfolio	<u>\$27,352,445</u>

NOTE 4 – RECEIVABLES

The following is a list of receivables at June 30, 2021.

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Governmental Funds -			
Accounts	\$ 244,221	\$	\$ 244,221
Due from other agencies	<u>3,837,481</u>	<u></u>	<u>3,837,481</u>
	<u>\$4,081,702</u>	<u>\$</u>	<u>\$4,081,702</u>
Internal Service Funds -			
Accounts	<u>\$ 220,620</u>	<u>\$</u>	<u>\$ 220,620</u>
Enterprise Funds -			
Accounts	<u>\$3,338,445</u>	<u>\$ 997,957</u>	<u>\$2,340,488</u>
Fiduciary Funds -			
Accounts	\$ 54,344	\$	\$ 54,344
Notes receivable	<u>13,305</u>	<u></u>	<u>13,305</u>
	<u>\$ 67,649</u>	<u>\$</u>	<u>\$ 67,649</u>

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,990,302	\$	\$	\$ 7,990,302
Construction in progress	<u>13,406,948</u>	<u>4,531,779</u>	<u>(17,142,644)</u>	<u>796,083</u>
Total capital assets not being depreciated	<u>21,397,250</u>	<u>4,531,779</u>	<u>(17,142,644)</u>	<u>8,786,385</u>
Capital assets being depreciated:				
Roads and other infrastructure	106,119,092	6,157,025		112,276,117
Buildings and improvements	7,249,909	11,018,690		18,268,599
Machinery and equipment	<u>7,816,201</u>	<u>1,609,358</u>	<u> </u>	<u>9,425,559</u>
Total capital assets being depreciated	<u>121,185,202</u>	<u>18,785,073</u>	<u> </u>	<u>139,970,275</u>
Less accumulated depreciation for:				
Roads and other infrastructure	(70,669,474)	(2,383,238)		(73,052,712)
Buildings and improvements	(3,755,417)	(148,133)		(3,903,550)
Machinery and equipment	<u>(4,381,219)</u>	<u>(542,167)</u>	<u> </u>	<u>(4,923,386)</u>
Total accumulated depreciation	<u>(78,806,110)</u>	<u>(3,073,538)</u>	<u> </u>	<u>(81,879,648)</u>
Total capital assets being depreciated, net	<u>42,379,092</u>	<u>15,711,535</u>	<u> </u>	<u>58,090,627</u>
Governmental activities capital assets, net	<u>\$ 63,776,342</u>	<u>\$20,243,314</u>	<u>\$(17,142,644)</u>	<u>\$ 66,877,012</u>
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 284,182	\$	\$	\$ 284,182
Equipment	<u>365,394</u>	<u>175,477</u>	<u> </u>	<u>540,871</u>
Total capital assets being depreciated	<u>649,576</u>	<u>175,477</u>	<u> </u>	<u>825,053</u>
Less accumulated depreciation for:				
Buildings and improvements	(265,991)	(1,055)		(267,046)
Equipment	<u>(49,306)</u>	<u>(37,332)</u>	<u> </u>	<u>(86,638)</u>
Total accumulated depreciation	<u>(315,297)</u>	<u>(38,387)</u>	<u> </u>	<u>(353,684)</u>
Total capital assets being depreciated, net	<u>334,279</u>	<u>137,090</u>	<u> </u>	<u>471,369</u>
Business-type activities capital assets, net	<u>\$ 334,279</u>	<u>\$ 137,090</u>	<u>\$</u>	<u>\$ 471,369</u>

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

Depreciation was charged to functions as follows:

Governmental activities depreciation:	
General government	\$ 214,351
Public protection:	
Fire	144,040
Police	231,164
Public ways and facilities, including depreciation to general infrastructure assets	<u>2,483,983</u>
Total governmental activities depreciation expense	<u>\$3,073,538</u>
Business-type activities depreciation:	
Pioneer Village	\$ 1,055
Ambulance	<u>37,332</u>
Total business-type activities depreciation	<u>\$ 38,387</u>

NOTE 6 – INTERFUND BALANCES AND ACTIVITY

Interfund Payables and Interfund Receivables

Balances due to and due from other funds at June 30, 2021, consisted of the following:

Interfund Payables	Interfund Receivables	Amount	Purpose
RSTP Grant Fund	General	\$ 183,345	Short-term loans
CMAQ Grant Fund	General	59,675	Short-term loans
Nonmajor Enterprise Fund	General	36,897	Short-term loans
Nonmajor Special Revenue Funds	General	346,729	Short-term loans
Nonmajor Capital Projects Funds	General	105,700	Short-term loans
Nonmajor Capital Projects Funds	Nonmajor Capital Projects Funds	<u>3,200</u>	Short-term loans
		<u>\$735,546</u>	

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

Transfers To and From Other Funds

The purpose of the majority of transfers is to reimburse a fund that has made an expenditure on behalf of another fund. Transfers totaled \$5,634,179 in the fund financial statements as follows:

Transfers Out	Transfers In					Totals
	General	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Proprietary Funds	
General	\$	\$ 40,600	\$	\$ 48,247	\$34,299	\$ 123,146
Street LTF		142,224				142,224
Citizens Tax Initiative – Measure S	1,300,000			362,500		1,662,500
Nonmajor Special Revenue Funds		818,958				818,958
Nonmajor Debt Service Funds			113,877			113,877
Nonmajor Capital Projects Funds		10,974				10,974
Proprietary	<u>1,775,000</u>			<u>987,500</u>		<u>2,762,500</u>
	<u>\$3,075,000</u>	<u>\$1,012,756</u>	<u>\$113,877</u>	<u>\$1,398,247</u>	<u>\$34,299</u>	<u>\$5,634,179</u>

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

Internal Balances

Internal balances are presented in the Entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

NOTE 7 – LONG-TERM LIABILITIES

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2021:

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021	Due Within One Year
Governmental activities:					
Revenue bonds – Authority	\$ 340,000	\$	\$195,000	\$ 145,000	\$
Revenue bonds – City	3,348,855		234,763	3,114,092	242,018
General obligation bonds - City	3,840,000		85,000	3,755,000	90,000
Bond premium	118,660		4,395	114,265	
Capital leases	876,622		204,651	671,971	200,756
Contract payable	100,000		50,000	50,000	50,000
Compensated absences	774,099	42,109		816,208	
Total governmental activities	<u>\$9,398,236</u>	<u>\$ 42,109</u>	<u>\$773,809</u>	<u>\$8,666,536</u>	<u>\$582,774</u>
Business-type activities:					
Compensated absences	106,483	34,107		140,590	
Total business-type activities	<u>\$ 106,483</u>	<u>\$ 34,107</u>	<u>\$</u>	<u>\$ 140,590</u>	<u>\$</u>

A summary of changes in bonds payable of the Authority for the year ended June 30, 2021 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30 2020	Issued	Retired	Outstanding June 30 2021
1994	4% - 7.25%	\$11,570,000	\$230,000	\$	\$ 85,000	\$145,000
2014	3.25%	955,000	110,000		110,000	
		<u>\$12,525,000</u>	<u>\$340,000</u>	<u>\$</u>	<u>\$195,000</u>	<u>\$145,000</u>

A summary of changes in Revenue Bonds of the City for the year ended June 30, 2021 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2020	Issued	Retired	Outstanding June 30, 2021
2015	3.09%	\$4,344,619	\$3,348,855	\$	\$234,763	\$3,114,092
		<u>\$4,344,619</u>	<u>\$3,348,855</u>	<u>\$</u>	<u>\$234,763</u>	<u>\$3,114,092</u>

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

1994 Revenue Bonds

On December 23, 2015, the City of Selma issued \$4,344,619 Lease Obligation Refunding Bonds with an average interest rate of 3.09% to advance refund \$3,940,000 of outstanding 2010 Lease Revenue Refunding Bonds with an average interest rate of 7.00% and partial refunding of 1994 Revenue Bonds of \$450,000 with an average interest rate of 6.0%. The interest is payable semi-annually on February 1st and August 1st, commencing February 1, 2016. The bonds mature annually at various amounts through February 1, 2030. The bond program continues to be in default of its debt service reserve requirement, but the trustee believes there are sufficient assets remaining in Trust to service the remaining Bonds Outstanding. The bonds are payable from revenues and all other moneys on deposit in any fund or account pursuant to this indenture. The principal balance on the 1994 revenue bonds at June 30, 2021 was \$145,000.

The Bonds were issued to partially refinance the Authority's previously issued 1994 Revenue Bonds in the principal amount of \$450,000, of which \$380,000 remained outstanding at June 30, 2016. As a result, the \$450,000 is considered defeased and the liability for this issue has been removed from the Long-Term Liabilities of the Governmental Activities Debt.

2014 Assessment Revenue Refunding Bonds

On June 1, 2014, the Selma Public Financing Authority issued \$955,000 Series 2014 Assessment Revenue Refunding Bonds bearing interest of 3.250% payable semi-annually on September 2nd and March 2nd, commencing September 2, 2014. The bonds mature annually at various amounts through September 2, 2022. The bonds are payable from revenues and all other moneys on deposit in any fund or account pursuant to this indenture. The principal balance outstanding at June 30, 2021 was \$0.

The Bonds were issued to refinance the Authority's previously issued Series 1999A Assessment Revenue Bonds in the principal amount of \$8,165,000. As a result, the Series 1999A Assessment Revenue Bonds are considered defeased and the liability for this issue has been removed from the Long-Term Liabilities of the Governmental Activities Debt.

Series 2015 Refunding Lease Obligations

On December 23, 2015, the City of Selma issued \$4,344,619 Series 2015 Refunding Lease Obligations Bonds, bearing interest of 3.090% payable semi-annually on February 1st and August 1st, commencing February 1, 2016. The bonds mature annually at various amounts through February 1, 2032. The bonds are payable from revenues and all other moneys on deposit in any fund or account pursuant to this indenture. The principal balance on the Series 15 Refunding Lease Obligation Bond at June 30, 2021 was \$3,114,092.

The Bonds were issued to refinance the City of Selma Financing Authority's previously issued 2010 Lease Revenue Refunding Bonds outstanding of \$3,900,000 and partial refinance of their 1994 Revenue Bonds of \$450,000. As a result, the 2010 Lease Revenue Refunding Bonds and the \$450,000 1994 Revenue Bonds are considered defeased and the liability for these issues have been removed from the Long-Term Liabilities of the Governmental Activities.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

Series 2017 General Obligation Bonds

On July 6, 2017, the City of Selma issued \$4,000,000 Series 2017 General Obligation Bonds, bearing interest rates varying from 2.0% to 4.0% payable semi-annually on February 1, and August 1, commencing February 1, 2018. The bonds mature annually at various amounts through August 1, 2047. The bonds are general obligations of the City. Payable solely from property taxes levied by the City and collected by the County of Fresno. The principal balance on Series 2017 General Obligation Bonds at June 30, 2021 was \$3,755,000.

The Bonds are being issued to finance the costs of acquiring and constructing a new police station and associated improvements, and to pay the costs of issuing the Bonds. The bonds were authorized at an election of the registered voters of the City held on November 6, 2016 at which more than two-thirds of the persons voting on the proposition voted to authorize the issuance and sale of the Bonds.

1. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Authority Governmental Activities Interest</u>	<u>Total</u>
2022	\$ 55,000	\$ 8,519	\$ 63,519
2023	60,000	4,350	64,350
2024	30,000	1,055	31,055
Totals	<u>\$ 145,000</u>	<u>\$13,924</u>	<u>\$158,924</u>

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>City Governmental Activities Interest</u>	<u>Total</u>
2022	\$ 242,018	\$ 96,225	\$ 338,243
2023	249,496	88,747	338,243
2024	257,205	81,038	338,243
2025	265,153	73,090	338,243
2026	273,346	64,897	338,243
2027-2031	1,498,769	192,446	1,691,215
2032	328,105	10,138	338,243
Totals	<u>\$3,114,092</u>	<u>\$606,581</u>	<u>\$3,720,673</u>

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

The annual debt service requirements for the General Obligation Bonds are as follows:

Year Ending June 30,	Principal	City Governmental Activities Interest	Total
2022	\$ 90,000	\$ 135,562	\$ 225,562
2023	90,000	133,763	223,763
2024	90,000	131,963	221,963
2025	95,000	129,638	224,638
2026	95,000	126,788	221,788
2027-2031	530,000	575,987	1,105,987
2032-2036	650,000	464,087	1,114,087
2037-2041	775,000	337,381	1,112,381
2042-2046	920,000	179,000	1,099,000
2047-2048	420,000	17,000	437,000
Totals	<u>\$3,755,000</u>	<u>\$2,231,169</u>	<u>\$5,986,169</u>

1. Capital Leases

Capital leases at June 30, 2021, consisted of the following:

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021	Due Within One Year
Santander Leasing-Fire Truck	\$323,682	\$	\$ 50,179	\$273,503	\$ 51,629
Umpqua Bank-computer equipment	53,218		20,916	32,302	10,642
Umpqua Bank-10 Ford Explorers, 1 F150 pick-up	298,703		96,342	202,361	99,532
Umpqua Bank-emergency vehicle	<u>201,019</u>		<u>37,214</u>	<u>163,805</u>	<u>38,953</u>
	<u>\$876,622</u>	<u>\$</u>	<u>\$204,651</u>	<u>\$671,971</u>	<u>\$200,756</u>

The City has entered into multiple lease agreements for financing the acquisition of police vehicles, fire truck, police and fire equipment, computer equipment, and a street sweeper. These lease agreements qualify as capital leases for accounting purposes. These leases have interest rates varying from 2.33% to 3.68% with the final payment on these leases due in 2032.

2016 Capital Lease for Street Sweeper

In February, 2016 the City entered into a capital lease agreement with Tymco Inc. The purchase price of the equipment was \$250,502 and is payable over a period of five years. Semi-annual payments on the contract are \$13,249. The effective interest rate on the contract is 2.65% per annum. The balance outstanding at June 30, 2021, was \$-0-.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

2016 Capital Lease for Fire Truck

In March, 2016 the City entered into a capital lease agreement with Santander Leasing for a fire truck with a purchase price of \$510,694. Annual payments of \$59,533 for 10 years. The effective interest rate 3.42% per annum. The balance outstanding at June 30, 2021, was \$273,503.

The annual debt service requirements for the 2016 Capital Lease for the fire truck at June 30, 2021 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 51,629	\$ 7,904	\$ 59,533
2023	53,121	6,412	59,533
2024	54,656	4,877	59,533
2025	56,236	3,297	59,533
2026	<u>57,861</u>	<u>1,672</u>	<u>59,533</u>
	<u>\$273,503</u>	<u>\$24,162</u>	<u>\$297,665</u>

2017 Capital Lease for Computer Equipment

In December, 2017 the City entered into a capital lease agreement with Umpqua Bank for computer equipment with a purchase price of \$103,223. Semi-annual payments of \$11,021 for five years. The effective interest rate of 2.33% per annum. The balance outstanding at June 30, 2021, was \$32,302.

The annual debt service requirements for the 2017 Capital Lease for the computer equipment at June 30, 2021 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$10,642	\$ 379	\$11,021
2023	<u>21,660</u>	<u>382</u>	<u>22,042</u>
	<u>\$32,302</u>	<u>\$ 761</u>	<u>\$33,063</u>

2018 Capital Lease for Police Vehicles

In April, 2018 the City entered into a capital lease agreement with Umpqua for police vehicles with a purchase price of \$482,220. Semi-annual payments of \$53,685 for five years. The effective interest rate of 3.26% per annum. The balance outstanding at June 30, 2021, was \$202,361.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

The annual debt service requirements for the 2018 Capital Lease for the police vehicles at June 30, 2021 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 99,532	\$ 5,837	\$105,369
2023	<u>102,829</u>	<u>2,540</u>	<u>105,369</u>
	<u>\$202,361</u>	<u>\$ 8,377</u>	<u>\$210,738</u>

2020 Capital Lease for Emergency Vehicle

In March, 2020, the City entered into a capital lease agreement with Umpqua Bank for the acquisition of a Danko emergency vehicle with a purchase price of \$201,019. The agreement calls for semi-annual payments of \$21,922 for five years. The effective interest rate is 3.16%. The balance outstanding at June 30, 2021 is \$163,805.

The annual debt service requirements for the emergency vehicle at June 30, 2021 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 38,953	\$ 4,892	\$ 43,845
2023	40,201	3,644	43,845
2024	41,490	2,355	43,845
2025	<u>43,161</u>	<u>684</u>	<u>43,845</u>
	<u>\$163,805</u>	<u>\$11,575</u>	<u>\$175,380</u>

2. Contract Payable:

In July of 2015 the City entered into an agreement with the Consolidated Irrigation District (CID) to obtain from the District certain real property known as "Rockwell Pond." The agreement calls for the exchange of City owned property of a 38.73 acre parcel with a fair market value of \$534,000 and a payment of a non interest bearing note of \$200,000, payable in annual installments of \$50,000 for the years 2016 through 2019. The purpose of the exchange was for development of water retention and sewer drains. As of June 30, 2021, the City has made three payments on the note. Balance owing on the note at June 30, 2021 was \$50,000.

3. Compensated Absences:

The liability for vested leave (vacation, compensated time off, holiday) earned but not used in governmental funds is expensed and established as a liability and is reported in the government-wide statement of net assets in the governmental activities column. Vested leave of proprietary funds (ambulance fund) is recorded as an expense and liability of that fund as the benefits accrue. No liability is recorded for non-vesting leave such as sick leave.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

4. Fiduciary Long-Term Debt

2001 Industrial Park Limited Obligation Improvement Bonds

The former Selma Redevelopment Agency issued limited obligation bonds in the amount of \$3,561,890. The interest rate was 5% and the final payment is scheduled for September 2040. Bonds outstanding at January, 2012 were transferred to the Successor Agency on February 1, 2012 due to the dissolution of the Redevelopment Agency. The balance outstanding at June 30, 2021 was \$2,645,000 and is held in the City's Redevelopment Successor Agency Private-Purpose Trust Funds.

Industrial Park Limited Obligation Improvement Bonds at June 30, 2021, consisted of the following:

<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>
\$2,715,000	\$	\$70,000	\$2,645,000

2010A Tax Allocation Bonds

The former Selma Redevelopment Agency issued \$3,600,000 tax allocation bonds, with the rate of 2.875-5.750% to refund previous refunding bonds 2001A and 2004A. The bonds mature in September 2024. Bonds outstanding at June 30, 2021 was \$1,440,000 and are held in the City's Redevelopment Successor Agency Private-Purchase Trust Funds.

Tax Allocation Bonds at June 30, 2021, consisted of the following:

<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>
\$1,755,000	\$	\$315,000	\$1,440,000

1994 Revenue Bonds

The 1994 Revenue Bonds were previously issued by the City of Selma Financing Authority to finance the prior Redevelopment Agency Housing Project. The debt is an obligation of the City's Redevelopment Successor Agency and thus appears in the Successor Agency Private-Purpose Trust Fund account. The principal balance of the 1994 Revenue Bonds was \$180,000.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

NOTE 8 – RISK MANAGEMENT

The City participates with other public entities in a joint venture under a joint powers agreement which established the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each workers' compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which among other expenses, charges the City's account for liability losses under \$50,000 and workers' compensation losses under \$50,000. The SCJVRMA participates in an excess pool which provides general liability coverages from \$1,000,000 to \$29,000,000. The CSJVRMA participates in an excess pool which provides workers' compensation coverage from \$500,000 to \$5,000,000 and purchases excess reinsurance above \$5,000,000 to the statutory limit.

The CSJVRMA is a consortium of fifty-four (54) cities in the San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors which meets three times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA.

At the termination of the joint powers agreement and after all claims have been settled, any excess or deficit will be divided among the cities in accordance with its governing documents.

The most recent condensed financial information of CSJVRMA is as follows:

	As of and for the Year Ended June 30, 2021
Total Assets	<u>\$150,621,596</u>
Total Liabilities	\$129,774,819
Total Net Position	<u>20,846,777</u>
Total Liabilities and Net Position	<u>\$150,621,596</u>
Total Revenues for the Year	\$ 56,130,164
Total Expenses for the Year	<u>55,047,729</u>
Change in Net Position	<u>\$ 1,082,435</u>

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

NOTE 9 – PENSION PLAN

General Information

Plan Description

The Plan is a cost-sharing multiple-employer defined benefit pension plan (PERF C) administered by the California Public Employees' Retirement System (CalPERS). All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans. Benefit provisions under plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. 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 50 to 52 years with statutory reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustment for each plan are applied as specified by the Public Employees' Retirement Law.

Effective January 1, 2013, CalPERS instituted a new pension plan as a result of the Public Employee Pension Reform Act (PEPRA). Employees hired from that date on are subject to the new 2% at 62 benefit formula. The 2.5% at 55 benefit formula has been closed to new hires from January 1, 2013 on, unless they meet the rules for a CalPERS Classic employee. A Classic employee is already CalPERS member through prior employment and was employed by a CalPERS member within the last 6 months. See the CalPERS website for more information.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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 unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

For the year ended June 30, 2021, the contributions recognized as part of pension expense for the Plans are as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Contributions – employer	\$934,626	\$1,332,679	\$2,267,305

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

As of June 30, 2021, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Measurement Date</u> <u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Miscellaneous	\$ 7,567,356	\$ 7,265,144
Safety	<u>9,329,447</u>	<u>8,780,706</u>
Total Net Pension Liability	<u>\$16,896,803</u>	<u>\$16,045,850</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2019 and 2020 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion – June 30, 2019	.181%	.141%
Proportion – June 30, 2020	.179%	.140%
Change – Increase (Decrease)	(.002)%	(.001)%

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

For the year ended June 30, 2021, the City recognized pension expense of \$2,480,113. At June 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

	Deferred Employer Pension Contributions Made After Measurement Date	Changes of Assumptions	Differences Between Expected And Actual Experiences	Total Pension Related Deferred Outflows
Miscellaneous Plan	\$ 864,517	\$	\$ 614,769	\$ 1,479,286
Safety Plan	<u>1,190,587</u>	<u> </u>	<u>926,219</u>	<u>2,116,806</u>
Total	<u>\$ 2,055,104</u>	<u>\$</u>	<u>\$1,540,988</u>	<u>\$ 3,596,092</u>

Deferred Inflows of Resources

	Changes Of Assumptions	Differences Between Expected and Actual Experiences	Net Differences Between Projected Earnings and Actual on Pension Plan Investments	Total Pension-related Deferred Inflows
Miscellaneous Plan	\$ 53,973	\$	\$	\$ 53,973
Safety Plan	<u>31,077</u>	<u> </u>	<u> </u>	<u>31,077</u>
Total	<u>\$ 85,050</u>	<u>\$</u>	<u>\$</u>	<u>\$ 85,050</u>

Measurement Period Ended June 30	Outflows (Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2021	\$86,712	217,335
2022	203,836	340,398
2023	162,426	235,811
2024	<u>107,822</u>	<u>101,598</u>
	<u>\$560,796</u>	<u>\$895,142</u>

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuations of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. The collective total pension liability was based on the following assumptions.

Investment rate of return	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table ¹	Derived using CalPERS' Membership Data for all Funds Contract
Post-retirement benefit increase	COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December, 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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, 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 geometric returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

The table below reflects 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 geometric rates of return are net of administrative expenses.

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

- (1) In the System's ACFR, Fixed income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (2) An expected inflation of 2.00% used for this period.
- (3) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Change in the Discount Rate

The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City'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:

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Miscellaneous	\$ 12,084,451	\$ 7,567,356	\$ 3,835,021
Safety	<u>14,042,280</u>	<u>9,329,447</u>	<u>5,462,084</u>
Total	<u>\$ 26,126,731</u>	<u>\$ 16,896,803</u>	<u>\$ 9,297,105</u>

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2021, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City participates in the CalPERS medical program under the Public Employees' Medical and Hospital and Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS, which requires (1) attainment of age 50 (age 52, if a new miscellaneous member to PERS on or after January 1, 2013) with 5 years of State or public agency service or (2) an approved disability retirement.

The City offers medical, dental, and vision coverage to qualifying retirees. The City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. The City has an "unequal contribution" resolution with CalPERS, executed in 2001. This resolution defines the City's contribution toward active employee medical premiums to be the PEMHCA minimum employer contribution (MEC). The MEC was \$143 per month in 2021.

The City's contribution toward retiree medical benefits is determined by multiplying together the following three items:

- 5% times
- The number of prior years the employer has been contracted with PEMHCA times
- The contribution the employer provides for active employees (i.e., the MEC).

The amount payable by the City for retirees was \$143 per month for 2021.

Employees Covered

As of June 30, 2020 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active employees	110
Retirees	<u>33</u>
Total	<u>143</u>

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions:

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial methods of assumptions:

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

Valuation Date	June 30, 2020
Funding Method	Entry Age Normal Cost, level percentage of pay
Asset Valuation Method	Not applicable (\$0; plan is not yet funded)
Discount Rate	3.13% as of June 30, 2019 2.45 % as of June 30, 2020
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.0% per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.
General Inflation Rate	2.5% per year
Healthcare Cost Trend Rates	5.40% as of January 1, 2021, decreasing .10% per year to 4.00% for years 2076 and thereafter
Mortality Improvements	MacLeod Watts Scale 2020 applied generationally from 2015.
Medicare Eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicare Part A and Part B at age 65

Discount Rate

The City is currently financing its OPEB liability on a pay-as-you-go basis. The discount rate used in this valuation is based on the Fidelity Muni Bond AA 20 Year maturity yield. As of the beginning and end of the Measurement Period, use of this index results in discount rates of 3.13% as of June 30, 2019 and 2.45% as of June 30, 2020.

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2020 (Measurement Date June 30, 2019)	<u>\$6,501,690</u>	<u>\$</u>	<u>\$6,501,690</u>
Changes recognized for the measurement period:			
Service cost	391,898		391,898
Interest	213,638		213,638
Changes of assumptions	10,962		10,962
Difference between expected and actual experience	(1,087,910)		(1,087,910)
Employer contribution		147,078	(147,078)
Benefit payments	<u>(147,078)</u>	<u>(147,078)</u>	<u></u>
Net Changes	<u>(618,490)</u>	<u></u>	<u>(618,490)</u>
Balance at June 30, 2021 (Measurement Date June 30, 2020)	<u>\$5,883,200</u>	<u>\$</u>	<u>\$5,883,200</u>

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

The discount rate used for the fiscal year end 2021 is 2.45%. The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
Total OPEB Liability	\$6,888,206	\$5,883,200	\$5,081,346
Net OPEB Liability	\$6,888,206	\$5,883,200	\$5,081,346

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The healthcare cost trend was assumed to start at 5.4% (effective January 1, 2021) and grade down to 4% for years 2076 and thereafter. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$4,924,282	\$5,883,200	\$7,133,122
Net OPEB Liability	\$4,924,282	\$5,883,200	\$7,133,122

Payable to the OPEB Plan

At June 30, 2021, the City reported a payable of \$0 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$480,625. As of fiscal year ended June 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$147,741	\$
Differences between expected and actual experience		977,686
Changes of assumptions	<u>363,559</u>	<u>316,129</u>
Total	<u>\$511,300</u>	<u>\$1,293,815</u>

The \$147,741 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

<u>Fiscal Year Ended June 30</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2022	\$ (124,911)
2023	(124,911)
2024	(124,911)
2025	(124,911)
2026	(80,262)
Thereafter	<u>(350,350)</u>
Total	<u>\$ (930,256)</u>

CITY OF SELMA
Notes to Financial Statements
June 30, 2021
(Continued)

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Litigation

No reportable litigation was pending against the City at June 30, 2021.

Federal Grant Programs

The City participates in a number of federally assisted grant programs. Receipts from these grant programs are subject to audit to determine if the monies were expended in accordance with the appropriate statutes, grant terms and regulations. The City believes no significant liabilities would result from any such audits.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SELMA
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual
General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$9,553,960	\$9,553,960	\$13,149,014	\$ 3,595,054
Licenses and permits	305,200	305,200	319,081	13,881
Intergovernmental	119,000	119,000	688,105	569,105
Charges for services	342,974	342,974	506,345	163,371
Fines	33,000	33,000	41,248	8,248
Franchise fees	1,000,429	1,000,429	1,021,115	20,686
Use of money and property	89,975	89,975	86,467	(3,508)
Miscellaneous	<u>103,039</u>	<u>103,039</u>	<u>291,870</u>	<u>188,831</u>
Total revenues	<u>11,547,577</u>	<u>11,547,577</u>	<u>16,103,245</u>	<u>4,555,668</u>
Expenditures				
General government	1,986,683	1,986,683	2,618,281	(631,598)
Public safety	9,409,946	9,409,946	9,074,123	335,823
Public works	1,058,985	1,058,985	1,064,018	(5,033)
Community development	706,589	706,589	724,937	(18,348)
Recreation	588,407	588,407	513,040	75,367
Capital outlay	20,000	20,000	78,703	(58,703)
Debt service:				
Principal	381,284	381,284	381,284	
Interest and fiscal charges	<u>122,492</u>	<u>122,492</u>	<u>121,861</u>	<u>631</u>
Total expenditures	<u>14,274,386</u>	<u>14,274,386</u>	<u>14,576,247</u>	<u>(301,861)</u>
Excess (deficiency) of revenues over (under) expenditures	(2,726,809)	(2,726,809)	1,526,998	4,253,807
Other financing sources (uses)				
Operating transfers in	3,117,000	3,117,000	3,075,000	(42,000)
Operating transfers out	<u>(165,500)</u>	<u>(165,500)</u>	<u>(123,146)</u>	<u>42,354</u>
Total other financing sources (uses)	<u>2,951,500</u>	<u>2,951,500</u>	<u>2,951,854</u>	<u>354</u>
Net change in fund balance	224,691	224,691	4,478,852	4,254,161
Fund balance, beginning of year	<u>6,717,902</u>	<u>6,717,902</u>	<u>6,717,902</u>	
Fund balance, end of year	<u>\$ 6,942,593</u>	<u>\$ 6,942,593</u>	<u>\$ 11,196,754</u>	<u>\$4,254,161</u>

CITY OF SELMA
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual
Citizens Tax Initiative – Measure S
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,643,801	\$ 1,643,801	\$ 2,404,973	\$ 761,172
Use of money and property	<u>7,000</u>	<u>7,000</u>	<u>7,210</u>	<u>210</u>
Total revenues	<u>1,650,801</u>	<u>1,650,801</u>	<u>2,412,183</u>	<u>761,382</u>
Expenditures				
Public safety	307,891	307,891	246,240	61,651
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	
Total expenditures	<u>322,891</u>	<u>322,891</u>	<u>261,240</u>	<u>61,651</u>
Excess (deficiency) of revenues over (under) expenditures	1,327,910	1,327,910	2,150,943	823,033
Other financing sources (uses)				
Operating transfers in				
Operating transfers out	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>(1,662,500)</u>	<u>(362,500)</u>
Total other financing sources (uses)	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>(1,662,500)</u>	<u>(362,500)</u>
Net change in fund balance	27,910	27,910	488,443	460,533
Fund balance, beginning of year	<u>1,097,529</u>	<u>1,097,529</u>	<u>1,097,529</u>	
Fund balance, end of year	<u>\$1,125,439</u>	<u>\$1,125,439</u>	<u>\$1,585,972</u>	<u>\$ 460,533</u>

CITY OF SELMA
Required Supplementary Information
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Last 10 Years*
For the Year Ended June 30, 2021

**Schedule of Plan's Proportionate Share of the Net Pension
Liability and Related Ratios as of the Measurement Date**

	Miscellaneous Measurement Period Ending June 30,						
	2020	2019	2018	2017	2016	2015	2014
Plan's Proportion of the Net Pensions Liability (Asset)	.17940%	.18142%	.18385%	.17582%	.18473%	.19888%	.07296%
Plan's Proportion share of the Net Pension Liability (Asset)	\$7,567,356	\$7,265,144	\$6,928,797	\$7,123,581	\$6,417,380	\$5,456,437	\$4,540,156
Plan's Covered Employee Payroll	\$2,726,204	\$2,456,834	\$2,033,498	\$1,694,454	\$1,609,297	\$1,636,530	\$1,470,465
Plan's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	277.58%	295.71%	340.73%	420.41%	398.77 %	333.42%	308.76%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	67.90%	67.68%	67.72%	65.86%	66.99%	71.14%	76.31%

	Safety Measurement Period Ending June 30,						
	2020	2019	2018	2017	2016	2015	2014
Plan's Proportion of the Net Pensions Liability (Asset)	.14003%	.14066%	.13688%	.14971%	.13159 %	.12509%	.07659%
Plan's Proportion share of the Net Pension Liability (Asset)	\$9,329,447	\$8,780,706	\$8,031,431	\$7,915,874	\$6,815,312	\$5,154,581	\$4,765,927
Plan's Covered Employee Payroll	\$4,071,294	\$4,072,999	\$3,727,327	\$3,505,756	\$2,878,438	\$3,453,182	\$3,379,336
Plan's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	229.15%	215.58%	215.47%	225.80%	236.77%	149.27%	141.03%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73.83%	73.93%	74.94%	73.95%	75.04%	80.18%	81.42%

*Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF SELMA
Required Supplementary Information
Schedule of Funding Progress PERS Information
For the Year Ended June 30, 2021

Schedule Contributions

	Miscellaneous						
	For the Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 899,240	\$ 826,351	\$ 709,431	\$ 619,237	\$ 526,961	\$ 381,662	\$ 367,790
Contributions in relation to the							
actuarially determined contributions	<u>(899,240)</u>	<u>(826,351)</u>	<u>(709,431)</u>	<u>(619,237)</u>	<u>(526,961)</u>	<u>(381,662)</u>	<u>(367,790)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	<u>\$2,726,204</u>	<u>\$2,456,834</u>	<u>\$2,033,498</u>	<u>\$1,694,454</u>	<u>\$1,609,297</u>	<u>\$1,636,530</u>	<u>\$1,470,465</u>
Contributions as a percentage							
of covered-employee payroll	32.99%	33.63%	34.89%	36.54%	32.74%	23.32%	25.01%

	Safety						
	For the Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,238,405	\$ 1,094,779	\$ 898,570	\$ 840,006	\$ 682,202	\$ 660,953	\$ 655,346
Contributions in relation to the							
actuarially determined contributions	<u>(1,238,405)</u>	<u>(1,094,779)</u>	<u>(898,570)</u>	<u>(840,006)</u>	<u>(682,202)</u>	<u>(660,953)</u>	<u>(655,346)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	<u>\$ 4,071,294</u>	<u>\$ 4,072,999</u>	<u>\$3,727,327</u>	<u>\$3,505,756</u>	<u>\$2,878,438</u>	<u>\$3,453,182</u>	<u>\$3,379,336</u>
Contributions as a percentage							
of covered-employee payroll	30.42%	26.88%	24.10%	23.96%	23.70%	19.14%	19.39%

CITY OF SELMA
Required Supplementary Information
Schedule of Funding Progress PERS Information
for the Year Ended June 30, 2021

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2018 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2018 Funding Valuation Report
Asset Valuation Method	Market Value of Assets.
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00%, Net of Pension Plan Investment and Administrative Expenses; Includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

CITY OF SELMA
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios

	Measurement Period Ending June 30,			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 391,898	\$ 335,680	\$ 329,996	\$ 375,557
Interest cost	213,638	213,125	196,593	164,777
Differences between expected and actual experience	(1,087,910)			
Assumption changes	10,962	465,642	(50,785)	(546,300)
Benefit payments	(147,078)	(129,028)	(103,626)	(34,854)
Net change in total OPEB liability	(618,490)	885,419	372,178	(40,820)
Total OPEB liability – beginning	6,501,690	5,616,271	5,244,093	5,284,913
Total OEPB liability – ending (a)	<u>\$5,883,200</u>	<u>\$6,501,690</u>	<u>\$5,616,271</u>	<u>\$5,244,093</u>
Fiduciary Net Position				
Employer contributions	\$ 147,078	\$ 129,028	\$ 103,626	\$ 34,854
Benefit payments	(147,078)	(129,028)	(103,626)	(34,854)
Net change in plan fiduciary net position	<u>\$</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fiduciary net position – beginning				
Fiduciary net position – ending (b)				
Net OPEB (asset) liability – ending (a)-(b)	<u>\$ 5,883,200</u>	<u>\$6,501,690</u>	<u>\$5,616,271</u>	<u>\$5,244,093</u>
Covered-employee payroll	\$ 7,816,318	\$6,913,761	\$6,330,599	\$6,169,019
Net OPEB liability as a percentage of covered-employee payroll	75.27%	94.04%	88.72%	85.01%

Notes to Schedule:

Changes in Assumptions

The discount rate was changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020, based on the published change in return for the applicable municipal bond index.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF SELMA
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios

	Fiscal Year Ended June 30,			
	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 480,625	\$ 533,007	\$ 454,824	\$ 474,673
Contributions in relation to the ADC	<u>(147,741)</u>	<u>(147,078)</u>	<u>(129,028)</u>	<u>(103,626)</u>
Contribution deficiency (excess)	<u>\$ 332,884</u>	<u>\$ 385,929</u>	<u>\$ 325,796</u>	<u>\$ 371,047</u>
Covered-employee payroll	<u>\$7,816,318</u>	<u>\$6,913,761</u>	<u>\$6,330,599</u>	<u>\$6,169,019</u>
Contributions as a percentage of covered-employee payroll	4.26%	2.13%	2.04%	1.68%

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021 were from the June 30, 2020 actuarial valuation.

Methods and assumptions used to determine contributions:

Valuation Date	June 30, 2020
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets (\$0; plan is not yet funded)
Discount Rate	3.13% as of June 30, 2019 2.45% as of June 30, 2020
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.00% per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
General Inflation Rate	2.50% per year

COMBINING STATEMENTS AS SUPPLEMENTARY INFORMATION

CITY OF SELMA
Combining Balance Sheet –
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$4,886,266	\$755,855	\$5,920,091	\$ 11,562,212
Cash with fiscal agent		109,642		109,642
Accounts receivable	12,383		21,579	33,962
Interfund receivables			3,200	3,200
Due from other agencies	595,888		47,250	643,138
Total assets	<u>\$5,494,537</u>	<u>\$865,497</u>	<u>\$5,992,120</u>	<u>\$12,352,154</u>
Liabilities				
Accounts payable	\$ 145,560	\$	\$ 72,561	\$ 218,121
Accrued wages/benefits	39,785			39,785
Interfund payables	346,729		108,900	455,629
Other liabilities	105,000			105,000
Total liabilities	<u>637,074</u>	<u></u>	<u>181,461</u>	<u>818,535</u>
Fund balance				
Restricted for:				
Streets and roads	3,906,073		2,005,875	5,911,948
Public safety	219,261			219,261
Community development	593,936			593,936
Debt service		865,497		865,497
Capital projects			2,431,119	2,431,119
Committed for:				
Streets and roads	24,403			24,403
Community development	166,950			166,950
Recreation	3,351			3,351
Capital projects			657,998	657,998
Assigned for:				
Equipment replacement			809,372	809,372
Unassigned	(56,511)		(93,705)	(150,216)
Total fund balance	<u>4,857,463</u>	<u>865,497</u>	<u>5,810,659</u>	<u>11,533,619</u>
Total liabilities and fund balance	<u>\$5,494,537</u>	<u>\$865,497</u>	<u>\$5,992,120</u>	<u>\$12,352,154</u>

CITY OF SELMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 853,113	\$	\$	\$ 853,113
Intergovernmental	2,259,924		12,000	2,271,924
Charges for services	477,461		771,054	1,248,515
Fines	3,762			3,762
Use of money and property	30,079	2,578	31,932	64,589
Assessment payments		431,042		431,042
Miscellaneous	<u>236,095</u>		<u>282,012</u>	<u>518,107</u>
Total revenues	<u>3,860,434</u>	<u>433,620</u>	<u>1,096,998</u>	<u>5,391,052</u>
Expenditures				
General government	41,541	8,639		50,180
Public safety	381,482		124,648	506,130
Public works	1,638,590		54,000	1,692,590
Community development	545,190		3,983	549,173
Recreation			22,486	22,486
Capital outlay	436,683		3,382,341	3,819,024
Debt service:				
Principal		195,000	87,214	282,214
Interest and fiscal charges		<u>139,099</u>	<u>6,631</u>	<u>145,730</u>
Total expenditures	<u>3,043,486</u>	<u>342,738</u>	<u>3,681,303</u>	<u>7,067,527</u>
Excess (deficiency) of revenues over (under) expenditures	816,948	90,882	(2,584,305)	(1,676,475)
Other financing sources (uses)				
Operating transfers in	1,012,756	113,877	1,398,247	2,524,880
Operating transfers out	<u>(818,958)</u>	<u>(113,877)</u>	<u>(10,974)</u>	<u>(943,809)</u>
Total other financing sources (uses)	<u>193,798</u>		<u>1,387,273</u>	<u>1,581,071</u>
Net change in fund balance	1,010,746	90,882	(1,197,032)	(95,404)
Fund balance, beginning of year	<u>3,846,717</u>	<u>774,615</u>	<u>7,007,691</u>	<u>11,629,023</u>
Fund balance, end of year	<u>\$ 4,857,463</u>	<u>\$ 865,497</u>	<u>\$5,810,659</u>	<u>\$11,533,619</u>

CITY OF SELMA
Combining Balance Sheet –
Nonmajor Special Revenue Funds
June 30, 2021

	<u>Traffic Safety</u>	<u>Redevelopment Administration</u>	<u>Public Safety</u>	<u>Sidewalk Repair Funds</u>	<u>AB 1913 Grant</u>	<u>Street Maintenance Fund</u>	<u>Street Gas Tax</u>	<u>Road Maintenance & Rehabilitation</u>
Assets								
Cash and investments	\$16,047	\$	\$79,129	\$23,923	\$141,239	\$259,825	\$941,642	\$1,437,557
Accounts receivable				480		164		
Due from other agencies	<u>1,064</u>	<u>70,544</u>	<u>5,567</u>					<u>82,551</u>
Total assets	<u>17,111</u>	<u>70,544</u>	<u>84,696</u>	<u>24,403</u>	<u>141,239</u>	<u>259,989</u>	<u>941,642</u>	<u>1,520,108</u>
Liabilities								
Accounts payable						51,058		
Accrued wages/benefits		2,728			6,869	16,618	3,866	
Interfund payables		67,816						
Other liabilities						<u>5,000</u>		
Total liabilities		<u>70,544</u>			<u>6,869</u>	<u>72,676</u>	<u>3,866</u>	
Fund balance								
Restricted for:								
Streets and roads	17,111					187,313	937,776	1,520,108
Public safety			84,696		134,370			
Community development								
Committed for:								
Streets and roads				24,403				
Community development								
Recreation								
Unassigned								
Total fund balance	<u>17,111</u>		<u>84,696</u>	<u>24,403</u>	<u>134,370</u>	<u>187,313</u>	<u>937,776</u>	<u>1,520,108</u>
Total liabilities and fund balance	<u>\$17,111</u>	<u>\$70,544</u>	<u>\$84,696</u>	<u>\$24,403</u>	<u>\$141,239</u>	<u>\$259,989</u>	<u>\$941,642</u>	<u>\$1,520,108</u>

CITY OF SELMA
Combining Balance Sheet –
Nonmajor Special Revenue Funds
June 30, 2021

	Street Measure C	CID Groundwater Surcharge	CFD 2006-1 Vineyard Estates	Landscape and Lighting Assessment	Property Cleanup & Demo Fund	Abandoned Vehicle Abatement	CDBG Grant	Recycling Grant
Assets								
Cash and investments	\$1,117,528	\$ 521,011	\$141,345	\$43,689	\$25,000	\$195	\$	\$15,424
Accounts receivable								
Due from other agencies	<u>126,237</u>						<u>79,523</u>	
Total assets	<u>1,243,765</u>	<u>521,011</u>	<u>141,345</u>	<u>43,689</u>	<u>25,000</u>	<u>195</u>	<u>79,523</u>	<u>15,424</u>
Liabilities								
Accounts payable				12,606				
Accrued wages/benefits				4,077				
Interfund payables							79,523	
Other liabilities								
Total liabilities				<u>16,683</u>			<u>79,523</u>	
Fund balance								
Restricted for:								
Streets and roads	1,243,765							
Public safety						195		
Community development		521,011		27,006				15,424
Committed for:								
Streets and roads								
Community development			141,345		25,000			
Recreation								
Unassigned								
Total fund balance	<u>1,243,765</u>	<u>521,011</u>	<u>141,345</u>	<u>27,006</u>	<u>25,000</u>	<u>195</u>		<u>15,424</u>
Total liabilities and fund balance	<u>\$1,243,765</u>	<u>\$ 521,011</u>	<u>\$141,345</u>	<u>\$43,689</u>	<u>\$25,000</u>	<u>\$195</u>	<u>\$79,523</u>	<u>\$15,424</u>

CITY OF SELMA
Combining Balance Sheet –
Nonmajor Special Revenue Funds
June 30, 2021

	FEMA Fire Grant	ABC Grant	Small Business Support Center	DOJ Bynes Grant	Foreclosed Homes Project	Sports Hall of Fame	ACT Program	AB 74 Storm Drain Appropriation
Assets								
Cash and investments	\$	\$	\$605	\$	\$18,756	\$3,351	\$	\$
Accounts receivable					11,739			
Due from other agencies		<u>3,651</u>		<u>11,954</u>			<u>44,286</u>	
Total assets		<u>3,651</u>	<u>605</u>	<u>11,954</u>	<u>30,495</u>	<u>3,351</u>	<u>44,286</u>	
Liabilities								
Accounts payable							295	
Accrued wages/benefits							5,627	
Interfund payables		3,651		11,954			38,364	
Other liabilities								
Total liabilities		<u>3,651</u>		<u>11,954</u>			<u>44,286</u>	
Fund balance								
Restricted for:								
Streets and roads								
Public safety								
Community development					30,495			
Committed for:								
Streets and roads								
Community development			605					
Recreation						3,351		
Unassigned								
Total fund balance			<u>605</u>		<u>30,495</u>	<u>3,351</u>		
Total liabilities and fund balance	<u>\$</u>	<u>\$3,651</u>	<u>\$605</u>	<u>\$11,954</u>	<u>\$30,495</u>	<u>\$3,351</u>	<u>\$44,286</u>	<u>\$</u>

CITY OF SELMA
Combining Balance Sheet –
Nonmajor Special Revenue Funds
June 30, 2021

	High Speed Rail CVTC	Prop 68 Park Grant	Transit Oriented Development	USDA RBDG	Community Power Resiliency	SB 2 Planning Grant Program	Total Nonmajor Special Revenue Funds
Assets							
Cash and investments	\$	\$	\$	\$	\$100,000	\$	\$4,886,266
Accounts receivable							12,383
Due from other agencies	<u>113,822</u>	<u>19,300</u>	<u>14,000</u>	<u>11,600</u>	<u> </u>	<u>11,789</u>	<u>595,888</u>
Total assets	<u>113,822</u>	<u>19,300</u>	<u>14,000</u>	<u>11,600</u>	<u>100,000</u>	<u>11,789</u>	<u>5,494,537</u>
Liabilities							
Accounts payable	57,762	12,050				11,789	145,560
Accrued wages/benefits							39,785
Interfund payables	112,571	7,250	14,000	11,600			346,729
Other liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>100,000</u>	<u> </u>	<u>105,000</u>
Total liabilities	<u>170,333</u>	<u>19,300</u>	<u>14,000</u>	<u>11,600</u>	<u>100,000</u>	<u>11,789</u>	<u>637,074</u>
Fund balance							
Restricted for:							
Streets and roads							3,906,073
Public safety							219,261
Community development							593,936
Committed for:							
Streets and roads							24,403
Community development							166,950
Recreation							3,351
Unassigned	<u>(56,511)</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>(56,511)</u>
Total fund balance	<u>(56,511)</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>4,857,463</u>
Total liabilities and fund balance	<u>\$113,822</u>	<u>\$ 19,300</u>	<u>\$ 14,000</u>	<u>\$ 11,600</u>	<u>\$100,000</u>	<u>\$11,789</u>	<u>\$5,494,537</u>

CITY OF SELMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

	Traffic Safety	Successor Agency Administration	Public Safety	Sidewalk Repair Funds	AB 1913 Grant	Street Maintenance Fund	Street Gas Tax	Road Maintenance & Rehabilitation
Revenues								
Taxes	\$	\$	\$60,948	\$	\$	\$	\$ 528,422	\$
Intergovernmental					156,726			519,248
Charges for services						176,105		
Fines	3,762							
Use of money and property							8,349	8,938
Miscellaneous		70,544		494		1,000		
Total revenues	<u>3,762</u>	<u>70,544</u>	<u>60,948</u>	<u>494</u>	<u>156,726</u>	<u>177,105</u>	<u>536,771</u>	<u>528,186</u>
Expenditures								
General government								
Public safety					156,662			
Public works						1,053,136	69,421	
Community development		70,544						
Capital outlay						85,151		
Total expenditures		<u>70,544</u>			<u>156,662</u>	<u>1,138,287</u>	<u>69,421</u>	
Excess (deficiency) of revenues over (under) expenditures	3,762		60,948	494	64	(961,182)	467,350	528,186
Other financing sources (uses)								
Operating transfers in						961,182		
Operating transfers out							(400,201)	
Total other financing sources (uses)						<u>961,182</u>	<u>(400,201)</u>	
Net change in fund balance	3,762		60,948	494	64		67,149	528,186
Fund balance, beginning of year	<u>13,349</u>		<u>23,748</u>	<u>23,909</u>	<u>134,306</u>	<u>187,313</u>	<u>870,627</u>	<u>991,922</u>
Fund balance, end of year	<u>\$17,111</u>	<u>\$</u>	<u>\$ 84,696</u>	<u>\$24,403</u>	<u>\$134,370</u>	<u>\$ 187,313</u>	<u>\$ 937,776</u>	<u>\$1,520,108</u>

CITY OF SELMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

	Street Measure C	CID Groundwater Surcharge	CFD 2006-1 Vineyard Estates	Landscape and Lighting Assessment	Property Cleanup & Demo Fund	Abandoned Vehicle Abatement	CDBG Grant	Recycling Grant
Revenues								
Taxes	\$	\$	\$ 57,890	\$205,853	\$	\$	\$	\$
Intergovernmental	746,881						358,673	6,309
Charges for services		300,356						
Fines								
Use of money and property	9,552	3,240						
Miscellaneous								
Total revenues	<u>756,433</u>	<u>303,596</u>	<u>57,890</u>	<u>205,853</u>	<u></u>	<u></u>	<u>358,673</u>	<u>6,309</u>
Expenditures								
General government							40,161	
Public safety			6,665					
Public works	19,220	237,104		259,709				
Community development								12,193
Capital outlay							<u>318,232</u>	
Total expenditures	<u>19,220</u>	<u>237,104</u>	<u>6,665</u>	<u>259,709</u>	<u></u>	<u></u>	<u>358,393</u>	<u>12,193</u>
Excess (deficiency) of revenues over (under) expenditures	737,213	66,492	51,225	(53,856)			280	(5,884)
Other financing sources (uses)								
Operating transfers in								
Operating transfers out	<u>(418,757)</u>							
Total other financing sources (uses)	<u>(418,757)</u>							
Net change in fund balance	318,456	66,492	51,225	(53,856)			280	(5,884)
Fund balance, beginning of year	<u>925,309</u>	<u>454,519</u>	<u>90,120</u>	<u>80,862</u>	<u>25,000</u>	<u>195</u>	<u>(280)</u>	<u>21,308</u>
Fund balance, end of year	<u>\$1,243,765</u>	<u>\$ 521,011</u>	<u>\$141,345</u>	<u>\$ 27,006</u>	<u>\$25,000</u>	<u>\$ 195</u>	<u>\$</u>	<u>\$15,424</u>

CITY OF SELMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

	FEMA Fire Grant	ABC Grant	Small Business Support Center	DOJ Brynes Grant	Foreclosed Homes Project	Sports Hall of Fame	ACT Program	AB 74 Storm Drain Appropriation
Revenues								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Intergovernmental	17,240	3,651		11,954				
Charges for services					1,000			
Fines								
Use of money and property								
Miscellaneous							164,057	
Total revenues	<u>17,240</u>	<u>3,651</u>	<u>—</u>	<u>11,954</u>	<u>1,000</u>	<u>—</u>	<u>164,057</u>	<u>—</u>
Expenditures								
General government					1,380			
Public safety	38,493	3,651		11,954			164,057	
Public works								
Community development								
Capital outlay								
Total expenditures	<u>38,493</u>	<u>3,651</u>	<u>—</u>	<u>11,954</u>	<u>1,380</u>	<u>—</u>	<u>164,057</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	(21,253)				(380)			
Other financing sources (uses)								
Operating transfers in	10,974							40,600
Operating transfers out								
Total other financing sources (uses)	<u>10,974</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>40,600</u>
Net change in fund balance	(10,279)				(380)			40,600
Fund balance, beginning of year	<u>10,279</u>	<u>—</u>	<u>605</u>	<u>—</u>	<u>30,875</u>	<u>3,351</u>	<u>—</u>	<u>(40,600)</u>
Fund balance, end of year	<u>\$</u>	<u>\$</u>	<u>\$605</u>	<u>\$</u>	<u>\$30,495</u>	<u>\$3,351</u>	<u>\$</u>	<u>\$</u>

CITY OF SELMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

	High Speed Rail CVTC	Prop 68 Park Grant	Transit Oriented Development	USDA RBDG	Community Power Resiliency	SB 2 Planning Grant Program	Total Nonmajor Special Revenue Funds
Revenues							
Taxes	\$	\$	\$	\$	\$	\$	\$ 853,113
Intergovernmental	382,553	19,300	14,000	11,600		11,789	2,259,924
Charges for services							477,461
Fines							3,762
Use of money and property							30,079
Miscellaneous							236,095
Total revenues	<u>382,553</u>	<u>19,300</u>	<u>14,000</u>	<u>11,600</u>	<u></u>	<u>11,789</u>	<u>3,860,434</u>
Expenditures							
General government							41,541
Public safety							381,482
Public works							1,638,590
Community development	439,064			11,600		11,789	545,190
Capital outlay	<u></u>	<u>19,300</u>	<u>14,000</u>	<u></u>	<u></u>	<u></u>	<u>436,683</u>
Total expenditures	<u>439,064</u>	<u>19,300</u>	<u>14,000</u>	<u>11,600</u>	<u></u>	<u>11,789</u>	<u>3,043,486</u>
Excess (deficiency) of revenues over (under) expenditures	(56,511)						816,948
Other financing sources (uses)							
Operating transfers in							1,012,756
Operating transfers out	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>(818,958)</u>
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>193,798</u>
Net change in fund balance	(56,511)						1,010,746
Fund balance, beginning of year	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>3,846,717</u>
Fund balance, end of year	<u>\$ (56,511)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 4,857,463</u>

CITY OF SELMA
Combining Balance Sheet –
Nonmajor Debt Service Funds
June 30, 2021

	1994 Debt Service	Assessment 91-2 Highland Debt Service	Assessment 92-1 Dancer II Debt Service	Assessment 92-1 Dancer III Debt Service	Assessment 92-1 Watermain Debt Service
Assets					
Cash and investments	\$ 87,215	\$130,640	\$37,663	\$32,014	\$17,733
Cash with fiscal agent	<u>109,642</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>196,857</u>	<u>130,640</u>	<u>37,663</u>	<u>32,014</u>	<u>17,733</u>
Liabilities					
Accounts payable	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance					
Restricted for:					
Debt service	<u>196,857</u>	<u>130,640</u>	<u>37,663</u>	<u>32,014</u>	<u>17,733</u>
Total fund balance	<u>196,857</u>	<u>130,640</u>	<u>37,663</u>	<u>32,014</u>	<u>17,733</u>
Total liabilities and fund balance	<u>\$196,857</u>	<u>\$130,640</u>	<u>\$37,663</u>	<u>\$32,014</u>	<u>\$17,733</u>

CITY OF SELMA
Combining Balance Sheet –
Nonmajor Debt Service Funds
June 30, 2021

	Assessment 93-1 Briarwood/ Vineyard Debt Service	PFA 2001 A Debt Service	2014 Assessment Bond	Total Nonmajor Debt Service Funds
Assets				
Cash and investments	\$71,983	\$341,249	\$37,358	\$755,855
Cash with fiscal agent				<u>109,642</u>
Total assets	<u>71,983</u>	<u>341,249</u>	<u>37,358</u>	<u>865,497</u>
Liabilities				
Accounts payable				
Total liabilities				
Fund balance				
Restricted for:				
Debt service	<u>71,983</u>	<u>341,249</u>	<u>37,358</u>	<u>865,497</u>
Total fund balance	<u>71,983</u>	<u>341,249</u>	<u>37,358</u>	<u>865,497</u>
Total liabilities and fund balance	<u>\$71,983</u>	<u>\$341,249</u>	<u>\$37,358</u>	<u>\$865,497</u>

CITY OF SELMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Debt Service Funds
For the Year Ended June 30, 2021

	1994 Debt Service	Assessment 91-2 Highland Debt Service	Assessment 92-1 Dancer II Debt Service	Assessment 92-1 Dancer III Debt Service
Revenues				
Use of money and property	\$ 336	\$	\$	\$
Assessment payments	<u> </u>	<u>82,776</u>	<u>28,497</u>	<u>22,984</u>
Total revenues	<u>336</u>	<u>82,776</u>	<u>28,497</u>	<u>22,984</u>
Expenditures				
General government		2,591	974	914
Debt Service:				
Principal				
Interest and fiscal charges	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u> </u>	<u>2,591</u>	<u>974</u>	<u>914</u>
Excess (deficiency) of revenues over (under) expenditures	336	80,185	27,523	22,070
Other financing sources (uses)				
Operating transfers in				
Operating transfers out	<u> </u>	<u>(44,651)</u>	<u>(17,044)</u>	<u>(16,025)</u>
Total other financing sources (uses)	<u> </u>	<u>(44,651)</u>	<u>(17,044)</u>	<u>(16,025)</u>
Net change in fund balance	336	35,534	10,479	6,045
Fund balance, beginning of year	<u>196,521</u>	<u>95,106</u>	<u>27,184</u>	<u>25,969</u>
Fund balance, end of year	<u>\$196,857</u>	<u>\$ 130,640</u>	<u>\$ 37,663</u>	<u>\$ 32,014</u>

CITY OF SELMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Debt Service Funds
For the Year Ended June 30, 2021

	Assessment 91-2 Watermain Debt Service	Assessment 93-1 Briarwood/ Vineyard Debt Service	PFA 2001 A Debt Service	2014 Assessment Bond	Total Nonmajor Debt Service Funds
Revenues					
Use of money and property	\$	\$	\$ 2,242	\$	\$ 2,578
Assessment payments	<u>12,329</u>	<u>48,959</u>	<u>235,497</u>	<u> </u>	<u>431,042</u>
Total revenues	<u>12,329</u>	<u>48,959</u>	<u>237,739</u>	<u> </u>	<u>433,620</u>
Expenditures					
General government	419	1,651		2,090	8,639
Debt Service:					
Principal			85,000	110,000	195,000
Interest and fiscal charges	<u> </u>	<u> </u>	<u>137,312</u>	<u>1,787</u>	<u>139,099</u>
Total expenditures	<u>419</u>	<u>1,651</u>	<u>222,312</u>	<u>113,877</u>	<u>342,738</u>
Excess (deficiency) of revenues over (under) expenditures	11,910	47,308	15,427	(113,877)	90,882
Other financing sources (uses)					
Operating transfers in				113,877	113,877
Operating transfers out	<u>(7,569)</u>	<u>(28,588)</u>	<u> </u>	<u> </u>	<u>(113,877)</u>
Total other financing sources (uses)	<u>(7,569)</u>	<u>(28,588)</u>	<u> </u>	<u>113,877</u>	<u> </u>
Net change in fund balance	4,341	18,720	15,427		90,882
Fund balance, beginning of year	<u>13,392</u>	<u>53,263</u>	<u>325,822</u>	<u>37,358</u>	<u>774,615</u>
Fund balance, end of year	<u>\$ 17,733</u>	<u>\$ 71,983</u>	<u>\$341,249</u>	<u>\$ 37,358</u>	<u>\$865,497</u>

CITY OF SELMA
Combining Balance Sheet –
Nonmajor Capital Projects Funds
June 30, 2021

	<u>Equipment Replacement</u>	<u>Development Impact Streets & Traffic</u>	<u>Development Impact Police Facility</u>	<u>Development Impact Fire Facility</u>	<u>Development Impact City Facilities</u>	<u>Development Impact Storm Drain</u>	<u>Development Impact Sewer</u>
Assets							
Cash and investments	\$829,696	\$1,793,642	\$ 30,454	\$59,016	\$480,069	\$	\$548,895
Accounts receivable							
Interfund receivables					3,200		
Due from other agencies	<u>47,250</u>						
Total assets	<u>876,946</u>	<u>1,793,642</u>	<u>30,454</u>	<u>59,016</u>	<u>483,269</u>		<u>548,895</u>
Liabilities							
Accounts payable	67,574						
Interfund payables						<u>90,001</u>	
Total liabilities	<u>67,574</u>					<u>90,001</u>	
Fund balance							
Restricted for:							
Streets and roads		1,793,642					
Capital projects			30,454	59,016	483,269		548,895
Committed for:							
Capital projects							
Assigned for:							
Equipment replacement	809,372						
Unassigned						<u>(90,001)</u>	
Total fund balance	<u>809,372</u>	<u>1,793,642</u>	<u>30,454</u>	<u>59,016</u>	<u>483,269</u>	<u>(90,001)</u>	<u>548,895</u>
Total liabilities and fund balance	<u>\$876,946</u>	<u>\$1,793,642</u>	<u>\$30,454</u>	<u>\$59,016</u>	<u>\$483,269</u>	<u>\$</u>	<u>\$548,895</u>

CITY OF SELMA
Combining Balance Sheet –
Nonmajor Capital Projects Funds
June 30, 2021

	Development Impact Parks and Recreation	Long Range Planning Fee	Development Impact Public Use Facilities	Development Impact Waste Water Collection	Development Impact Public Facilities	Development Impact Open Space Acquisition	City Hall Construction
Assets							
Cash and investments	\$756,187	\$382,997	\$67,235	\$95,239	\$42,226	\$5,557	\$19,764
Accounts receivable	3,798						
Interfund receivables							
Due from other agencies							
Total assets	<u>759,985</u>	<u>382,997</u>	<u>67,235</u>	<u>95,239</u>	<u>42,226</u>	<u>5,557</u>	<u>19,764</u>
Liabilities							
Accounts payable	4,987						
Interfund payables							
Total liabilities	<u>4,987</u>						
Fund balance							
Restricted for:							
Streets and roads							
Capital projects	754,998		67,235	95,239	42,226	5,557	
Committed for:							
Capital projects		382,997					19,764
Assigned for:							
Equipment replacement							
Unassigned							
Total fund balance	<u>754,998</u>	<u>382,997</u>	<u>67,235</u>	<u>95,239</u>	<u>42,226</u>	<u>5,557</u>	<u>19,764</u>
Total liabilities and fund balance	<u>\$759,985</u>	<u>\$382,997</u>	<u>\$67,235</u>	<u>\$95,239</u>	<u>\$42,226</u>	<u>\$5,557</u>	<u>\$19,764</u>

CITY OF SELMA
Combining Balance Sheet –
Nonmajor Capital Projects Funds
June 30, 2021

	Amberwood Project	Tutelian Project	Selma Crossing Project	Caltrans Mitigation Fund	Capital Projects Parks	Police Station Construction	Total Nonmajor Capital Projects Parks
Assets							
Cash and investments	\$27,790	\$	\$	\$212,233	\$224,861	\$344,230	\$5,920,091
Accounts receivable		17,781					21,579
Interfund receivables							3,200
Due from other agencies							47,250
Total assets	<u>27,790</u>	<u>17,781</u>	<u></u>	<u>212,233</u>	<u>224,861</u>	<u>344,230</u>	<u>5,992,120</u>
Liabilities							
Accounts payable							72,561
Interfund payables		15,195	3,704				108,900
Total liabilities	<u></u>	<u>15,195</u>	<u>3,704</u>	<u></u>	<u></u>	<u></u>	<u>181,461</u>
Fund balance							
Restricted for:							
Streets and roads				212,233			2,005,875
Capital projects						344,230	2,431,119
Committed for:							
Capital projects	27,790	2,586			224,861		657,998
Assigned for:							
Equipment replacement							809,372
Unassigned			(3,704)				(93,705)
Total fund balance	<u>27,790</u>	<u>2,586</u>	<u>(3,704)</u>	<u>212,233</u>	<u>224,861</u>	<u>344,230</u>	<u>5,810,659</u>
Total liabilities and fund balance	<u>\$27,790</u>	<u>\$17,781</u>	<u>\$</u>	<u>\$212,233</u>	<u>\$224,861</u>	<u>\$344,230</u>	<u>\$5,992,120</u>

CITY OF SELMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2021

	Equipment Replacement	Development Impact Streets & Traffic	Development Impact Police Facility	Development Impact Fire Facility	Development Impact City Facilities	Development Impact Storm Drain	Development Impact Sewer
Revenues							
Intergovernmental	\$ 12,000	\$	\$	\$	\$	\$	\$
Charges for services	64,506	293,462	34,957	34,917	93,988	68,053	
Use of money and property	5,159	11,152			2,985		3,413
Miscellaneous	<u>230,640</u>					<u>12,000</u>	
Total revenues	<u>312,305</u>	<u>304,614</u>	<u>34,957</u>	<u>34,917</u>	<u>96,973</u>	<u>80,053</u>	<u>3,413</u>
Expenditures							
Public safety	121,148			3,500			
Public works							54,000
Community development							
Recreation							
Capital outlay	1,371,137					173,587	
Debt Service:							
Principal	37,214					50,000	
Interest and fiscal charges	<u>6,631</u>						
Total expenditures	<u>1,536,130</u>			<u>3,500</u>		<u>223,587</u>	<u>54,000</u>
Excess (deficiency) of revenues over (under) expenditures	(1,223,825)	304,614	34,957	31,417	96,973	(143,534)	(50,587)
Other financing sources (uses)							
Operating transfers in	1,350,000						
Operating transfers out	<u>(10,974)</u>						
Total other financing sources (uses)	<u>1,339,026</u>						
Net change in fund balance	115,201	304,614	34,957	31,417	96,973	(143,534)	(50,587)
Fund balance, beginning of year	<u>694,171</u>	<u>1,489,028</u>	<u>(4,503)</u>	<u>27,599</u>	<u>386,296</u>	<u>53,533</u>	<u>599,482</u>
Fund balance, end of year	<u>\$ 809,372</u>	<u>\$1,793,642</u>	<u>\$ 30,454</u>	<u>\$59,016</u>	<u>\$483,269</u>	<u>\$ (90,001)</u>	<u>\$548,895</u>

CITY OF SELMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2021

	Development Impact Parks and Recreation	Long Range Planning Fee	Development Impact Public Use Facilities	Development Impact Waste Water Collection	Development Impact Public Facilities	Development Impact Open Space Acquisition	City Hall Construction
Revenues							
Intergovernmental	\$	\$	\$	\$	\$	\$	\$
Charges for services	113,797	24,677		42,525		172	
Use of money and property	4,702	2,381					
Miscellaneous							
Total revenues	<u>118,499</u>	<u>27,058</u>		<u>42,525</u>		<u>172</u>	
Expenditures							
Public safety							
Public works							
Community development							
Recreation							
Capital outlay	30,478						
Debt Service:							
Principal							
Interest and fiscal charges							
Total expenditures	<u>30,478</u>						
Excess (deficiency) of revenues over (under) expenditures	88,021	27,058		42,525		172	
Other financing sources (uses)							
Operating transfers in							
Operating transfers out							
Total other financing sources (uses)							
Net change in fund balance	88,021	27,058		42,525		172	
Fund balance, beginning of year	<u>666,977</u>	<u>355,939</u>	<u>67,235</u>	<u>52,714</u>	<u>42,226</u>	<u>5,385</u>	<u>19,764</u>
Fund balance, end of year	<u>\$754,998</u>	<u>\$382,997</u>	<u>\$67,235</u>	<u>\$95,239</u>	<u>\$42,226</u>	<u>\$5,557</u>	<u>\$19,764</u>

CITY OF SELMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2021

	Amberwood Project	Tutelian Project	Selma Crossing Project	Caltrans Mitigation Fund	Capital Project- Parks	Police Station Construction	Total Nonmajor Capital Projects Funds
Revenues							
Intergovernmental	\$	\$	\$	\$	\$	\$	\$ 12,000
Charges for services							771,054
Use of money and property						2,140	31,932
Miscellaneous	<u>2,454</u>	<u>17,782</u>	<u> </u>	<u> </u>	<u> </u>	<u>19,136</u>	<u>282,012</u>
Total revenues	<u>2,454</u>	<u>17,782</u>	<u> </u>	<u> </u>	<u> </u>	<u>21,276</u>	<u>1,096,998</u>
Expenditures							
Public safety							124,648
Public works							54,000
Community development		3,983					3,983
Recreation					22,486		22,486
Capital outlay						1,807,139	3,382,341
Debt Service:							
Principal							87,214
Interest and fiscal charges	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>6,631</u>
Total expenditures	<u> </u>	<u>3,983</u>	<u> </u>	<u> </u>	<u>22,486</u>	<u>1,807,139</u>	<u>3,681,303</u>
Excess (deficiency) of revenues over (under) expenditures	2,454	13,799			(22,486)	(1,785,863)	(2,584,305)
Other financing sources (uses)							
Operating transfers in					48,247		1,398,247
Operating transfers out	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>(10,974)</u>
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>48,247</u>	<u> </u>	<u>1,387,273</u>
Net change in fund balance	2,454	13,799			25,761	(1,785,863)	(1,197,032)
Fund balance, beginning of year	<u>25,336</u>	<u>(11,213)</u>	<u>(3,704)</u>	<u>212,233</u>	<u>199,100</u>	<u>2,130,093</u>	<u>7,007,691</u>
Fund balance, end of year	<u>\$27,790</u>	<u>\$ 2,586</u>	<u>\$(3,704)</u>	<u>\$212,233</u>	<u>\$224,861</u>	<u>\$ 344,230</u>	<u>\$5,810,659</u>

CITY OF SELMA
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2021

	Pioneer Village	Cultural Arts	Total Nonmajor Enterprise Funds
Assets			
Current assets			
Cash and investments	\$ 19,999	\$	\$ 19,999
Accounts receivable, net	<u>1,121</u>	<u>3,960</u>	<u>5,081</u>
Total current assets	<u>21,120</u>	<u>3,960</u>	<u>25,080</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	284,182	3,515	287,697
Less: accumulated depreciation	<u>(267,046)</u>	<u>(3,515)</u>	<u>(270,561)</u>
Total noncurrent assets	<u>17,136</u>	<u></u>	<u>17,136</u>
Total assets	<u>38,256</u>	<u>3,960</u>	<u>42,216</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	4,413	3,492	7,905
Deferred outflows related to OPEB	<u>627</u>	<u>496</u>	<u>1,123</u>
Total deferred outflow of resources	<u>5,040</u>	<u>3,988</u>	<u>9,028</u>
Liabilities			
Current liabilities:			
Accounts payable	1,441	6,931	8,372
Accrued wages/benefits	303	6,733	7,036
Deposits		2,304	2,304
Interfund payables	<u></u>	<u>36,897</u>	<u>36,897</u>
Total current liabilities	<u>1,744</u>	<u>52,865</u>	<u>54,609</u>
Noncurrent liabilities:			
Net pension liability	20,732	16,407	37,139
Net other post-employment benefits liability	<u>7,219</u>	<u>5,713</u>	<u>12,932</u>
Total noncurrent liabilities	<u>27,951</u>	<u>22,120</u>	<u>50,071</u>
Total liabilities	<u>29,695</u>	<u>74,985</u>	<u>104,680</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	104	83	187
Deferred inflows related to OPEB	<u>1,588</u>	<u>1,256</u>	<u>2,844</u>
Total deferred inflow of resources	<u>1,692</u>	<u>1,339</u>	<u>3,031</u>
Net position			
Invested in capital assets, net of related debt	17,136		17,136
Unrestricted	<u>(5,227)</u>	<u>(68,376)</u>	<u>(73,603)</u>
Total net position	<u>\$ 11,909</u>	<u>\$(68,376)</u>	<u>\$(56,467)</u>

CITY OF SELMA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2021

	Pioneer Village	Cultural Arts	Total Nonmajor Enterprise Funds
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues			
Charges for services	\$	\$ 26,359	\$ 26,359
Rents	15,284	13,669	28,953
Miscellaneous	<u>2,982</u>	<u>13,619</u>	<u>16,601</u>
Total operating revenues	<u>18,266</u>	<u>53,647</u>	<u>71,913</u>
Operating Expenses			
Personnel services	16,281	45,358	61,639
Services and supplies	50,952	39,126	90,078
Other internal services	2,664	30,432	33,096
Depreciation	<u>1,055</u>	<u> </u>	<u>1,055</u>
Total operating expenses	<u>70,952</u>	<u>114,916</u>	<u>185,868</u>
Income (loss) before transfers	<u>(52,686)</u>	<u>(61,269)</u>	<u>(113,955)</u>
Transfers			
Transfers in	<u>15,000</u>	<u>19,299</u>	<u>34,299</u>
Changes in net position	(37,686)	(41,970)	(79,656)
Net position (deficit), beginning of year	<u>49,595</u>	<u>(26,406)</u>	<u>23,189</u>
Net position (deficit), end of year	<u>\$ 11,909</u>	<u>\$ (68,376)</u>	<u>\$ (56,467)</u>

CITY OF SELMA
Combining Statement of Net Position –
Internal Service Funds
June 30, 2021

	Insurance	Fleet Management	Building & Utility	General Overhead	Information Processing	Total Internal Service Funds
Assets						
Current assets:						
Cash and investments	\$ 818,448	\$ 534,869	\$ 571,868	\$ 59,066	\$ 388,620	\$ 2,372,871
Accounts receivable, net	<u>220,104</u>			<u>492</u>	<u>24</u>	<u>220,620</u>
Total current assets	<u>1,038,552</u>	<u>534,869</u>	<u>571,868</u>	<u>59,558</u>	<u>388,644</u>	<u>2,593,491</u>
Noncurrent assets:						
Capital assets:						
Machinery and equipment		31,901	82,373		184,643	298,917
Less: Accumulated depreciation		<u>(6,489)</u>	<u>(20,121)</u>		<u>(47,787)</u>	<u>(74,397)</u>
Total noncurrent assets		<u>25,412</u>	<u>62,252</u>		<u>136,856</u>	<u>224,520</u>
Total assets	<u>1,038,552</u>	<u>560,281</u>	<u>634,120</u>	<u>59,558</u>	<u>525,500</u>	<u>2,818,011</u>
Deferred outflows of resources:						
Deferred outflows related to pensions		9,631	71,868			81,499
Deferred outflows related to OPEB		<u>1,370</u>	<u>10,219</u>			<u>11,589</u>
Total deferred outflow of resources		<u>11,001</u>	<u>82,087</u>			<u>93,088</u>
Liabilities						
Current liabilities:						
Accounts payable	3,805	76,209	13,350		21,868	115,232
Accrued wages/benefits		5,053	2,020			7,073
Current portion of capital leases					<u>10,642</u>	<u>10,642</u>
Total current liabilities	<u>3,805</u>	<u>81,262</u>	<u>15,370</u>		<u>32,510</u>	<u>132,947</u>
Noncurrent liabilities:						
Capital leases					21,660	21,660
Net pension liability		45,250	337,683			382,933
Net other post-employment benefits liability		<u>15,755</u>	<u>117,576</u>			<u>133,331</u>
Total noncurrent liabilities		<u>61,005</u>	<u>455,259</u>		<u>21,660</u>	<u>537,924</u>
Total liabilities	<u>3,805</u>	<u>142,267</u>	<u>470,629</u>		<u>54,170</u>	<u>670,871</u>
Deferred inflows of resources:						
Deferred inflow of pensions		228	1,700			1,928
Deferred inflow related to OPEB		<u>3,465</u>	<u>25,857</u>			<u>29,322</u>
Total deferred inflow of resources		<u>3,693</u>	<u>27,557</u>			<u>31,250</u>
Net position:						
Invested in capital assets, net of related debt		25,412	62,252		104,554	192,218
Unrestricted	<u>1,034,747</u>	<u>399,910</u>	<u>155,769</u>	<u>59,558</u>	<u>366,776</u>	<u>2,016,760</u>
Total net position	<u>\$1,034,747</u>	<u>\$425,322</u>	<u>\$218,021</u>	<u>\$59,558</u>	<u>\$471,330</u>	<u>\$2,208,978</u>

CITY OF SELMA
Combining Statement of Revenues, Expenses, and Changes in Net Position–
Internal Service Funds
For the Year Ended June 30, 2021

	Insurance	Fleet Management	Building & Utility	General Overhead	Information Processing	Total Internal Service Funds
Operating Revenues						
Charges for services	\$ 1,322,305	\$ 487,392	\$304,260	\$32,712	\$357,588	\$2,504,257
Miscellaneous		2,228				2,228
Total operating revenues	<u>1,322,305</u>	<u>489,620</u>	<u>304,260</u>	<u>32,712</u>	<u>357,588</u>	<u>2,506,485</u>
Operating Expenses						
Personnel services		120,165	184,430			304,595
Services and supplies		422,510	165,241	27,363	244,767	859,881
Other internal services	975,884					975,884
Depreciation		2,808	5,533		22,428	30,769
Total operating expenses	<u>975,884</u>	<u>545,483</u>	<u>355,204</u>	<u>27,363</u>	<u>267,195</u>	<u>2,171,129</u>
Operating income (loss)	346,421	(55,863)	(50,944)	5,349	90,393	335,356
Nonoperating revenues (expenses)						
Interest income	5,085	3,331	3,548		2,416	14,380
Interest expense					(1,126)	(1,126)
Total nonoperating revenues (expenses)	<u>5,085</u>	<u>3,331</u>	<u>3,548</u>		<u>1,290</u>	<u>13,254</u>
Changes in net position	351,506	(52,532)	(47,396)	5,349	91,683	348,610
Net position, beginning of year	<u>683,241</u>	<u>477,854</u>	<u>265,417</u>	<u>54,209</u>	<u>379,647</u>	<u>1,860,368</u>
Net position, end of year	<u>\$ 1,034,747</u>	<u>\$ 425,322</u>	<u>\$218,021</u>	<u>\$59,558</u>	<u>\$471,330</u>	<u>\$2,208,978</u>

APPROPRIATIONS LIMIT REPORT



Sampson, Sampson & Patterson, LLP
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INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and Members of the City Council
of the City of Selma
Selma, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Schedule of the City of Selma, California (City) for the year ended June 30, 2021. These procedures, which were agreed to by the City and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*), were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City management is responsible for the Appropriations Limit Schedule. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or any other purpose.

The procedures performed and our findings are described below:

1. We obtained the completed worksheets used by the City to calculate its appropriations limit for the year ended June 30, 2021, and determined that the limit and annual calculation factors were adopted by resolution of City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.
Finding: No exceptions were noted as a result of our procedures.
2. For the accompanying Appropriations Limit Schedule, we added the prior year's limit to the total adjustments, and agreed the resulting amount to the current year's limit.
Finding: No exceptions were noted as a result of our procedures.
3. We agreed the current year information presented in the accompanying Appropriations Limit Schedule to corresponding information in worksheets used by the City.
Finding: No exceptions were noted as a result of our procedures.
4. We agreed the appropriations limit presented in the accompanying Appropriations Limit Schedule to the appropriations limit adopted by the City Council.
Finding: No exceptions were noted as a result of our procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Appropriation Limit Schedule. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

Selma, California

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Sampson, Sampson & Patterson, LLP

Clovis, California

June 9, 2022

**CITY OF SELMA
APPROPRIATIONS LIMIT SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Amount</u>
A. Appropriations Limit FY 2020	\$32,235,033
B. Calculation Factors:	
1) Population increase %	1.0014
2) Inflation increase %	<u>1.0373</u>
3) Total adjustment %	1.0387522
C. Annual Adjustment Increase	1,249,179
D. Other Adjustments:	
1) Loss responsibility (-)	
2) Transfer to private (-)	
3) Transfer to fees (-)	
4) Assumed responsibility (+)	<u> </u>
E. Total Adjustments	<u>1,249,179</u>
F. Appropriations Limit FY 2021	<u><u>\$33,484,212</u></u>

CITY OF SELMA
NOTES TO APPROPRIATIONS LIMIT SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – PURPOSE OF LIMITED PROCEDURES REVIEW

Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII-B, the annual calculation of the appropriations limit is subject to a limited procedures review in connection with the annual audit.

NOTE 2 – METHOD OF CALCULATION

Under Section 10.5 of Article XIII-B, for fiscal years beginning on or after July, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

NOTE 3 – POPULATION FACTORS

A California governmental agency may use as its population factor either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the City for fiscal year 2021 represents the annual percentage change in population for the City.

NOTE 4 – INFLATION FACTORS

A California governmental agency may use as its inflation factor either the annual percentage change in the 4th quarter per capita personal income (which percentage is supplied by the State Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City for fiscal year 2021 represents the annual percentage change in the local assessment roll from the preceding year due to the change in local nonresidential construction.

NOTE 5 – OTHER ADJUSTMENTS

A California government agency may be required to adjust its appropriations limit when certain events occur such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for fiscal year 2021.