

**City of Selma | California**

Financial Statements

For the Year Ended June 30, 2022



# TABLE OF CONTENTS

	PAGE
<b>Independent Auditor’s Report</b> .....	1
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	6
Statement of Activities .....	7
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	9
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	10
Statement of Revenues, Expenditures and Changes in Fund Balances .....	11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities.....	12
Proprietary Funds:	
Statement of Net Position.....	13
Statement of Revenues, Expenses and Changes in Net Position .....	14
Statement of Cash Flows.....	15
Fiduciary Funds:	
Statement of Fiduciary Net Position .....	17
Statement of Changes in Fiduciary Net Position.....	18
Notes to the Basic Financial Statements .....	20
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedule:	
General Fund.....	64
Notes to the Budgetary Comparison Schedules.....	65

## TABLE OF CONTENTS (Continued)

	PAGE
<b>Required Supplementary Information (Continued):</b>	
Pension Plans:	
Cost-Sharing Multiple-Employer Defined Benefit Plan:	
Schedule of Proportionate Share of Net Pension Liability and Related Ratios as of the Measurement Date .....	67
Schedule of Contributions.....	68
OPEB Single Employer Defined-Benefit Plan	
Schedule of Changes in Net OPEB Liability and Related Ratios .....	69
<b>Combining Fund Financial Statements:</b>	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	73
Nonmajor Special Revenue Funds:	
Combining Balance Sheet .....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	78
Nonmajor Debt Service Funds:	
Combining Balance Sheet .....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	83
Nonmajor Capital Projects Funds:	
Combining Balance Sheet .....	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	85
Nonmajor Enterprise Funds:	
Combining Statement of Net Position.....	87
Combining Statement of Revenues, Expenses and Changes in Net Position .....	88
Combining Statement of Cash Flows.....	89
Internal Service Funds:	
Combining Statement of Net Position.....	91
Combining Statement of Revenues, Expenses and Changes in Net Position .....	92
Combining Statement of Cash Flows.....	93

## INDEPENDENT AUDITOR'S REPORT

To the City Council of the  
City of Selma  
Selma, California

### Report on the Audit of the Financial Statements

#### *Opinions*

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, California (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, 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.

#### *Basis for Opinions*

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

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

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

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

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

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

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

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

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

### ***Required Supplementary Information***

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of Net Pension Liability on page 66, Schedule of Contributions on page 67, the Budgetary Comparison information on pages 63-64, and the Schedule of Changes in Net OPEB Liability and Related Ratios on page 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to be 'Kevin J. [unclear]', written in a cursive style.

November 30, 2023

## **BASIC FINANCIAL STATEMENTS**

## GOVERNMENT-WIDE FINANCIAL STATEMENTS



**CITY OF SELMA | JUNE 30, 2022**  
Statement of Net Position

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 34,797,251	\$ 2,686,651	\$ 37,483,902
Restricted cash with fiscal agents	674,820	-	674,820
Receivables:			
Accounts, net	234,449	3,123,058	3,357,507
Interest	37,713	2,808	40,521
Intergovernmental	7,298,815	-	7,298,815
Leases	266,775	203,137	469,912
Due from the Successor Agency	1,323,678	-	1,323,678
Advance to the Successor Agency	125,000	-	125,000
Deposits	104,432	-	104,432
Internal balances	15,148	(15,148)	-
Capital assets (net of accumulated depreciation):			
Non-depreciable	9,492,283	554,025	10,046,308
Depreciable	<u>55,203,663</u>	<u>671,302</u>	<u>55,874,965</u>
Total assets	<u>109,574,027</u>	<u>7,225,833</u>	<u>116,799,860</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	3,473,099	532,517	4,005,616
OPEB related	<u>828,890</u>	<u>146,140</u>	<u>975,030</u>
Total deferred outflows of resources	<u>4,301,989</u>	<u>678,657</u>	<u>4,980,646</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	659,367	169,965	829,332
Accrued wages/benefits	343,254	100,737	443,991
Deposits and other liabilities	29,217	-	29,217
Unearned revenue	103,835	-	103,835
Accrued interest payable	82,238	-	82,238
Noncurrent liabilities:			
Due within one year	1,187,176	54,520	1,241,696
Due in more than one year	7,056,965	198,439	7,255,404
Net pension liability	8,932,997	1,515,327	10,448,324
Net OPEB liability	<u>5,914,627</u>	<u>1,042,805</u>	<u>6,957,432</u>
Total liabilities	<u>24,309,676</u>	<u>3,081,793</u>	<u>27,391,469</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	6,819,486	1,249,092	8,068,578
OPEB related	945,182	166,644	1,111,826
Lease related	<u>236,639</u>	<u>136,154</u>	<u>372,793</u>
Total deferred inflows of resources	<u>8,001,307</u>	<u>1,551,890</u>	<u>9,553,197</u>
<b>NET POSITION</b>			
Net investment in capital assets	57,234,552	1,169,432	58,403,984
Restricted for:			
Streets and roads	20,401,580	-	20,401,580
Public safety	548,919	-	548,919
Community development	4,303,658	-	4,303,658
Debt service	1,924,238	-	1,924,238
Capital projects	9,630,736	-	9,630,736
Pension trust	563,784	-	563,784
Unrestricted	<u>(13,042,434)</u>	<u>2,101,375</u>	<u>(10,941,059)</u>
Total net position	<u>\$ 81,565,033</u>	<u>\$ 3,270,807</u>	<u>\$ 84,835,840</u>

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

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Statement of Activities

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		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 3,226,946	\$ -	\$ 705,200	\$ -	\$ (2,521,746)	\$ -	\$ (2,521,746)
Public safety	10,646,307	592,953	566,111	-	(9,487,243)	-	(9,487,243)
Public works	5,677,588	984,461	2,718,636	103,360	(1,871,131)	-	(1,871,131)
Community development	1,694,580	518,100	305,972	-	(870,508)	-	(870,508)
Parks and recreation	662,993	20,200	-	-	(642,793)	-	(642,793)
Interest and other charges	269,810	-	-	-	(269,810)	-	(269,810)
Total governmental activities	<u>22,178,224</u>	<u>2,115,714</u>	<u>4,295,919</u>	<u>103,360</u>	<u>(15,663,231)</u>	<u>-</u>	<u>(15,663,231)</u>
Business-type activities:							
Ambulance	4,791,847	5,160,608	-	-	-	368,761	368,761
Garbage	1,495,980	1,580,156	-	-	-	84,176	84,176
Pioneer Village	78,042	188	-	-	-	(77,854)	(77,854)
Transit service	1,364,789	1,046,870	-	-	-	(317,919)	(317,919)
Cultural arts	189,198	111,013	-	-	-	(78,185)	(78,185)
Total business-type activities	<u>7,919,856</u>	<u>7,898,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,021)</u>	<u>(21,021)</u>
Total primary government	<u>\$ 30,098,080</u>	<u>\$ 10,014,549</u>	<u>\$ 4,295,919</u>	<u>\$ 103,360</u>	<u>(15,663,231)</u>	<u>(21,021)</u>	<u>(15,684,252)</u>
General revenues:							
Taxes					17,450,567	-	17,450,567
Licenses and permits					375,309	-	375,309
Motor vehicle in-lieu					28,289	-	28,289
American Rescue Plan Act					5,938,668	-	5,938,668
Fines					80,080	-	80,080
Franchise fees					1,047,570	-	1,047,570
Unrestricted investment earnings					114,486	58,195	172,681
Miscellaneous					149,340	769,945	919,285
Transfers					1,200,525	(1,200,525)	-
Total general revenues and transfers					<u>26,384,834</u>	<u>(372,385)</u>	<u>26,012,449</u>
Change in net position					10,721,603	(393,406)	10,328,197
Net position - beginning (restated)					<u>70,843,430</u>	<u>3,664,213</u>	<u>74,507,643</u>
Net position - ending					<u>\$ 81,565,033</u>	<u>\$ 3,270,807</u>	<u>\$ 84,835,840</u>

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

FUND FINANCIAL STATEMENTS

**CITY OF SELMA | JUNE 30, 2022**

Governmental Funds

Balance Sheet

	General	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
		Local Transportation	Impact Fees		
<b>ASSETS</b>					
Cash and investments	\$ 15,566,744	\$ 1,785,730	\$ 4,363,034	\$ 10,412,107	\$ 32,127,615
Cash with fiscal agents	563,784	-	-	111,036	674,820
Accounts receivable, net	229,245	-	3,798	1,400	234,443
Interest receivable	18,968	2,072	4,502	9,521	35,063
Interfund receivables	846,378	-	-	-	846,378
Due from the Successor Agency	143,314	-	-	1,180,364	1,323,678
Intergovernmental receivables	4,627,317	1,153,422	-	1,518,076	7,298,815
Leases Receivable	266,775	-	-	-	266,775
Advance to the Successor Agency	-	-	-	125,000	125,000
Total assets	<u>\$ 22,262,525</u>	<u>\$ 2,941,224</u>	<u>\$ 4,371,334</u>	<u>\$ 13,357,504</u>	<u>\$ 42,932,587</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 444,640	\$ -	\$ -	\$ 160,497	\$ 605,137
Accrued wages/benefits	309,523	-	-	25,373	334,896
Deposits	12,491	-	-	5,000	17,491
Other liabilities	11,726	-	-	-	11,726
Interfund payables	-	-	-	798,960	798,960
Unearned revenue	-	-	-	103,835	103,835
Total liabilities	<u>778,380</u>	<u>-</u>	<u>-</u>	<u>1,093,665</u>	<u>1,872,045</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	1,153,422	-	65,271	1,218,693
Lease related	236,639	-	-	-	236,639
Total deferred inflows of resources	<u>236,639</u>	<u>1,153,422</u>	<u>-</u>	<u>65,271</u>	<u>1,455,332</u>
<b>FUND BALANCES</b>					
Nonspendable					
Leases receivable	30,136	-	-	-	30,136
Restricted for:					
Streets and roads	-	1,787,802	-	7,836,277	9,624,079
Public safety	-	-	-	241,824	241,824
Community development	-	-	-	2,151,829	2,151,829
Debt service	-	-	-	962,119	962,119
Capital projects	-	-	4,371,334	888,068	5,259,402
Pension trust	563,784	-	-	-	563,784
Committed for:					
Streets and roads	-	-	-	24,218	24,218
Community development	-	-	-	237,166	237,166
Recreation	-	-	-	3,351	3,351
Assigned for:					
Equipment replacement	785,130	-	-	-	785,130
Unassigned	19,868,456	-	-	(146,284)	19,722,172
Total fund balances	<u>21,247,506</u>	<u>1,787,802</u>	<u>4,371,334</u>	<u>12,198,568</u>	<u>39,605,210</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,262,525</u>	<u>\$ 2,941,224</u>	<u>\$ 4,371,334</u>	<u>\$ 13,357,504</u>	<u>\$ 42,932,587</u>

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

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

## Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance -- governmental funds balance sheet		\$	39,605,210
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources; therefore, they are not reported in the governmental funds.			64,462,196
Long-term debt is not due and payable in the current period, and therefore, are not reported in the funds.			(7,196,500)
Leases payable are not due and payable in the current period, and therefore, are not reported in the funds.			(222,494)
Compensated absences are not due and payable in the current period, and therefore are not reported in the funds.			(776,629)
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.			(82,238)
Net pension liability and pension-related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of:			
Net pension liability	(8,719,019)		
Deferred outflows of resources	3,402,382		
Deferred inflows of resources	<u>(6,618,183)</u>	(11,934,820)	
Net OPEB liability and OPEB-related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of:			
Net OPEB liability	(5,849,794)		
Deferred outflows of resources	819,804		
Deferred inflows of resources	<u>(934,821)</u>	(5,964,811)	
Certain assets are not available to pay for current period expenditures; therefore, they are unavailable in the governmental funds.			1,218,693
Internal service funds are used by management to charge the costs of fleet maintenance services to individual funds. The assets and liabilities of the internal revenue service funds are included in the governmental activities in the statement of net position.			<u>2,456,426</u>
Net position of governmental activities - statement of net position		\$	<u>81,565,033</u>

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

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

	General	Special Revenue Funds		Nanmajor Governmental Funds	Total Governmental Funds
		Local Transportation	Impact Fees		
<b>Revenues:</b>					
Taxes	\$ 14,201,834	\$ -	\$ -	\$ 494,430	\$ 14,696,264
Licenses and permits	375,309	-	-	-	375,309
Intergovernmental	6,238,213	-	-	5,905,558	12,143,771
Charges for services	1,077,385	-	427,256	176,791	1,681,432
Fines	74,161	-	-	5,919	80,080
Franchise fees	1,047,570	-	-	-	1,047,570
Use of money and property	52,308	5,348	11,624	41,367	110,647
Assessments	-	-	-	466,069	466,069
Loan repayments	-	-	-	1,080	1,080
Miscellaneous	144,610	-	-	3,650	148,260
<b>Total revenues</b>	<b>23,211,390</b>	<b>5,348</b>	<b>438,880</b>	<b>7,094,864</b>	<b>30,750,482</b>
<b>Expenditures:</b>					
General government	2,486,249	-	-	449,374	2,935,623
Public safety	9,943,305	-	-	511,404	10,454,709
Public works	1,219,585	-	54,000	1,502,426	2,776,011
Community development	1,263,649	-	-	330,286	1,593,935
Recreation	671,252	-	-	57,651	728,903
Capital outlay	413,088	5,750	187,073	384,322	990,233
<b>Debt Service:</b>					
Principal	436,934	-	-	235,316	672,250
Interest and fiscal charges	110,056	-	-	152,911	262,967
<b>Total expenditures</b>	<b>16,544,118</b>	<b>5,750</b>	<b>241,073</b>	<b>3,623,690</b>	<b>20,414,631</b>
Excess (deficiency) of revenues over (under) expenditures	6,667,272	(402)	197,807	3,471,174	10,335,851
<b>Other financing sources (uses):</b>					
Operating transfers in	2,992,316	-	-	1,258,003	4,250,319
Operating transfers out	(436,768)	(552,160)	-	(2,060,866)	(3,049,794)
<b>Total other financing sources (uses)</b>	<b>2,555,548</b>	<b>(552,160)</b>	<b>-</b>	<b>(802,863)</b>	<b>1,200,525</b>
Net change in fund balance	9,222,820	(552,562)	197,807	2,668,311	11,536,376
Fund balances - beginning (restated)	12,024,686	2,340,364	4,173,527	9,530,257	28,068,834
Fund balances - ending	\$ 21,247,506	\$ 1,787,802	\$ 4,371,334	\$ 12,198,568	\$ 39,605,210

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

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities

---

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

Net change in fund balance -- total governmental funds		\$ 11,536,376
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.		(2,544,937)
Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal paid on long-term debt	577,132	
Premiums	4,395	
Principal paid on leases	<u>90,316</u>	671,843
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		976,768
Compensated absences expense reported in the statement of activities does not require the use of current financial resources; therefore, it is not reported as an expenditure in the governmental funds.		39,579
Accrued interest on long-term debt obligations is reported in the governmental activities but is not reported in the governmental fund statements.		(2,041)
Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.		(173,043)
Changes to net OPEB liability and OPEB-related deferred outflows and inflows of resources do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.		(45,579)
The net revenue (expense) of internal service funds is reported with governmental activities.		<u>262,637</u>
Change in net position of governmental activities - statement of activities		<u>\$ 10,721,603</u>

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

**CITY OF SELMA | JUNE 30, 2022**

Proprietary Funds  
Statement of Net Position

	Business-type Activities -- Enterprise Funds					Governmental
	Ambulance	Garbage	Transit	Nonmajor	Total	Internal
				Enterprise Funds		Service Funds
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 1,997,493	\$ 212,578	\$ 476,580	\$ -	\$ 2,686,651	\$ 2,669,636
Accounts receivable, net	3,039,617	-	79,375	4,066	3,123,058	6
Interest receivable	2,313	-	495	-	2,808	2,650
Lease receivable	-	-	-	203,137	203,137	-
Deposits	-	-	-	-	-	104,432
Total current assets	<u>5,039,423</u>	<u>212,578</u>	<u>556,450</u>	<u>207,203</u>	<u>6,015,654</u>	<u>2,776,724</u>
Noncurrent assets:						
Capital assets:						
Construction in progress	554,025	-	-	-	554,025	-
Buildings and improvements	-	-	-	284,182	284,182	-
Machinery and equipment	749,110	-	-	-	749,110	309,767
Right-to-use leased buildings	68,203	-	-	-	68,203	-
Right-to-use leased equipment	-	-	-	-	-	63,748
Less accumulated depreciation/amortization	(161,998)	-	-	(268,195)	(430,193)	(139,765)
Total noncurrent assets	<u>1,209,340</u>	<u>-</u>	<u>-</u>	<u>15,987</u>	<u>1,225,327</u>	<u>233,750</u>
Total assets	<u>6,248,763</u>	<u>212,578</u>	<u>556,450</u>	<u>223,190</u>	<u>7,240,981</u>	<u>3,010,474</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related	407,666	-	115,235	9,616	532,517	70,717
OPEB related	114,918	-	28,212	3,010	146,140	9,086
Total deferred outflows of resources	<u>522,584</u>	<u>-</u>	<u>143,447</u>	<u>12,626</u>	<u>678,657</u>	<u>79,803</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	33,772	124,034	7,307	4,852	169,965	54,230
Accrued wages and benefits	80,244	-	18,440	2,053	100,737	8,358
Interfund payables	-	-	-	47,418	47,418	-
Current portion of compensated absences	21,487	-	12,460	-	33,947	-
Current portion of leases payable	20,573	-	-	-	20,573	-
Current portion of long-term liabilities	-	-	-	-	-	10,893
Total current liabilities	<u>156,076</u>	<u>124,034</u>	<u>38,207</u>	<u>54,323</u>	<u>372,640</u>	<u>73,481</u>
Noncurrent liabilities:						
Compensated absences	120,415	-	26,505	16,197	163,117	6,118
Leases payable	35,322	-	-	-	35,322	31,507
Net pension liability	1,129,727	-	356,201	29,399	1,515,327	213,978
Net OPEB liability	820,012	-	201,311	21,482	1,042,805	64,833
Total noncurrent liabilities	<u>2,105,476</u>	<u>-</u>	<u>584,017</u>	<u>67,078</u>	<u>2,756,571</u>	<u>316,436</u>
Total liabilities	<u>2,261,552</u>	<u>124,034</u>	<u>622,224</u>	<u>121,401</u>	<u>3,129,211</u>	<u>389,917</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related	888,395	-	333,134	27,563	1,249,092	201,303
OPEB related	131,041	-	32,170	3,433	166,644	10,361
Lease related	-	-	-	136,154	136,154	-
Total deferred inflows of resources	<u>1,019,436</u>	<u>-</u>	<u>365,304</u>	<u>167,150</u>	<u>1,551,890</u>	<u>211,664</u>
<b>NET POSITION</b>						
Net investment in capital assets	1,153,445	-	-	15,987	1,169,432	191,350
Unrestricted	2,336,914	88,544	(287,631)	(68,722)	2,069,105	2,297,346
Total net position	<u>\$ 3,490,359</u>	<u>\$ 88,544</u>	<u>\$ (287,631)</u>	<u>\$ (52,735)</u>	<u>3,238,537</u>	<u>\$ 2,488,696</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					32,270	
Net position of business-type activities					<u>\$ 3,270,807</u>	

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



**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**

	Business-type Activities -- Enterprise Funds					Governmental
	Ambulance	Garbage	Transit	Nonmajor	Total	Internal
				Enterprise		Service
			Funds		Funds	
Operating revenues:						
Charges for services	\$ 5,160,608	\$ 1,580,156	\$ 1,046,870	\$ 111,201	\$ 7,898,835	\$ 2,701,799
Rents	-	-	-	43,745	43,745	-
Miscellaneous	-	-	-	19,861	19,861	1,534
Total revenues	<u>5,160,608</u>	<u>1,580,156</u>	<u>1,046,870</u>	<u>174,807</u>	<u>7,962,441</u>	<u>2,703,333</u>
Operating expenses:						
Personnel services	2,838,192	-	1,055,871	93,737	3,987,800	134,009
Services and supplies	935,726	1,495,980	308,918	203,789	2,944,413	979,991
Other internal services	-	-	-	-	-	1,254,065
Depreciation/amortization	78,875	-	-	1,149	80,024	44,203
Bad debt	946,311	-	-	-	946,311	-
Total operating expenses	<u>4,799,104</u>	<u>1,495,980</u>	<u>1,364,789</u>	<u>298,675</u>	<u>7,958,548</u>	<u>2,412,268</u>
Operating Income (loss)	<u>361,504</u>	<u>84,176</u>	<u>(317,919)</u>	<u>(123,868)</u>	<u>3,893</u>	<u>291,065</u>
Nonoperating revenues (expenses)						
Interest income	5,970	-	1,278	14,404	21,652	6,842
Interest expense	(780)	-	-	-	(780)	(3,003)
Bad debt recovery	750,084	-	-	-	750,084	-
Total nonoperating revenues (expenses)	<u>755,274</u>	<u>-</u>	<u>1,278</u>	<u>14,404</u>	<u>770,956</u>	<u>3,839</u>
Income (loss) before transfers	<u>1,116,778</u>	<u>84,176</u>	<u>(316,641)</u>	<u>(109,464)</u>	<u>774,849</u>	<u>294,904</u>
Transfers in	-	-	-	49,791	49,791	-
Transfers out	<u>(1,150,316)</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(1,250,316)</u>	<u>-</u>
Changes in net position	(33,538)	84,176	(416,641)	(59,673)	(425,676)	294,904
Net position (deficit) - beginning (restated)	<u>3,523,897</u>	<u>4,368</u>	<u>129,010</u>	<u>6,938</u>		<u>2,193,792</u>
Net position (deficit) - ending	<u>\$ 3,490,359</u>	<u>\$ 88,544</u>	<u>\$ (287,631)</u>	<u>\$ (52,735)</u>		<u>\$ 2,488,696</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.					<u>32,270</u>	
Changes in the net position of business-type activities					<u>\$ (393,406)</u>	

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

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Proprietary Funds

Statement of Cash Flows

	Business-type Activities -- Enterprise Funds					Governmental
	Ambulance	Garbage	Transit	Nonmajor	Total	Internal
				Enterprise		Service
				Funds		Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received for current services	\$ 4,070,936	\$ 1,580,156	\$ 1,156,730	\$ 109,912	\$ 6,917,734	\$ 2,817,489
Cash received for rents	-	-	-	41,501	41,501	-
Cash paid for services and supplies	(829,657)	(1,496,195)	(306,109)	(207,309)	(2,839,270)	(2,294,566)
Cash paid for salaries and benefits	(1,782,606)	-	(541,577)	(58,680)	(2,382,863)	(184,149)
Cash received for other operating revenues	-	-	-	19,861	19,861	1,534
Net cash provided by (used for) operating activities	<u>1,458,673</u>	<u>83,961</u>	<u>309,044</u>	<u>(94,715)</u>	<u>1,756,963</u>	<u>340,308</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Loans from (to) other funds	-	-	-	10,521	10,521	-
Transfers (to) from other funds	(1,150,316)	-	(100,000)	49,791	(1,200,525)	-
Net cash provided by (used for) noncapital financing activities	<u>(1,150,316)</u>	<u>-</u>	<u>(100,000)</u>	<u>60,312</u>	<u>(1,190,004)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal paid on financed purchases	-	-	-	-	-	(21,409)
Principal paid on leases	(12,308)	-	-	-	(12,308)	(12,473)
Interest paid on long-term liabilities	(780)	-	-	-	(780)	(3,003)
Acquisition of capital assets	(765,779)	-	-	-	(765,779)	(10,850)
Net cash provided by (used for) capital and related financing activities	<u>(778,867)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(778,867)</u>	<u>(47,735)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Interest received	<u>3,657</u>	<u>-</u>	<u>783</u>	<u>14,404</u>	<u>18,844</u>	<u>4,192</u>
Net cash provided by (used for) investing activities	<u>3,657</u>	<u>-</u>	<u>783</u>	<u>14,404</u>	<u>18,844</u>	<u>4,192</u>
Net increase (decrease) in cash and investments	(466,853)	83,961	209,827	(19,999)	(193,064)	296,765
Cash and investments - beginning	<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>
Cash and investments - ending	<u>\$ 1,997,493</u>	<u>\$ 212,578</u>	<u>\$ 476,580</u>	<u>\$ -</u>	<u>\$ 2,686,651</u>	<u>\$ 2,669,636</u>

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

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Proprietary Funds  
Statement of Cash Flows  
(Continued)

	Business-type Activities -- Enterprise Funds					Governmental
	Ambulance	Garbage	Transit	Nonmajor	Total	Internal
				Enterprise		Service
			Funds		Funds	
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>						
Operating income (loss)	\$ 361,504	\$ 84,176	\$ (317,919)	\$ (123,868)	\$ 3,893	\$ 291,065
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:						
Depreciation	78,875	-	-	1,149	80,024	44,203
Bad debt recovery	750,084	-	-	-	750,084	-
<b>Changes in the balance sheet:</b>						
(Increase) decrease in:						
Accounts receivable, net	(893,445)	-	109,860	1,015	(782,570)	738
Leases receivable	-	-	-	4,798	4,798	-
Deposits	-	-	-	-	-	114,952
Prepaid expenses	93,750	-	-	-	93,750	-
Deferred outflows of resources from pensions	(139,537)	-	(70,047)	(1,711)	(211,295)	10,782
Deferred outflows of resources from OPEB	(76,795)	-	(21,787)	(1,887)	(100,469)	2,503
Increase (decrease) in:						
Accounts payable	12,319	(215)	2,809	(3,520)	11,393	(60,510)
Accrued wages and benefits	41,205	-	(11,106)	(265)	29,834	1,285
Deposits	-	-	-	(2,304)	(2,304)	-
Compensated absences	39,357	-	5,638	11,479	56,474	6,118
Net pension liability	(106,626)	-	136,236	(9,074)	20,536	(182,744)
Net OPEB liability	381,355	-	127,383	8,550	517,288	(68,498)
Deferred inflow of resources from pensions	882,054	-	332,065	27,376	1,241,495	199,375
Deferred inflow of resources from OPEB	34,573	-	15,912	589	51,074	(18,961)
Deferred inflow of resources from leases	-	-	-	(7,042)	(7,042)	-
Total adjustments	1,097,169	(215)	626,963	29,153	1,753,070	49,243
Net cash provided by (used for) operating activities	\$ 1,458,673	\$ 83,961	\$ 309,044	\$ (94,715)	\$ 1,756,963	\$ 340,308

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

**CITY OF SELMA | JUNE 30, 2022**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position

---

	Redevelopment Successor Agency Private-Purpose Trust Funds
<b>ASSETS</b>	
Cash and investments	\$ 1,184,042
Restricted cash with fiscal agent	360,015
Notes receivable	<u>13,305</u>
Total assets	<u>1,557,362</u>
<b>LIABILITIES</b>	
Due to the City of Selma General Fund	143,314
Due to the City of Selma Housing Authority	1,180,364
Advances from the City	125,000
Long-term liabilities:	
Due within one year	430,000
Due in more than one year	<u>3,250,000</u>
Total liabilities	<u>5,128,678</u>
<b>NET POSITION (DEFICIT)</b>	
Held in trust for retirement of obligations of the former Selma Redevelopment Agency	<u>(3,571,316)</u>
Total net position (deficit)	<u>\$ (3,571,316)</u>

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

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

---

	Redevelopment Successor Agency Private-Purpose Trust Funds
<b>ADDITIONS</b>	
Property taxes	\$ 703,258
Investment earnings	120
Miscellaneous	<u>37</u>
Total additions	<u>703,415</u>
<b>DEDUCTIONS</b>	
Community development	145,899
Interest and fiscal charges	<u>218,581</u>
Total deductions	<u>364,480</u>
Change in net position	338,935
Net position (deficit) - beginning	<u>(3,910,251)</u>
Net position (deficit) - ending	<u>\$ (3,571,316)</u>

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

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The combined financial statements of the City of Selma, California (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.

**A. 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.

**B. Blended Component Units**

Based on the aforementioned oversight criteria, the operations of the Selma Public Finance Authority (the 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 that 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.

**C. Basis of Presentation and Basis of Accounting**

**Basis of Presentation**

The accounts of the City are organized based on funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

**Government-Wide Statements**

The Statement of Net Position 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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Basis of Presentation and Basis of Accounting** (Continued)

**Basis of Presentation** (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.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated: due to/due from other funds, interfund note receivable/interfund long-term debt, and transfers in/transfers out.

**Fund Financial Statements**

The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. 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. An accompanying schedule is presented to reconcile and explain the differences in funds and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which a party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

**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 nonmajor 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 Local Transportation Fund Special Revenue Fund or the Impact Fees Special Revenue Fund.



**C. Basis of Presentation, Basis of Accounting (Continued)**

**Basis of Presentation (Continued)**

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.

*Local Transportation Fund Special Revenue Fund* – This fund accounts for the activities of the City’s local transportation fund allocation for various transit projects.

*Impact Fees Special Revenue Fund* – accounts for the accumulation of resources from developers for the expected future capital cost of the City as a result of development. Impact fees collected are restricted for the use of general, police, fire and parks facilities, streets and roads, signalization, water, sewer and storm drain capital projects.

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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**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**

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified basis of accounting. Revenues, except for grants, are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal year. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirement, and the amount is received during the period or within the availability period for this revenue resource (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues items are considered to be measurable and available only when cash is received by the City.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Financial Statement Amounts**

**Cash and Cash Equivalents**

For the 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.

**Deposits and Investments**

The City maintains a cash and investment pool that is available for use by all funds. This pool utilizes investments authorized by the Government Code and is further defined by the City's investment policy that is approved by the City Council.

Authorized investments include deposits in the State of California administered Local Agency Investment Fund (LAIF), insured certificates of deposits, collateralized certificates of deposits, commercial paper, money market mutual funds, federally sponsored credit agency securities, and securities backed by the U.S. Government. All investments are stated at fair value.

Interest income earned as a result of pooling is distributed to the appropriate funds based on month-end cash balances in each fund. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**Restricted Assets**

Cash with fiscal agents is used to report resources set aside for potential deficiencies in the repayment ability of the enterprise funds, and for payment of construction projects undertaken by the City.

**Interfund Transactions**

Interfund transactions are reflected as loans, services provided or used, reimbursements or transfers. Loans reported as receivables and payables, as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the fund financial statements and are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided or used, 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 between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

**Receivables**

Enterprise fund statements report an allowance for uncollectible accounts against the account receivables. All customers are billed monthly. The estimated value of services provided, but unbilled at year-end, has been included in the accompanying financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Financial Statement Amounts** (Continued)

**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 taxes 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.

**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 machinery 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 years
Buildings	50 years
Building Improvement	20 years
Vehicles	2-15 years
Office Equipment	3-15 years
Computer Equipment	3-15 years

**Right-to-Use Lease Assets**

Right-to-use lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payment made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Financial Statement Amounts** (Continued)

**Leases**

Lessee: The City is a lessee for noncancellable leases of equipment and vehicles. The lessee recognizes a lease liability and an intangible right-to-use leased asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases, which it has determined is the prime rate at the inception of the lease.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor: The City is a lessor for noncancellable leases of land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental and enterprise fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the interest rate charged to the lessees as the discount rate. When the interest rate charged to the lessees is not provided, the City generally uses the implied rate of return as the discount rate for leases. When the implied rate of return cannot be determined, the City uses its estimated incremental borrowing rate which it has determined is the prime rate at the inception of the lease.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Financial Statement Amounts** (Continued)

**Risk Management**

The City participates with other public entities in a joint venture under a joint powers agreement which establishes 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.

**Interest Payable**

In the government-wide financial statements, interest payable for long-term debt is recognized as the liability is incurred for the governmental fund-types and proprietary-fund types.

In the fund financial statements, proprietary fund-types recognize the interest payable when the liability is incurred.

**Compensated Absences Payable**

City employees are granted vacation and sick leave in varying amounts depending on the number of years of service. City employees also accumulate hours of overtime as compensated time off. For governmental funds, earned but unused, vested leave (vacation, compensated time off, holiday) is expensed and established as a liability and is reported in the government-wide Statement of Net Position in the governmental activities column. Vested leave for enterprise funds is recorded as an expense and liability of those funds as the benefits accrue. No liability is recorded for non-vesting leave such as sick leave.

**Unearned Revenue**

Unearned revenue is a cash receipt for which asset recognition criteria have been met, but asset revenue recognition criteria have not been met. The City typically records intergovernmental revenues (primary grants and subventions) received but not earned (qualifying expenditures not yet incurred) as unearned revenue.

**Unavailable Revenue**

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations.

**Long-Term Debt**

In the government-wide financial statements and enterprise fund type statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premiums or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Financial Statement Amounts** (Continued)

**Pensions**

In the government-wide financial statements, pensions are recognized and disclosed using the accrual basis of accounting (see Note 9 and the RSI section immediately following the notes to financial statements), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability of the qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, measured as of the City's fiscal year-end or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants including retirees, in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they arose. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City of Selma California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's 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.

**Fund Balances – Governmental Funds**

Fund balances of the governmental funds are classified as follows:

*Nonspendable* – 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* – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

*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* – 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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Financial Statement Amounts** (Continued)

*Unassigned* – 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.

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 two items that qualify for reporting in this category, deferred outflows related to pensions and deferred outflows related to OPEB.

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 a 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 arise only under a full accrual basis of accounting, deferred inflows related to pensions and deferred inflows related to OPEB.

Unavailable revenues arise only under the modified accrual basis of accounting and are reported only in the governmental funds balance sheet.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Financial Statement Amounts** (Continued)

**Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows/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, 2021
Measurement Period	June 30, 2020 to June 30, 2021

**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.

**NOTE 2 – COMPLIANCE AND ACCOUNTABILITY**

**A. 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:

Fund Name	Deficit Amount
<b>Nonmajor Special Revenue Funds</b>	
ABC Grant Fund	\$ 72
DOJ Bynes Grant Fund	102
High Speed Rail CVTC Fund	101,810
Prop 68 Park Grant Fund	19,300
SB2 Planning Grant Program Fund	25,000
<b>Major Enterprise Funds</b>	
Transit Fund	287,631
<b>Nonmajor Enterprise Funds</b>	
Cultural Arts Fund	78,119

**NOTE 3 – CASH AND INVESTMENTS**

Cash and investments as of June 30, 2022 were classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 37,483,902
Restricted cash and investments with fiscal agent	674,820
Fiduciary funds:	
Cash and investments	1,184,042
Restricted cash and investments with fiscal agent	<u>360,015</u>
 Total cash and investments	 <u>\$ 39,702,779</u>

Cash and investments as of June 30, 2022 consisted of the following:

Cash on hand	\$ 1,675
Deposits with financial institutions	17,021,224
Investments	<u>22,679,880</u>
 Total cash and investments	 <u>\$ 39,702,779</u>

**A. 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 (the City) by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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.

**NOTE 3 – CASH AND INVESTMENTS** (Continued)

**B. 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.

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 Certificate of Deposits	N/A	None	None
Bankers Acceptances	1 year	None	None
Commercial Paper	1 year	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.

**C. Interest Rate Risk**

Interest rate risk is the risk that 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	Amount	12 Months or Less
State Investment Pool	\$ 21,645,045	\$ 21,645,045
PARS Section 115 Pension Trust Held by Bond Trustee:	563,783	563,783
Money Market Funds	471,052	471,052
Total investments	\$ 22,679,880	\$ 22,679,880

**NOTE 3 – CASH AND INVESTMENTS** (Continued)

**D. 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).

**E. 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	\$ 21,645,045	N/A	\$ 21,645,045	\$ -
PARS Section 115 Investment Trust	563,783	N/A	563,783	-
Held by Bond Trustee:				
Money Market Funds	<u>471,052</u>	N/A	<u>-</u>	<u>471,052</u>
Total investments	<u>\$ 22,679,880</u>		<u>\$ 22,208,828</u>	<u>\$ 471,052</u>

**F. 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.

**G. 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.

As of June 30, 2022, 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, 2022, no investments were held by the same broker-dealer (counterparty) that was used by the City of Selma to purchase the securities.

**NOTE 3 – CASH AND INVESTMENTS** (Continued)

**H. 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.

**I. 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.

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 the City's asset manager from a third-party service provider.

**NOTE 3 – CASH AND INVESTMENTS** (Continued)

**I. Fair Value Measurements** (Continued)

The City has no investments subject to categorization.

Investments not subject to fair value hierarchy:	
State Investment Pool	\$ 21,645,045
PARS Section 115 Investment Trust	563,783
Held with Fiscal Agent:	
Money Market Funds	<u>471,052</u>
 Total investment portfolio	 <u>\$ 22,679,880</u>

**NOTE 4 – ACCOUNTS RECEIVABLE**

The following is a list of accounts receivable with related allowance for bad debt at June 30, 2022:

Fund Name	Accounts Receivable	Allowance for Doubtful Accounts	Accounts Receivable, Net
<b>Major Governmental Funds</b>			
General Fund	\$ 292,164	\$ (62,919)	\$ 229,245
Impact Fees Special Revenue Fund	3,798	-	3,798
<b>Nonmajor Special Revenue Funds</b>			
Sidewalk Repair Fund	397	(397)	-
Street Maintenance Fund	164	(164)	-
Foreclosed Home Project	7,485	(6,085)	1,400
<b>Major Enterprise Funds</b>			
Ambulance Fund	3,985,928	(946,311)	3,039,617
Transit Fund	79,375	-	79,375
<b>Nonmajor Enterprise Funds</b>			
Pioneer Village Fund	4,066	-	4,066
Cultural Arts Fund	3,960	(3,960)	-
<b>Internal Service Funds</b>			
General Overhead Fund	<u>6</u>	<u>-</u>	<u>6</u>
 Total Accounts Receivable, Net	 <u>\$ 4,377,343</u>	 <u>\$ (1,019,836)</u>	 <u>\$ 3,357,507</u>

**NOTE 5 – CAPITAL ASSETS**

**A. Governmental Activities**

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

	Beginning Balances (Restated)	Additions	Retirements/ Adjustments	Ending Balances
<b>Governmental activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 7,990,302	\$ -	\$ -	\$ 7,990,302
Land improvements	597,080	-	-	597,080
Construction in progress	2,210,820	553,097	(1,859,016)	904,901
Total capital assets not being depreciated/amortized	<u>10,798,202</u>	<u>553,097</u>	<u>(1,859,016)</u>	<u>9,492,283</u>
Capital assets being depreciated/amortized:				
Roads and other infrastructure	110,264,300	1,858,919	-	112,123,219
Buildings and improvements	18,268,599	7,186	-	18,275,785
Machinery and equipment	9,425,559	503,255	-	9,928,814
Right-to-use leased buildings	379,674	-	-	379,674
Right-to-use leased equipment	63,748	-	-	63,748
Total capital assets being depreciated/amortized	<u>138,401,880</u>	<u>2,369,360</u>	<u>-</u>	<u>140,771,240</u>
Less accumulated depreciation/amortization for:				
Roads and other infrastructure	(73,093,657)	(2,445,415)	-	(75,539,072)
Buildings and improvements	(3,835,397)	(516,847)	-	(4,352,244)
Machinery and equipment	(4,904,438)	(571,800)	-	(5,476,238)
Right-to-use leased buildings	(71,189)	(94,919)	-	(166,108)
Right-to-use leased equipment	(21,165)	(12,750)	-	(33,915)
Total accumulated depreciation/amortization	<u>(81,925,846)</u>	<u>(3,641,731)</u>	<u>-</u>	<u>(85,567,577)</u>
Total capital assets being depreciated/amortized, net	<u>56,476,034</u>	<u>(1,272,371)</u>	<u>-</u>	<u>55,203,663</u>
Governmental activities capital assets, net	<u>\$ 67,274,236</u>	<u>\$ (719,274)</u>	<u>\$ (1,859,016)</u>	<u>\$ 64,695,946</u>

Depreciation/amortization was charged to the functions as follows for the year ended June 30, 2022:

General government	\$ 45,417
Public safety	766,274
Public works	2,643,655
Parks and recreation	142,182
Internal Service Funds	44,203
Total governmental activities depreciation/amortization expense	<u>\$ 3,641,731</u>

**NOTE 5 – CAPITAL ASSETS**

**B. Business-type Activities**

Capital asset activity of the business-type activities for the year ended June 30, 2022 was as follows:

	Beginning Balances (Restated)	Additions	Retirements/ Adjustments	Ending Balances
<b>Business-type activities</b>				
Capital assets not being depreciated/amortized:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	554,025	-	554,025
Total capital assets not being depreciated/amortized	-	554,025	-	554,025
Capital assets being depreciated/amortized:				
Buildings and improvements	284,182	-	-	284,182
Machinery and equipment	540,871	211,754	-	752,625
Right-to-use leased buildings	-	68,203	-	68,203
Total capital assets being depreciated/amortized	825,053	279,957	-	1,105,010
Less accumulated depreciation/amortization for:				
Buildings and improvements	(267,046)	(1,149)	-	(268,195)
Machinery and equipment	(86,638)	(72,464)	-	(159,102)
Right-to-use leased buildings	-	(6,411)	-	(6,411)
Total accumulated depreciation/amortization	(353,684)	(80,024)	-	(433,708)
Total capital assets being depreciated/amortized, net	471,369	199,933	-	671,302
Business-type activities capital assets, net	<u>\$ 471,369</u>	<u>\$ 753,958</u>	<u>\$ -</u>	<u>\$ 1,225,327</u>

Depreciation/amortization was charged to the funds as follows for the year ended June 30, 2022:

Ambulance	\$ 78,875
Pioneer Village	1,149
Total business-type activities depreciation/amortization expense	<u>\$ 80,024</u>



**NOTE 6 – INTERFUND BALANCES AND ACTIVITY**

**A. Interfund Payables and Interfund Receivables**

Balances due to and due from other funds at June 30, 2022, consisted of the following, each of which consist of short-term cash deficits expected to be recouped through grant reimbursements, additional program revenue exceeding expenditures, or through a subsidy from the General Fund.

Fund Name	Interfund Receivable	Interfund Payable
<b>Major Governmental Funds</b>		
General Fund	\$ 989,692	\$ -
<b>Nonmajor Special Revenue Funds</b>		
CMAQ Grant Fund	-	80,000
CDBG Grant Fund	-	47,883
ABC Grant Fund	-	15,886
DOJ Bynes Grant Fund	-	822
ACT Program Fund	-	48,980
High Speed Rail CVTC Fund	-	274,413
Prop 68 Park Grant Fund	-	19,300
USDA RBDG Fund	-	9,025
SB2 Planning Grant Program Fund	-	170,159
Local Early Action Plan Fund	-	124,724
Housing Authority Fund	1,180,364	-
<b>Nonmajor Capital Projects Funds</b>		
Capital Projects Fund	-	7,768
<b>Nonmajor Enterprise Funds</b>		
Pioneer Village Fund	-	217
Cultural Arts Fund	-	47,201
<b>Fiduciary Funds</b>		
Redevelopment Successor Agency Private-Purpose Trust Fund	-	<u>1,323,678</u>
<b>Total Interfund Balances</b>	<u>\$ 2,170,056</u>	<u>\$ 2,170,056</u>

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

**NOTE 6 – INTERFUND BALANCES AND ACTIVITY (Continued)**

**B. Advances Between Funds**

At June 30, 2022, the following funds had long-term advances that were not expected to be repaid within one year:

Fund Name	Advances To	Advances From
Nonmajor Debt Service Funds		
Debt Service Fund	\$ 125,000	\$ -
Fiduciary Funds		
Redevelopment Successor Agency Private-Purpose Trust Fund	-	125,000
 Total Interfund Balances	 <u>\$ 125,000</u>	 <u>\$ 125,000</u>

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. On June 30, 2022, the advance balance of the 1994 Revenue Bonds was \$125,000.

**C. 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. The total transfers are as follows:

Fund Name	Transfers In	Transfers Out
Major Governmental Funds		
General Fund	\$ 2,992,316	\$ 436,768
Street Local Transportation Special Revenue Fund	-	552,160
Nonmajor Special Revenue Funds		
Citizens' Tax Initiative - Measure S Fund	-	1,400,000
Public Safety Fund	-	42,000
Street Maintenance Fund	1,171,026	-
Street Gas Tax Fund	-	168,293
Street Measure C Fund	-	450,573
Nonmajor Capital Projects Funds		
Capital Projects Fund	86,977	-
Major Enterprise Funds		
Ambulance Fund	-	1,150,316
Transit Fund	-	100,000
Nonmajor Enterprise Funds		
Pioneer Village Fund	15,000	-
Cultural Arts Fund	34,791	-
 Total Transfers	 <u>\$ 4,300,110</u>	 <u>\$ 4,300,110</u>

**NOTE 6 – INTERFUND BALANCES AND ACTIVITY** (Continued)

**D. Internal Balances** (Continued)

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, 2022:

	Balance at July 1, 2021 (Restated)	Increases	Decreases	Balance at June 30, 2022	Due Within One Year
<b>Governmental activities:</b>					
1994 Revenue Bonds	\$ 155,000	\$ -	\$ (55,000)	\$ 100,000	\$ 10,000
2017 General Obligations Bonds	3,755,000	-	(90,000)	3,665,000	90,000
2017 General Obligations Bonds - Premium	114,265	-	(4,395)	109,870	-
<i>Direct placements and borrowings:</i>					
2015 Lease Revenue Bonds	<u>3,114,092</u>	<u>-</u>	<u>(242,018)</u>	<u>2,872,074</u>	<u>249,496</u>
<i>Financed Purchases:</i>					
2016 Fire Truck	273,504	-	(51,629)	221,875	53,121
Danko Wildland Vehicle	163,805	-	(38,953)	124,852	40,201
Computer Equipment	32,302	-	(21,409)	10,893	10,893
Police Vehicles	<u>202,361</u>	<u>-</u>	<u>(99,532)</u>	<u>102,829</u>	<u>102,829</u>
Total Financed Purchases	<u>671,972</u>	<u>-</u>	<u>(211,523)</u>	<u>460,449</u>	<u>207,044</u>
<i>Total direct placement and borrowings</i>	<u>3,786,064</u>	<u>-</u>	<u>(453,541)</u>	<u>3,332,523</u>	<u>456,540</u>
Leases payable	356,790	-	(102,789)	254,001	109,451
Compensated absences	<u>816,208</u>	<u>481,506</u>	<u>(514,967)</u>	<u>782,747</u>	<u>521,185</u>
Total governmental activities	<u>\$ 8,983,327</u>	<u>\$ 481,506</u>	<u>\$ (1,220,692)</u>	<u>\$ 8,244,141</u>	<u>\$ 1,187,176</u>
<b>Business-type activities:</b>					
Leases payable	\$ -	\$ 68,203	\$ (12,308)	\$ 55,895	\$ 20,573
Compensated absences	<u>140,590</u>	<u>94,785</u>	<u>(38,311)</u>	<u>197,064</u>	<u>33,947</u>
Total business-type activities	<u>\$ 140,590</u>	<u>\$ 162,988</u>	<u>\$ (50,619)</u>	<u>\$ 252,959</u>	<u>\$ 54,520</u>

**NOTE 7 – LONG-TERM LIABILITIES** (Continued)

**A. 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 money deposited in any fund or account pursuant to this indenture. The principal balance on the 1994 revenue bonds at June 30, 2022 was \$100,000.

The Bonds were issued to partially refinance the City of Selma Financing 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.

The annual debt service requirements for the 1994 Revenue Bonds are as follows:

<u>Fiscal Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 10,000	\$ 6,525	\$ 16,525
2024	<u>90,000</u>	<u>3,263</u>	<u>93,263</u>
Totals	<u>\$ 100,000</u>	<u>\$ 9,788</u>	<u>\$ 109,788</u>

**B. 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, 2022 was \$3,665,000.

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.

There is a provision in the loan whereby in the event of default, the unpaid aggregate principal components of the loan and the interest accrued thereon, will become immediately due and payable.

**NOTE 7 – LONG-TERM LIABILITIES** (Continued)

**B. Series 2017 General Obligation Bonds** (Continued)

The annual debt service requirements for the Series 2017 General Obligation Bonds are as follows:

<u>Fiscal Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 90,000	\$ 733,763	\$ 823,763
2024	90,000	131,963	221,963
2025	95,000	129,638	224,638
2026	95,000	126,788	221,788
2027	100,000	123,363	223,363
2028-2032	550,000	555,538	1,105,538
2033-2037	675,000	439,181	1,114,181
2038-2042	800,000	309,575	1,109,575
2043-2047	955,000	141,500	1,096,500
2048	215,000	4,300	219,300
Totals	<u>\$ 3,665,000</u>	<u>\$ 2,695,609</u>	<u>\$ 6,360,609</u>

**C. 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, 2022 was \$2,872,074.

The Bonds were issued to refinance the City of Selma Financing Authority’s previously issued 2010 Lease Revenue Refunding Bonds outstanding of \$3,940,000 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.

There is a provision in the loan whereby in the event of default, the unpaid aggregate principal components of the loan and the interest accrued thereon, will become immediately due and payable.

The annual debt service requirements for the Series 2015 Refunding Lease Obligations are as follows:

<u>Fiscal Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	281,793	56,450	338,243
2028-2032	1,545,081	146,134	1,691,215
Totals	<u>\$ 2,872,074</u>	<u>\$ 510,356</u>	<u>\$ 3,382,430</u>

**NOTE 7 – LONG-TERM LIABILITIES** (Continued)

**D. Financed Purchases**

The City has entered into multiple lease agreements for financing the acquisition of police vehicles, fire truck, police and fire equipment, and computer equipment. The titles to the assets are transferred to the City after the last payment and, accordingly, are not considered leases in accordance with GASB 87 – *Leases*. Rather, each of these agreements are considered financed purchases for accounting purposes. These financed purchases have interest rates varying from 2.4% to 3.68%, with the final payment on these leases due in 2032.

There is a provision in the financed purchase agreement whereby in the event of default, the City could be required to return the financed assets to the seller. The City’s financed purchases are as follows:

2016 Financed Purchase for Fire Truck

In March 2016 the City entered into a financed purchase 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, 2022, was \$221,875.

The annual debt service requirements for the 2016 financed purchase for the fire truck at June 30, 2022 are as follows:

<u>Fiscal Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 53,121	\$ 6,412	\$ 59,533
2024	54,656	4,877	59,533
2025	56,237	3,296	59,533
2026	<u>57,861</u>	<u>1,672</u>	<u>59,533</u>
Totals	<u>\$ 221,875</u>	<u>\$ 16,257</u>	<u>\$ 238,132</u>

2017 Financed Purchase for Computer Equipment

In December 2017 the City entered into a financed purchase 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, 2022 was \$10,893.

The annual debt service requirements for the 2017 financed purchase for the computer equipment at June 30, 2022 are as follows:

<u>Fiscal Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 10,893	\$ 128	\$ 11,021
Totals	<u>\$ 10,893</u>	<u>\$ 128</u>	<u>\$ 11,021</u>

**NOTE 7 – LONG-TERM LIABILITIES** (Continued)

**D. Financed Purchases** (Continued)

2018 Financed Purchase for Police Vehicles

In April 2018 the City entered into a financed purchase 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, 2022 was \$102,829.

The annual debt service requirements for the 2018 financed purchase for the police vehicles at June 30, 2022 are as follows:

<u>Fiscal Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 102,829	\$ 2,540	\$ 105,369
Totals	<u>\$ 102,829</u>	<u>\$ 2,540</u>	<u>\$ 105,369</u>

2020 Financed Purchase for Danko Wildland Vehicle

In March 2020, the City entered into a financed purchase 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, 2022 is \$124,852.

The annual debt service requirements for the emergency vehicle at June 30, 2022 are as follows:

<u>Fiscal Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 40,201	\$ 1,980	\$ 42,181
2024	41,490	1,341	42,831
2025	<u>43,161</u>	<u>681</u>	<u>43,842</u>
Totals	<u>\$ 124,852</u>	<u>\$ 4,002</u>	<u>\$ 128,854</u>

**NOTE 7 – LONG-TERM LIABILITIES** (Continued)

**E. 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 Position 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.

**F. Fiduciary Long-Term Debt**

The following is a summary of changes in the Redevelopment Successor Agency’s long-term liabilities for the fiscal year ended June 30, 2022:

	Balance at July 1, 2021 (Restated)	Increases	Decreases	Balance at June 30, 2022	Due Within One Year
2010A Tax Allocation Bonds	\$ 1,440,000	\$ -	\$ (330,000)	\$ 1,110,000	\$ 350,000
<i>Direct placements and borrowings:</i>					
2001 Industrial Park Limited Obligation Improvement Bonds	<u>2,645,000</u>	<u>-</u>	<u>(75,000)</u>	<u>2,570,000</u>	<u>80,000</u>
<i>Total direct placement and borrowings</i>	<u>2,645,000</u>	<u>-</u>	<u>(75,000)</u>	<u>2,570,000</u>	<u>80,000</u>
Total long-term liabilities	<u>\$ 4,085,000</u>	<u>\$ -</u>	<u>\$ (405,000)</u>	<u>\$ 3,680,000</u>	<u>\$ 430,000</u>

**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, 2022 were \$1,110,000 and are held in the City’s Redevelopment Successor Agency Private-Purchase Trust Funds. There is a provision in the loan whereby in the event of default, the unpaid aggregate principal components of the loan and the interest accrued thereon, will become immediately due and payable.

The annual debt service requirements for the 2010A Tax Allocation Bonds June 30, 2022 were as follows:

<u>Fiscal Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 350,000	\$ 53,763	\$ 403,763
2024	370,000	33,063	403,063
2025	<u>390,000</u>	<u>11,213</u>	<u>401,213</u>
Totals	<u>\$ 1,110,000</u>	<u>\$ 98,039</u>	<u>\$ 1,208,039</u>



**NOTE 7 – LONG-TERM LIABILITIES** (Continued)

**F. Fiduciary Long-Term Debt** (Continued)

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, 2022 was \$2,570,000 and is held in the City’s Redevelopment Successor Agency Private-Purpose Trust Funds. There is a provision in the loan whereby in the event of default, the unpaid aggregate principal components of the loan and the interest accrued thereon, will become immediately due and payable.

The annual debt service requirements for the 2001 Industrial Park Limited Obligation Bonds June 30, 2022 are as follows:

<u>Fiscal Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 80,000	\$ 126,500	\$ 206,500
2024	85,000	122,375	207,375
2025	90,000	118,000	208,000
2026	95,000	113,375	208,375
2027	100,000	108,500	208,500
2028-2032	575,000	460,625	1,035,625
2033-2037	730,000	298,750	1,028,750
2038-2041	<u>815,000</u>	<u>89,875</u>	<u>904,875</u>
Totals	<u>\$ 2,570,000</u>	<u>\$ 1,438,000</u>	<u>\$ 4,008,000</u>

**NOTE 8 – LEASES**

**A. Leases as Lessor**

In January 2014, the City leased two parcels of land to a third party. The lease, which is recorded in the General Fund, has an initial lease term of five years with four five-year extensions, all of which the City anticipates exercising. The City receives an average monthly payment of \$1,743 for the lease. The City recognized \$14,342 in lease revenue and \$8,883 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City’s receivable for lease payments was \$266,775. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$236,639.

In November 2005, the City leased 14,000 square feet of real property to a third party. The lease, which is split 50% to the Pioneer Village Fund and 50% to the Cultural Arts Fund, has an initial lease term of 26 years with two five-year extensions. The City received payments of \$1,600 per month. The City recognized \$7,042 in lease revenue and \$14,404 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City’s receivable for lease payments was \$203,137. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$136,154.

**NOTE 8 – LEASES (Continued)**

**B. Leases as Lessee**

In November 2019, the City entered into a five-year lease agreement as lessee for copy machines, which is recorded in the General Overhead Fund. An initial lease liability was recorded in the amount of \$63,748 during fiscal year 2020. As of June 30, 2022, the value of the lease liability was \$31,507. The City is required to make monthly principal and interest payments of \$1,119. The lease has an interest rate of 4.75%. The copy machines have an estimated useful life of five-years. The value of the right-to-use asset as of the end of the current fiscal year was \$63,748 and had accumulated amortization of \$33,915.

In October 2020, the City entered into a one-year lease agreement with three one-year extensions that the City anticipates exercising, as lessee for the CVTC building lease. This lease is recorded as a governmental activity and had an initial lease liability in the amount of \$379,674. As of June 30, 2022, the value of the lease liability was \$222,494. The City is required to make monthly principal and interest payments averaging \$8,262. The lease has an interest rate of 3.25%. The building has an estimated useful life of four years. The value of the right-to-use asset as of the end of the current fiscal year was \$379,674 and had accumulated amortization of \$166,108.

In January 2022, the City entered into a three-year lease agreement as lessee for an ambulance storage facility. This lease is recorded in the Ambulance Fund and had an initial lease liability in the amount of \$55,895. As of June 30, 2022, the value of the lease liability was \$35,322. The City is required to make monthly principal and interest payments averaging \$1,931. The lease has an interest rate of 3.25%. The storage facility has an estimated useful life of three years. The value of the right-to-use asset as of the end of the current fiscal year was \$68,203 and had accumulated amortization of \$6,411.

The future principal and interest lease payments as of June 30, 2022, are as follows:

Fiscal Years Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 109,451	\$ 7,064	\$ 116,515	\$ 20,573	\$ 1,519	\$ 22,092
2024	110,086	3,351	113,437	23,048	814	23,862
2025	<u>34,464</u>	<u>270</u>	<u>34,734</u>	<u>12,274</u>	<u>116</u>	<u>12,390</u>
Totals	<u>\$ 254,001</u>	<u>\$ 10,685</u>	<u>\$ 264,686</u>	<u>\$ 55,895</u>	<u>\$ 2,449</u>	<u>\$ 58,344</u>

**NOTE 9 – PENSION PLAN**

**A. General Information**

**Plan Description**

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors five rate plans (two miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**NOTE 9 – PENSION PLAN** (Continued)

**A. General Information** (Continued)

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily 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 adjustments for the Plan are applied as specified by the Public Employees’ Retirement Law.

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	13.350%	7.590%

	<b>Safety</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.00%
Required employer contribution rates	18.190%	13.130%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$1,392,130 for the fiscal year ended June 30, 2022.

**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.

The City’s contributions to the plan recognized as pension expense for the year ended June 30, 2022 were \$2,137,645.

**NOTE 9 – PENSION PLAN** (Continued)

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

As of June 30, 2022 the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$10,448,324.

The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, 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 plan relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

Proportion - June 30, 2020	0.1553%
Proportion - June 30, 2021	0.1932%
Change - Increase (Decrease)	0.0379%

For the year ended June 30, 2022 the City recognized pension expense of \$3,561,854. At June 30, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,324,210	\$ -
Changes of assumptions	-	-
Differences between actual and expected experience	1,480,885	-
Net differences between projected and actual earnings on plan investments	-	7,657,931
Change in employer's proportion	66,836	114,964
Differences between the employer's actual contributions and the employer's proportionate share of contributions	<u>133,685</u>	<u>295,683</u>
Total	<u>\$ 4,005,616</u>	<u>\$ 8,068,578</u>

\$2,324,210 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2023	\$ (1,216,157)
2024	(1,368,485)
2025	(1,689,917)
2026	(2,112,613)
2027	-
Thereafter	-

**NOTE 9 – PENSION PLAN** (Continued)

**C. Actuarial Assumptions**

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry- Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% <sup>(1)</sup>
Mortality	Derived using CalPERS' Membership Data for all Funds <sup>(2)</sup>

<sup>(1)</sup> Net of pension plan investment expenses, including inflation

<sup>(2)</sup> The mortality table 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.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

**D. Discount Rate**

The discount rate used to measure the total pension liability 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.

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 PERF 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 single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**NOTE 9 – PENSION PLAN** (Continued)

**D. Discount Rate** (Continued)

The expected real rates of return by asset class are as follows:

Asset Class <sup>(a)</sup>	New Strategic Allocation	Real Return Years 1-10 <sup>(b)</sup>	Real Return Years 11+ <sup>(c)</sup>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

<sup>(a)</sup> In the CalPERS 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.

<sup>(b)</sup> An expected inflation of 2.00% used for this period

<sup>(c)</sup> An expected inflation of 2.92% used for this period

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes 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:

Discount Rate -1%	Current Discount Rate	Discount Rate +1%
6.15%	7.15%	8.15%
\$ 18,779,250	\$ 10,448,324	\$ 3,588,638

**E. Pension Plan Fiduciary Net Position**

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

**F. Payable to the Pension Plan**

The City did not have any contributions payable to the pension plan June 30, 2022.

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. 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 CalPERS 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 2022.

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 2022.

**B. Employees Covered**

As of June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active employees	110
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	33
Inactive employees entitled to, but not yet receiving benefits	<u>-</u>
Total	<u><u>143</u></u>

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

**C. Net OPEB Liability**

The City’s net OPEB liability was measured as of June 30, 2021, 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:

Measurement Date	June 30, 2021
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	1.92% as of June 30, 2021 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
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	5.30% as of January 1, 2022, decreasing .10% per year to 4.00% for years 2076 and thereafter.
Mortality Improvements	MacLeod Watts Scale 2020 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.



**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

**D. 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, 2020 and 1.92% as of June 30, 2021.

**Changes in the OPEB Liability**

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

	Increase (Decrease)		
	Total OPEB Liability	OPEB Fiduciary Net Position	Net OPEB Liability
<b>Balance at June 30, 2021</b> <b>(Measurement Date June 30, 2020)</b>	\$ 5,883,200	\$ -	\$ 5,883,200
<b>Changes recognized for the measurement period:</b>			
Service cost	499,348	-	499,348
Interest on total OPEB liability	154,782	-	154,782
Changes of assumptions	549,896	-	549,896
Contributions:			
Employer - City's Contribution	-	40,219	(40,219)
Employer - Implicit Subsidy	-	89,575	(89,575)
Benefit payments, including refunds of employee contributions	(40,219)	(40,219)	-
Implicit Rate Subsidy Fulfilled	(89,575)	(89,575)	-
<b>Net changes</b>	<u>1,074,232</u>	<u>-</u>	<u>1,074,232</u>
<b>Balance at June 30, 2022</b> <b>(Measurement Date June 30, 2021)</b>	<u>\$ 6,957,432</u>	<u>\$ -</u>	<u>\$ 6,957,432</u>

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

The discount rate used for the fiscal year end 2022 is 1.92%. 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, 2021:

Discount Rate -1%	Current Discount Rate	Discount Rate +1%
0.92%	1.92%	2.92%
\$ 8,197,850	\$ 6,957,432	\$ 5,972,175

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

**D. Discount Rate** (Continued)

**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, 2022) 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:

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 5,823,422	\$ 6,957,432	\$ 8,435,581

**Payable to the OPEB Plan**

The City did not have any contributions payable to the OPEB plan June 30, .

**OPEB Expense and Deferred Outflows/Inflows Related to OPEB**

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$584,933. As of fiscal year ended June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 174,366	\$ -
Changes of assumptions	800,664	244,364
Differences between actual and expected experience	-	867,462
Total	<u>\$ 975,030</u>	<u>\$ 1,111,826</u>

The \$174,366 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 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:

Year Ended June 30	
2023	\$ (69,197)
2024	(69,197)
2025	(69,197)
2026	(24,548)
2027	615
Thereafter	(79,638)

**NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has pension and OPEB related items that qualify to be reported in deferred outflows of resources. The pension and OPEB related deferred outflows of resources are described in detail in Notes 9 and 10, respectively.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category and they are unavailable revenues, pension deferrals, OPEB deferrals, and inflows from right-to-use leases where the City is a lessor.

Unavailable revenues arise only under a modified accrual basis of accounting and are reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds for unavailable revenues were as follows on June 30, 2022:

<u>Fund Name</u>	<u>Unavailable Revenues</u>
Major Governmental Funds	
Street Local Transportation Special Revenue Fund	\$ 1,153,422
Nonmajor Special Revenue Funds	
AB 1913 Grant Fund	<u>65,271</u>
Total Unavailable Revenue	<u>\$ 1,218,693</u>

The City has pension related items that qualify to be reported in deferred inflows of resources. The pension related deferred inflows of resources are described in detail in Note 9.

The City has OPEB related items that qualify to be reported in deferred inflows of resources. The OPEB related deferred inflows of resources are described in detail in Note 10.

The City has lease-related items that qualify to be reported in deferred inflows of resources. The lease-related deferred inflows of resources are described in detail in Note 8.

**NOTE 12 – 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 CSJVRMA 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.

**NOTE 12 – RISK MANAGEMENT** (Continued)

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 summary financial position and results of operations for CSJVRMA, as of June 30, 2022, is presented as follows:

Total assets	\$ 150,837,823
Total liabilities	<u>118,663,929</u>
Total net position	<u>\$ 32,173,894</u>
Total revenues for the year	\$ 66,885,024
Total expenses for the year	<u>55,557,907</u>
Change in net position	<u>\$ 11,327,117</u>

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

**A. 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.

**B. Litigation**

The City is currently a party to various pending lawsuits and claims. These legal matters encompass a range of issues and are associated with expected losses that, individually, fall within the range of \$0 to \$600,000. The outcome of these legal proceedings remains uncertain, and the ultimate financial impact on the City will depend on their resolution.

Furthermore, the City participates in the CSJVRMA for general liability and workers' compensation coverages. In the event of any adverse financial outcomes resulting from these cases, the City has corresponding coverage in these insurance policies, which will help mitigate the financial impact.

For additional information regarding the City's risk management strategy and insurance coverage, please refer to Note 12 in the financial statements.

**C. 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.

**NOTE 14 – FUND CONSOLIDATION AND RECLASSIFICATION**

**General Fund**

Management determined that the Equipment Replacement Capital Projects Fund and the Successor Agency Administration Special Revenue Fund should be consolidated into the General Fund, as neither of these funds were previously classified appropriately in accordance with Government Accounting Standards Board (GASB) accounting standards. The result of these consolidations was an increase to the opening fund balance in the General Fund and decrease to opening fund balance in The Equipment Replacement Capital Projects Fund of \$809,372. There was no change to the opening fund balance of the Successor Agency Administration Special Revenue Fund.

**Impact Fees Special Revenue Fund**

Management determined that the City’s impact fees would be more appropriately classified as special revenue funds rather than capital projects funds. Additionally, management determined that consolidating the impact fees funds into one major special revenue fund would provide more useful information to the users of the financial statements. The following illustrates the opening fund balance for the previous impact fees funds that were consolidated into the new Impact Fees Fund:

Development Impact Streets & Traffic Fund	\$ 1,793,642
Development Impact Police Facility Fund	30,454
Development Impact Fire Facility Fund	59,016
Development Impact City Facilities Fund	483,269
Development Impact Storm Drain Fund	(90,001)
Development Impact Sewer Fund	548,895
Development Impact Parks and Recreation Fund	754,998
Long Range Planning Fund	382,997
Development Impact Public Use Facilities Fund	67,235
Development Impact Wastewater Collections Fund	95,239
Development Impact Public Facilities Fund	42,226
Development Impact Open Space ACQL Fund	<u>5,557</u>
Opening fund balance at July 1, 2021	<u>\$ 4,173,527</u>

**Housing Special Revenue Fund**

Management determined that the Housing Authority Fund should be classified as a special revenue fund rather than a private-purpose trust fund, which is a fiduciary fund. The Housing Authority accounts for assets and liabilities of the City so was previously incorrectly classified as a fiduciary fund. The result of this reclassification was an increase in the opening fund balance of Nonmajor Governmental Funds and a decrease in opening fund balance of the Redevelopment Successor Agency Private-Purpose Trust fund of \$1,221,964.

**NOTE 14 – FUND CONSOLIDATION AND RECLASSIFICATION** (Continued)

**Debt Service Fund**

Management determined that consolidating the City’s debt service funds into one fund would provide more useful information to the users of the financial statements. The following illustrates the opening fund balance for the previous debt service funds that were consolidated into the new Debt Service Fund:

1994 Debt Service	\$ 196,857
Assessment 91-2 Highland Debt Service Fund	130,640
Assessment 92-1 Danceer II Debt Service Fund	37,663
Assessment 92-1 Dancer III Debt Service Fund	32,014
Assessment 91-2 Watermain Debt Service Fund	17,733
Assessment 93-1 Briarwood/Vineyard Debt Service Fund	71,983
PFA 2001A Debt Service Fund	341,249
2014 Assessment Bond Fund	<u>37,358</u>
 Opening fund blance at July 1, 2021	 <u>\$ 865,497</u>

**NOTE 15 – RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE**

**Prior Period Adjustments and Change in Accounting Principle**

The City has determined that certain transactions were recorded incorrectly in the prior year. Additionally, the City retrospectively implemented GASB 87 – *Leases*. These adjustments resulted in a change to the opening fund balances of the funds and net positions of the government-wide financial statements as follows:

**NOTE 15 – RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE** (Continued)

**Governmental and Business-Type Activities**

Description	Governmental Activities	Business-Type Activities	Total
Net position, as previously reported June 30, 2021 after reclassification of of funds described in Note 14	\$ 70,808,973	\$ 3,584,958	\$ 74,393,931
Prior period adjustments:			
Receivables:			
Accounts, net	(5,975)	-	(5,975)
Intergovernmental	259,610	-	259,610
Loans	(416,056)	-	(416,056)
Due from the Successor Agency	180,000	-	180,000
Capital assets (net of accumulated depreciation):			
Depreciable	46,156	-	46,156
Deferred outflows of resources - pension related	282,568	21,547	304,115
Deferred loss on bond refunding	(97,818)	-	(97,818)
Accounts payable	(86,939)	-	(86,939)
Accrued interest payable	22,228	-	22,228
Noncurrent liabilities:			
Net pension liability	(722)	723	1
Deferred inflows of resources - pension related	(170,695)	(7,754)	(178,449)
Total prior period adjustments	12,357	14,516	26,873
Change in Accounting Principle:			
Record beginning balances related to implementation of GASB 87 - Leases			
Lease receivable	278,802	207,934	486,736
Capital assets, net	351,068	-	351,068
Lease liability	(356,790)	-	(356,790)
Deferred inflows of resources - lease related	(250,980)	(143,195)	(394,175)
Total change in accounting principle	22,100	64,739	86,839
Net position, as restated, June 30, 2021	\$ 70,843,430	\$ 3,664,213	\$ 74,507,643

**NOTE 15 – RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE** (Continued)

**Fund Financial Statement**

*Governmental Funds*

Description	Major Funds			Nonmajor Governmental Funds
	General	Street Local Transportation	Impact Fees	
Fund Balance, as previously reported on June 30, 2021 after reclassification of of funds described in Note 14	\$ 12,006,126	\$ 2,397,932	\$ 4,173,527	\$ 9,358,656
Prior period adjustments:				
Accounts receivable, net	809	-	-	(6,784)
Due from the Successor Agency	-	-	-	180,000
Intergovernmental receivables	-	241,925	-	17,685
Accounts payable	(10,071)	(57,568)	-	(19,300)
Unavailable revenue	-	(241,925)	-	-
Total prior period adjustments	(9,262)	(57,568)	-	171,601
Change in Accounting Principle:				
Record beginning balances related to implementation of GASB 87 - Leases				
Lease receivable	278,802	-	-	-
Deferred inflows of resources - lease related	(250,980)	-	-	-
Total change in accounting principle	27,822	-	-	-
Fund balance/net position, as restated, June 30, 2021	\$ 12,024,686	\$ 2,340,364	\$ 4,173,527	\$ 9,530,257

*Proprietary Funds*

Description	Enterprise Funds			Nonmajor	Internal Service Funds
	Ambulance	Garbage	Transit		
Net position, as previously reported on June 30, 2021 after reclassification of of funds described in Note 14	\$ 3,500,407	\$ 4,368	\$ 136,650	\$ (56,467)	\$ 2,208,978
Prior period adjustments:					
Deferred outflows of resources - pension related	21,044	-	433	70	778
Net pension liability	7,845	-	(6,066)	(1,056)	(10,950)
Deferred inflows of resources - pension related	(5,399)	-	(2,007)	(348)	(3,617)
Total prior period adjustments	23,490	-	(7,640)	(1,334)	(13,789)
Change in Accounting Principle:					
Record beginning balances related to implementation of GASB 87 - Leases					
Lease receivable	-	-	-	207,934	-
Capital assets, net	-	-	-	-	42,583
Lease liability	-	-	-	-	(43,980)
Deferred inflows of resources - lease related	-	-	-	(143,195)	-
Total change in accounting principle	-	-	-	64,739	(1,397)
Fund balance/net position, as restated, June 30, 2021	\$ 3,523,897	\$ 4,368	\$ 129,010	\$ 6,938	\$ 2,193,792



## **REQUIRED SUPPLEMENTARY INFORMATION**

## BUDGETARY COMPARISON SCHEDULE

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Budgetary Comparison Schedule

General Fund

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>Revenues:</b>				
Taxes	\$ 11,789,667	\$ 12,264,781	\$ 14,201,834	\$ 1,937,053
Licenses and permits	358,533	358,533	375,309	16,776
Intergovernmental	238,809	238,809	6,238,213	5,999,404
Charges for services	643,226	643,226	1,077,385	434,159
Fines	38,000	38,000	74,161	36,161
Franchise fees	949,112	949,112	1,047,570	98,458
Use of money and property	88,590	88,590	52,308	(36,282)
Miscellaneous	24,464	24,464	144,610	120,146
Total revenues	<u>14,130,401</u>	<u>14,605,515</u>	<u>23,211,390</u>	<u>8,605,875</u>
<b>Expenditures:</b>				
Current:				
General government	2,226,916	2,419,667	2,486,249	(66,582)
Public safety	10,138,771	10,280,598	9,943,305	337,293
Public works	1,316,661	1,373,567	1,219,585	153,982
Community development	1,051,979	1,135,610	1,263,649	(128,039)
Recreation	679,155	679,155	671,252	7,903
Capital outlay	113,733	113,733	413,088	(299,355)
Debt service:				
Principal	406,921	406,921	436,934	(30,013)
Interest and fiscal charges	96,226	96,226	110,056	(13,830)
Total expenditures	<u>16,030,362</u>	<u>16,505,477</u>	<u>16,544,118</u>	<u>(38,641)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,899,961)</u>	<u>(1,899,962)</u>	<u>6,667,272</u>	<u>8,567,234</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	2,692,316	2,692,316	2,992,316	300,000
Operating transfers out	(436,768)	(436,768)	(436,768)	-
Total other financing sources (uses)	<u>2,255,548</u>	<u>2,255,548</u>	<u>2,555,548</u>	<u>300,000</u>
Net change in fund balance	<u>\$ 355,587</u>	<u>\$ 355,586</u>	9,222,820	<u>\$ 8,867,234</u>
Fund balances - beginning (restated)			<u>12,024,686</u>	
Fund balance - ending			<u>\$ 21,247,506</u>	

**NOTE 1 – BUDGETARY INFORMATION**

The City follows the following procedures, annually, in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget at specially scheduled sessions, which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
3. Prior to July 1, the budget is legally adopted through passage of an ordinance. This budget is reported as Original Budget in the budgetary comparison schedule.
4. During the fiscal year, changes to the adopted budget may be authorized, as follows:
  - a. Items requiring City Council action – appropriation of fund balance reserves; transfers of appropriations between funds; appropriation of any non-departmental revenue; new interfund loans or advances; and creation of new capital projects or increases to existing capital projects.
  - b. Items delegated to the City Manager – transfers between departments within funds; appropriation of unbudgeted departmental revenues; and approval of transfers which increase salary and benefit appropriations.
  - c. Items delegated to the department head – allocation of departmental appropriations to line item level.
5. Formal budgetary integration is employed as a management tool for all funds. Annual budgets are legally adopted and amended as required for the general, special revenue, and enterprise funds. Project length budgets are adopted for the capital projects funds. All budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP), and budgetary comparisons for the general and major special revenue funds are presented on that basis in the Required Supplementary Information. A debt service payment schedule for the debt service funds is also approved as part of the budget process.
6. Budget amounts are reflected after all authorized amendments and revisions. This budget is reported as the Final Budget in the budgetary comparison schedules.
7. For each legally adopted operating budget, expenditures may not exceed budgeted appropriations at the activity level. The legal appropriation basis is at the level called “department”. A “department” for legal appropriation purposes may be a single organization or an entire department having multiple organizations within the same fund, or an entire fund.

The City incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2022:

	<u>Variance with Final Budget</u>
<b>General Fund</b>	
Current:	
General government	\$ 66,582
Community development	128,039
Capital outlay	299,355
Debt service:	
Principal	30,013
Interest and fiscal charges	13,830

## PENSION PLANS

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Pension Plans – Cost-Sharing Multiple-Employer Defined Benefit Plan

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date

Last 10 Years\*

	2015	2016	2017	2018	2019	2020	2021	2022
Proportion of the net pension liability	0.1561%	0.1545%	0.1541%	0.1516%	0.1552%	0.1566%	0.1553%	0.1932%
Proportionate share of the net pension liability	\$ 9,807,862	\$ 10,605,845	\$ 13,333,370	\$ 15,039,456	\$ 14,960,228	\$ 16,045,851	\$ 16,896,802	\$ 10,448,324
Covered payroll	\$ 4,971,474	\$ 4,849,801	\$ 5,089,801	\$ 4,487,735	\$ 5,200,210	\$ 5,760,825	\$ 6,529,833	\$ 6,797,498
Proportionate share of the net pension liability as a percentage of covered payroll	197.28%	218.69%	261.96%	335.12%	287.69%	278.53%	258.76%	153.71%
Plan fiduciary net position as a percentage of the plan's total pension liability	76.44%	76.44%	71.54%	70.65%	72.04%	71.43%	71.47%	83.25%

**NOTES TO THE SCHEDULE**

**Changes in Benefit Terms** - None

**Changes of Assumptions** - None

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

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Pension Plans – Cost-Sharing Multiple-Employer Defined Benefit Plan

Schedule of Contributions

Last 10 Years\*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 1,040,689	\$ 1,023,136	\$ 1,042,615	\$ 1,209,163	\$ 1,459,243	\$ 1,608,001	\$ 1,921,130	\$ 2,137,645	\$ 2,324,210
Contributions in relateion to the actuarially determined contributions	<u>(1,040,689)</u>	<u>(1,023,136)</u>	<u>(1,042,615)</u>	<u>(1,209,163)</u>	<u>(1,459,243)</u>	<u>(1,608,001)</u>	<u>(1,921,130)</u>	<u>(2,137,645)</u>	<u>(2,324,210)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 4,971,474</u>	<u>\$ 4,849,801</u>	<u>\$ 5,089,712</u>	<u>\$ 4,487,735</u>	<u>\$ 5,200,210</u>	<u>\$ 5,760,825</u>	<u>\$ 6,529,833</u>	<u>\$ 6,797,498</u>	<u>\$ 7,056,196</u>
Contributions as a percentage of covered payroll	20.93%	21.10%	20.48%	26.94%	28.06%	27.91%	29.42%	31.45%	32.94%

\*Fiscal year 2014 was the 1st year of implementation, therefore only nine years are shown.

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

OPEB Plan – Single Employer Defined Benefit Plan

Schedule of Changes in the Net OPEB Liability and Related Ratios

Last 10 Years\*

	2017	2018	2019	2020	2021
Total OPEB Liability:					
Service cost	\$ 375,557	\$ 329,996	\$ 335,680	\$ 391,898	\$ 499,348
Interest on total OPEB liability	164,777	196,593	213,125	213,638	154,782
Differences between expected and actual experience	-	-	-	(1,087,910)	-
Changes in assumption	(546,300)	(50,785)	465,642	10,962	549,896
Benefit payments	(34,854)	(103,626)	(129,028)	(147,078)	(129,794)
Net change in total OPEB liability	(40,820)	372,178	885,419	(618,490)	1,074,232
Total OPEB liability - beginning	5,284,913	5,244,093	5,616,271	6,501,690	5,883,200
Total OPEB liability - ending (a)	5,244,093	5,616,271	6,501,690	5,883,200	6,957,432
Fiduciary Net Position:					
Employer contributions	34,854	103,626	129,028	147,078	129,794
Benefit payments	(34,854)	(103,626)	(129,028)	(147,078)	(129,794)
Net change in plan fiduciary net position	-	-	-	-	-
Fiduciary net position - beginning	-	-	-	-	-
Fiduciary net position - ending (b)	-	-	-	-	-
Net OPEB (asset) liability - ending (a)-(b)	\$ 5,244,093	\$ 5,616,271	\$ 6,501,690	\$ 5,883,200	\$ 6,957,432
Covered-employee payroll	\$ 6,169,019	\$ 6,330,599	\$ 6,913,761	\$ 7,816,318	\$ 8,535,199
Net OPEB liability as a percentage of covered-employee payroll	85.01%	88.72%	94.04%	75.27%	81.51%

**Notes to the Schedule:**

Changes in Assumptions

The discount rate was changed from 2.45% as of June 30, 2019 valuation to 1.92% as of June 30, 2020 valuation, 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.



## **COMBINING FUND FINANCIAL STATEMENTS**

## NONMAJOR GOVERNMENTAL FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.

Debt service funds are used to account for and report financial resources that that are restricted, committed and/or assigned to expenditures for principal and interest.

Capital projects funds are used to account for all financial resources that are restricted, committed or assigned to expenditure for capital outlays.

**CITY OF SELMA | JUNE 30, 2022**

Nonmajor Governmental Funds

Combining Balance Sheet

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 8,786,829	\$ 726,083	\$ 899,195	\$ 10,412,107
Cash with fiscal agents	-	111,036	-	111,036
Accounts receivable, net	1,400	-	-	1,400
Interest receivable	9,521	-	-	9,521
Due from the Successor Agency	1,180,364	-	-	1,180,364
Intergovernmental receivables	1,518,076	-	-	1,518,076
Advance to the Successor Agency	-	125,000	-	125,000
Total assets	<u>\$ 11,496,190</u>	<u>\$ 962,119</u>	<u>\$ 899,195</u>	<u>\$ 13,357,504</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 157,138	\$ -	\$ 3,359	\$ 160,497
Accrued wages/benefits	25,373	-	-	25,373
Deposits	5,000	-	-	5,000
Interfund payables	791,192	-	7,768	798,960
Unearned revenue	103,835	-	-	103,835
Total liabilities	<u>1,082,538</u>	<u>-</u>	<u>11,127</u>	<u>1,093,665</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	<u>65,271</u>	<u>-</u>	<u>-</u>	<u>65,271</u>
Total deferred inflows of resources	<u>65,271</u>	<u>-</u>	<u>-</u>	<u>65,271</u>
<b>FUND BALANCES</b>				
Restricted for:				
Streets and roads	7,836,277	-	-	7,836,277
Public safety	241,824	-	-	241,824
Community development	2,151,829	-	-	2,151,829
Debt service	-	962,119	-	962,119
Capital projects	-	-	888,068	888,068
Committed for:				
Streets and roads	24,218	-	-	24,218
Community development	237,166	-	-	237,166
Recreation	3,351	-	-	3,351
Unassigned	<u>(146,284)</u>	<u>-</u>	<u>-</u>	<u>(146,284)</u>
Total fund balances	<u>10,348,381</u>	<u>962,119</u>	<u>888,068</u>	<u>12,198,568</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,496,190</u>	<u>\$ 962,119</u>	<u>\$ 899,195</u>	<u>\$ 13,357,504</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 494,430	\$ -	\$ -	\$ 494,430
Intergovernmental	5,905,558	-	-	5,905,558
Charges for services	176,791	-	-	176,791
Fines	5,919	-	-	5,919
Use of money and property	24,579	16,788	-	41,367
Assessments	277,153	188,916	-	466,069
Loan repayments	1,080	-	-	1,080
Miscellaneous	3,650	-	-	3,650
Total revenues	<u>6,889,160</u>	<u>205,704</u>	<u>-</u>	<u>7,094,864</u>
<b>Expenditures:</b>				
General government	449,374	-	-	449,374
Public safety	511,404	-	-	511,404
Public works	1,502,426	-	-	1,502,426
Community development	319,932	-	10,354	330,286
Recreation	53,460	-	4,191	57,651
Capital outlay	372,198	-	12,124	384,322
<b>Debt Service:</b>				
Principal	90,316	145,000	-	235,316
Interest and fiscal charges	8,829	144,082	-	152,911
Total expenditures	<u>3,307,939</u>	<u>289,082</u>	<u>26,669</u>	<u>3,623,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,581,221</u>	<u>(83,378)</u>	<u>(26,669)</u>	<u>3,471,174</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	1,171,026	-	86,977	1,258,003
Operating transfers out	<u>(2,060,866)</u>	<u>-</u>	<u>-</u>	<u>(2,060,866)</u>
Total other financing sources (uses)	<u>(889,840)</u>	<u>-</u>	<u>86,977</u>	<u>(802,863)</u>
Net change in fund balance	2,691,381	(83,378)	60,308	2,668,311
Fund balances - beginning (restated)	<u>7,657,000</u>	<u>1,045,497</u>	<u>827,760</u>	<u>9,530,257</u>
Fund balances - ending	<u>\$ 10,348,381</u>	<u>\$ 962,119</u>	<u>\$ 888,068</u>	<u>\$ 12,198,568</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Special Revenue Funds

Combining Balance Sheet

	Traffic Safety	Citizens' Tax Initiative Measure S	CMAQ Grant	Public Safety	Sidewalk Repair	AB 1913 Grant	Street Maintenance	Street Gas Tax
<b>ASSETS</b>								
Cash and investments	\$ 23,030	\$ 2,059,419	\$ -	\$ 104,953	\$ 24,006	\$ 97,745	\$ 457,261	\$ 1,285,150
Accounts receivable, net	-	-	-	-	-	-	-	-
Interest receivable	-	2,397	-	-	-	-	503	1,491
Due from the Successor Agency	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	468,437	97,685	14,855	-	95,271	-	45,502
Total assets	<u>\$ 23,030</u>	<u>\$ 2,530,253</u>	<u>\$ 97,685</u>	<u>\$ 119,808</u>	<u>\$ 24,006</u>	<u>\$ 193,016</u>	<u>\$ 457,764</u>	<u>\$ 1,332,143</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 23,768	\$ -	\$ -	\$ -	\$ -	\$ 45,558	\$ -
Accrued wages/benefits	-	2,441	-	-	-	5,924	9,091	-
Deposits	-	-	-	-	-	-	5,000	-
Interfund payables	-	-	80,000	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>26,209</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>5,924</u>	<u>59,649</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	-	-	-	65,271	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,271</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>								
Restricted for:								
Streets and roads	23,030	2,504,044	17,685	-	-	-	398,115	1,332,143
Public safety	-	-	-	119,808	-	121,821	-	-
Community development	-	-	-	-	-	-	-	-
Committed for:								
Streets and roads	-	-	-	-	24,006	-	-	-
Community development	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>23,030</u>	<u>2,504,044</u>	<u>17,685</u>	<u>119,808</u>	<u>24,006</u>	<u>121,821</u>	<u>398,115</u>	<u>1,332,143</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,030</u>	<u>\$ 2,530,253</u>	<u>\$ 97,685</u>	<u>\$ 119,808</u>	<u>\$ 24,006</u>	<u>\$ 193,016</u>	<u>\$ 457,764</u>	<u>\$ 1,332,143</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 (Continued)

	Road Maintenance and Rehabilitation	Street Measure C	CID Groundwater Surcharge	CFD 2006-1 Vineyard Estates	Landscape and Lighting Assessment	Property Cleanup and Demo	Abandoned Vehicle Abatement	CBDG Grant
<b>ASSETS</b>								
Cash and investments	\$ 1,811,473	\$ 1,596,386	\$ 893,930	\$ 211,561	\$ 18,729	\$ 25,000	\$ 195	\$ -
Accounts receivable, net	-	-	-	-	-	-	-	-
Interest receivable	2,241	1,852	1,037	-	-	-	-	-
Due from the Successor Agency	-	-	-	-	-	-	-	-
Intergovernmental receivables	86,016	63,292	-	-	18	-	-	69,668
Total assets	<u>\$ 1,899,730</u>	<u>\$ 1,661,530</u>	<u>\$ 894,967</u>	<u>\$ 211,561</u>	<u>\$ 18,747</u>	<u>\$ 25,000</u>	<u>\$ 195</u>	<u>\$ 69,668</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 10,807	\$ -	\$ -	\$ 21,785
Accrued wages/benefits	-	-	-	-	3,042	-	-	-
Deposits	-	-	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-	-	47,883
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,849</u>	<u>-</u>	<u>-</u>	<u>69,668</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>								
Restricted for:								
Streets and roads	1,899,730	1,661,530	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	195	-
Community development	-	-	894,967	-	4,898	-	-	-
Committed for:								
Streets and roads	-	-	-	-	-	-	-	-
Community development	-	-	-	211,561	-	25,000	-	-
Recreation	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>1,899,730</u>	<u>1,661,530</u>	<u>894,967</u>	<u>211,561</u>	<u>4,898</u>	<u>25,000</u>	<u>195</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,899,730</u>	<u>\$ 1,661,530</u>	<u>\$ 894,967</u>	<u>\$ 211,561</u>	<u>\$ 18,747</u>	<u>\$ 25,000</u>	<u>\$ 195</u>	<u>\$ 69,668</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 (Continued)

	Recycling Grant	ABC Grant	Small Business Support Center	DOJ Bynes Grant	Foreclosed Home Project	Sports Hall of Fame	ACT Program	High Speed Rail CVTC
<b>ASSETS</b>								
Cash and investments	\$ 19,259	\$ -	\$ 605	\$ -	\$ 11,976	\$ 3,351	\$ -	\$ -
Accounts receivable, net	-	-	-	-	1,400	-	-	-
Interest receivable	-	-	-	-	-	-	-	-
Due from the Successor Agency	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	15,814	-	720	-	-	55,633	223,309
Total assets	<u>\$ 19,259</u>	<u>\$ 15,814</u>	<u>\$ 605</u>	<u>\$ 720</u>	<u>\$ 13,376</u>	<u>\$ 3,351</u>	<u>\$ 55,633</u>	<u>\$ 223,309</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,566	\$ 50,706
Accrued wages/benefits	-	-	-	-	-	-	4,875	-
Deposits	-	-	-	-	-	-	-	-
Interfund payables	-	15,886	-	822	-	-	48,980	274,413
Unearned revenue	3,835	-	-	-	-	-	-	-
Total liabilities	<u>3,835</u>	<u>15,886</u>	<u>-</u>	<u>822</u>	<u>-</u>	<u>-</u>	<u>55,421</u>	<u>325,119</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>								
Restricted for:								
Streets and roads	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Community development	15,424	-	-	-	13,376	-	-	-
Committed for:								
Streets and roads	-	-	-	-	-	-	212	-
Community development	-	-	605	-	-	-	-	-
Recreation	-	-	-	-	-	3,351	-	-
Unassigned	-	(72)	-	(102)	-	-	-	(101,810)
Total fund balances	<u>15,424</u>	<u>(72)</u>	<u>605</u>	<u>(102)</u>	<u>13,376</u>	<u>3,351</u>	<u>212</u>	<u>(101,810)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,259</u>	<u>\$ 15,814</u>	<u>\$ 605</u>	<u>\$ 720</u>	<u>\$ 13,376</u>	<u>\$ 3,351</u>	<u>\$ 55,633</u>	<u>\$ 223,309</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 (Continued)

	Prop 68 Park Grant	Transit Oriented Development	USDA RBDG	Community Power Resiliency	SB2 Planning Grant Program	Local Early Action Plan	Housing Authority	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>								
Cash and investments	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 42,800	\$ 8,786,829
Accounts receivable, net	-	-	-	-	-	-	-	1,400
Interest receivable	-	-	-	-	-	-	-	9,521
Due from the Successor Agency	-	-	-	-	-	-	1,180,364	1,180,364
Intergovernmental receivables	-	-	9,025	-	148,107	124,724	-	1,518,076
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,025</u>	<u>\$ 100,000</u>	<u>\$ 148,107</u>	<u>\$ 124,724</u>	<u>\$ 1,223,164</u>	<u>\$ 11,496,190</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,948	\$ -	\$ -	\$ 157,138
Accrued wages/benefits	-	-	-	-	-	-	-	25,373
Interfund payables	-	-	-	-	-	-	-	5,000
Interfund payables	19,300	-	9,025	-	170,159	124,724	-	791,192
Unearned revenue	-	-	-	100,000	-	-	-	103,835
Total liabilities	<u>19,300</u>	<u>-</u>	<u>9,025</u>	<u>100,000</u>	<u>173,107</u>	<u>124,724</u>	<u>-</u>	<u>1,082,538</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	-	-	-	-	-	65,271
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,271</u>
<b>FUND BALANCES</b>								
Restricted for:								
Streets and roads	-	-	-	-	-	-	-	7,836,277
Public safety	-	-	-	-	-	-	-	241,824
Community development	-	-	-	-	-	-	1,223,164	2,151,829
Committed for:								
Streets and roads	-	-	-	-	-	-	-	24,218
Community development	-	-	-	-	-	-	-	237,166
Recreation	-	-	-	-	-	-	-	3,351
Unassigned	(19,300)	-	-	-	(25,000)	-	-	(146,284)
Total fund balances	<u>(19,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>1,223,164</u>	<u>10,348,381</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,025</u>	<u>\$ 100,000</u>	<u>\$ 148,107</u>	<u>\$ 124,724</u>	<u>\$ 1,223,164</u>	<u>\$ 11,496,190</u>



**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	Traffic Safety	Citizens' Tax Initiative Measure S	CMAQ Grant	Public Safety	Sidewalk Repair Funds	AB 1913 Grant	Street Maintenance	Street Gas Tax
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,705,480	73,313	77,112	-	161,285	-	572,302
Charges for services	-	-	-	-	-	-	176,391	-
Fines	5,919	-	-	-	-	-	-	-
Use of money and property	-	6,187	-	-	-	-	1,299	3,850
Assessments	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	1,000	-
<b>Total revenues</b>	<b>5,919</b>	<b>2,711,667</b>	<b>73,313</b>	<b>77,112</b>	<b>-</b>	<b>161,285</b>	<b>178,690</b>	<b>576,152</b>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	116,227	-	-	-	173,834	-	-
Public works	-	-	-	-	397	-	1,138,914	13,492
Community development	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	277,368	73,313	-	-	-	-	-
<b>Debt Service:</b>								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>393,595</b>	<b>73,313</b>	<b>-</b>	<b>397</b>	<b>173,834</b>	<b>1,138,914</b>	<b>13,492</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>5,919</b>	<b>2,318,072</b>	<b>-</b>	<b>77,112</b>	<b>(397)</b>	<b>(12,549)</b>	<b>(960,224)</b>	<b>562,660</b>
<b>Other financing sources (uses):</b>								
Operating transfers in	-	-	-	-	-	-	1,171,026	-
Operating transfers out	-	(1,400,000)	-	(42,000)	-	-	-	(168,293)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,400,000)</b>	<b>-</b>	<b>(42,000)</b>	<b>-</b>	<b>-</b>	<b>1,171,026</b>	<b>(168,293)</b>
<b>Net change in fund balance</b>	<b>5,919</b>	<b>918,072</b>	<b>-</b>	<b>35,112</b>	<b>(397)</b>	<b>(12,549)</b>	<b>210,802</b>	<b>394,367</b>
<b>Fund balances - beginning (restated)</b>	<b>17,111</b>	<b>1,585,972</b>	<b>17,685</b>	<b>84,696</b>	<b>24,403</b>	<b>134,370</b>	<b>187,313</b>	<b>937,776</b>
<b>Fund balances - ending</b>	<b>\$ 23,030</b>	<b>\$ 2,504,044</b>	<b>\$ 17,685</b>	<b>\$ 119,808</b>	<b>\$ 24,006</b>	<b>\$ 121,821</b>	<b>\$ 398,115</b>	<b>\$ 1,332,143</b>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

(Continued)

	Road Maintenance and Rehabilitation	Street Measure C	CID Groundwater Surcharge	CFD 2006-1 Vineyard Estates	Landscape and Lighting Assessment	Property Cleanup and Demo	Abandoned Vehicle Abatement	CBDG Grant
Revenues:								
Taxes	\$ 494,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	863,558	371,279	-	-	-	-	74,977
Charges for services	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-
Use of money and property Assessments	5,786	4,780	2,677	-	-	-	-	-
Loan repayments	-	-	-	70,232	206,921	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>500,216</u>	<u>868,338</u>	<u>373,956</u>	<u>70,232</u>	<u>206,921</u>	<u>-</u>	<u>-</u>	<u>74,977</u>
Expenditures:								
General government	-	-	-	16	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	120,594	-	-	-	229,029	-	-	-
Community development	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	53,460
Capital outlay	-	-	-	-	-	-	-	21,517
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>120,594</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>229,029</u>	<u>-</u>	<u>-</u>	<u>74,977</u>
Excess (deficiency) of revenues over (under) expenditures	<u>379,622</u>	<u>868,338</u>	<u>373,956</u>	<u>70,216</u>	<u>(22,108)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	(450,573)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(450,573)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	379,622	417,765	373,956	70,216	(22,108)	-	-	-
Fund balances - beginning (restated)	<u>1,520,108</u>	<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>
Fund balances - ending	<u>\$ 1,899,730</u>	<u>\$ 1,661,530</u>	<u>\$ 894,967</u>	<u>\$ 211,561</u>	<u>\$ 4,898</u>	<u>\$ 25,000</u>	<u>\$ 195</u>	<u>\$ -</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

(Continued)

	Recycling Grant	ABC Grant	Small Business Support Center	DOJ Bynes Grant	Foreclosed Home Project	Sports Hall of Fame	ACT Program	High Speed Rail CVTC
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,566	15,814	-	36,192	-	-	169,375	500,638
Charges for services	-	-	-	-	400	-	-	-
Fines	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	2,530	-	-	-
<b>Total revenues</b>	<b>2,566</b>	<b>15,814</b>	<b>-</b>	<b>36,192</b>	<b>2,930</b>	<b>-</b>	<b>169,375</b>	<b>500,638</b>
<b>Expenditures:</b>								
General government	2,566	-	-	-	-	-	-	446,792
Public safety	-	15,886	-	36,294	-	-	169,163	-
Public works	-	-	-	-	-	-	-	-
Community development	-	-	-	-	13,265	-	-	-
Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Debt Service:</b>								
Principal	-	-	-	-	-	-	-	90,316
Interest and fiscal charges	-	-	-	-	-	-	-	8,829
<b>Total expenditures</b>	<b>2,566</b>	<b>15,886</b>	<b>-</b>	<b>36,294</b>	<b>13,265</b>	<b>-</b>	<b>169,163</b>	<b>545,937</b>
Excess (deficiency) of revenues over (under) expenditures	-	(72)	-	(102)	(10,335)	-	212	(45,299)
<b>Other financing sources (uses):</b>								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	-	(72)	-	(102)	(10,335)	-	212	(45,299)
Fund balances - beginning (restated)	15,424	-	605	-	23,711	3,351	-	(56,511)
Fund balances - ending	\$ 15,424	\$ (72)	\$ 605	\$ (102)	\$ 13,376	\$ 3,351	\$ 212	\$ (101,810)

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

(Continued)

	Prop 68 Park Grant	Transit Oriented Development	USDA RBDG	Community Power Resiliency	SB2 Planning Grant Program	Local Early Action Plan	Housing Authority	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 494,430
Intergovernmental	-	-	20,625	-	136,318	124,724	-	5,905,558
Charges for services	-	-	-	-	-	-	-	176,791
Fines	-	-	-	-	-	-	-	5,919
Use of money and property	-	-	-	-	-	-	-	24,579
Assessments	-	-	-	-	-	-	-	277,153
Loan repayments	-	-	-	-	-	-	1,080	1,080
Miscellaneous	-	-	-	-	-	-	120	3,650
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>20,625</b>	<b>-</b>	<b>136,318</b>	<b>124,724</b>	<b>1,200</b>	<b>6,889,160</b>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	449,374
Public safety	-	-	-	-	-	-	-	511,404
Public works	-	-	-	-	-	-	-	1,502,426
Community development	-	-	20,625	-	161,318	124,724	-	319,932
Recreate	-	-	-	-	-	-	-	53,460
Capital outlay	-	-	-	-	-	-	-	372,198
<b>Debt Service:</b>								
Principal	-	-	-	-	-	-	-	90,316
Interest and fiscal charges	-	-	-	-	-	-	-	8,829
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>20,625</b>	<b>-</b>	<b>161,318</b>	<b>124,724</b>	<b>-</b>	<b>3,307,939</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(25,000)	-	1,200	3,581,221
<b>Other financing sources (uses):</b>								
Operating transfers in	-	-	-	-	-	-	-	1,171,026
Operating transfers out	-	-	-	-	-	-	-	(2,060,866)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(889,840)</b>
Net change in fund balance	-	-	-	-	(25,000)	-	1,200	2,691,381
Fund balances - beginning (restated)	(19,300)	-	-	-	-	-	1,221,964	7,657,000
Fund balances - ending	\$ (19,300)	\$ -	\$ -	\$ -	\$ (25,000)	\$ -	\$ 1,223,164	\$ 10,348,381

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Debt Service Funds

Combining Balance Sheet

---

	<u>Debt Service</u>	<u>Total Nonmajor Debt Service Fund</u>
<b>ASSETS</b>		
Cash and investments	\$ 726,083	\$ 726,083
Cash with fiscal agents	111,036	111,036
Advance to the Successor Agency	<u>125,000</u>	<u>125,000</u>
Total assets	<u>\$ 962,119</u>	<u>\$ 962,119</u>
<b>FUND BALANCES</b>		
Nonspendable		
Restricted for:		
Debt service	<u>962,119</u>	<u>962,119</u>
Total fund balances	<u>962,119</u>	<u>962,119</u>
Total fund balance	<u>\$ 962,119</u>	<u>\$ 962,119</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

## Nonmajor Debt Service Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

---

	<u>Debt Service</u>	<u>Total Nonmajor Debt Service Fund</u>
Revenues:		
Use of money and property	\$ 16,788	\$ 16,788
Assessments	<u>188,916</u>	<u>188,916</u>
Total revenues	<u>205,704</u>	<u>205,704</u>
 Expenditures:		
Debt Service:		
Principal	145,000	145,000
Interest and fiscal charges	<u>144,082</u>	<u>144,082</u>
Total expenditures	<u>289,082</u>	<u>289,082</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>(83,378)</u>	<u>(83,378)</u>
 Net change in fund balance	(83,378)	(83,378)
 Fund balances - beginning (restated)	<u>1,045,497</u>	<u>1,045,497</u>
 Fund balances - ending	<u>\$ 962,119</u>	<u>\$ 962,119</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Capital Projects Funds

Combining Balance Sheet

	<u>Capital Projects</u>	<u>CalTrans Mitigation</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 686,962	\$ 212,233	\$ 899,195
Total assets	<u>\$ 686,962</u>	<u>\$ 212,233</u>	<u>\$ 899,195</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,359	\$ -	\$ 3,359
Interfund payables	<u>7,768</u>	<u>-</u>	<u>7,768</u>
Total liabilities	<u>11,127</u>	<u>-</u>	<u>11,127</u>
<b>FUND BALANCES</b>			
Restricted for:			
Capital projects	<u>675,835</u>	<u>212,233</u>	<u>888,068</u>
Total fund balances	<u>675,835</u>	<u>212,233</u>	<u>888,068</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 686,962</u>	<u>\$ 212,233</u>	<u>\$ 899,195</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	<u>Capital Projects</u>	<u>CalTrans Mitigation</u>	<u>Total Nonmajor Capital Projects Funds</u>
Expenditures:			
Community development	\$ 10,354	\$ -	\$ 10,354
Recreation	4,191	-	4,191
Capital outlay	<u>12,124</u>	-	<u>12,124</u>
Total expenditures	<u>26,669</u>	-	<u>26,669</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,669)</u>	-	<u>(26,669)</u>
Other financing sources (uses):			
Operating transfers in	<u>86,977</u>	-	<u>86,977</u>
Total other financing sources (uses)	<u>86,977</u>	-	<u>86,977</u>
Net change in fund balance	60,308	-	60,308
Fund balances - beginning	<u>615,527</u>	<u>212,233</u>	<u>827,760</u>
Fund balances - ending	<u>\$ 675,835</u>	<u>\$ 212,233</u>	<u>\$ 888,068</u>



## NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing good or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City of Selma has decided that periodic determination of net income is appropriate for accountability purposes.

**CITY OF SELMA | JUNE 30, 2022**  
 Nonmajor Enterprise Funds  
 Combining Statement of Net Position

	Pioneer Village	Cultural Arts	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current assets:			
Accounts receivable, net	\$ 4,066	\$ -	\$ 4,066
Lease receivable	101,569	101,568	203,137
Total current assets	<u>105,635</u>	<u>101,568</u>	<u>207,203</u>
Noncurrent assets:			
Capital assets:			
Buildings and improvements	284,182	-	284,182
Less accumulated depreciation/amortization	<u>(268,195)</u>	<u>-</u>	<u>(268,195)</u>
Total noncurrent assets	<u>15,987</u>	<u>-</u>	<u>15,987</u>
 Total assets	 <u>121,622</u>	 <u>101,568</u>	 <u>223,190</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	4,005	5,611	9,616
OPEB related	<u>722</u>	<u>2,288</u>	<u>3,010</u>
Total deferred outflows of resources	<u>4,727</u>	<u>7,899</u>	<u>12,626</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,392	3,460	4,852
Accrued wages and benefits	504	1,549	2,053
Interfund payables	<u>217</u>	<u>47,201</u>	<u>47,418</u>
Total current liabilities	<u>2,113</u>	<u>52,210</u>	<u>54,323</u>
Noncurrent liabilities:			
Compensated absences	1,232	14,965	16,197
Net pension liability	12,151	17,248	29,399
Net OPEB liability	<u>5,155</u>	<u>16,327</u>	<u>21,482</u>
Total noncurrent liabilities	<u>18,538</u>	<u>48,540</u>	<u>67,078</u>
 Total liabilities	 <u>20,651</u>	 <u>100,750</u>	 <u>121,401</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	11,413	16,150	27,563
OPEB related	824	2,609	3,433
Lease related	<u>68,077</u>	<u>68,077</u>	<u>136,154</u>
Total deferred inflows of resources	<u>80,314</u>	<u>86,836</u>	<u>167,150</u>
<b>NET POSITION</b>			
Net investment in capital assets	15,987	-	15,987
Unrestricted	<u>9,397</u>	<u>(78,119)</u>	<u>(68,722)</u>
 Total net position	 <u>\$ 25,384</u>	 <u>\$ (78,119)</u>	 <u>\$ (52,735)</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

	Pioneer Village	Cultural Arts	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 188	\$ 111,013	\$ 111,201
Rents	30,948	12,797	43,745
Miscellaneous	10,021	9,840	19,861
Total revenues	<u>41,157</u>	<u>133,650</u>	<u>174,807</u>
Operating expenses:			
Personnel services	15,283	78,454	93,737
Services and supplies	65,077	138,712	203,789
Depreciation/amortization	1,149	-	1,149
Total operating expenses	<u>81,509</u>	<u>217,166</u>	<u>298,675</u>
Operating Income (loss)	<u>(40,352)</u>	<u>(83,516)</u>	<u>(123,868)</u>
Nonoperating revenues (expenses)			
Interest income	7,202	7,202	14,404
Total nonoperating revenues (expenses)	<u>7,202</u>	<u>7,202</u>	<u>14,404</u>
Income (loss) before transfers	<u>(33,150)</u>	<u>(76,314)</u>	<u>(109,464)</u>
Transfers in	<u>15,000</u>	<u>34,791</u>	<u>49,791</u>
Changes in net position	(18,150)	(41,523)	(59,673)
Net position (deficit) - beginning (restated)	<u>43,534</u>	<u>(36,596)</u>	<u>6,938</u>
Net position (deficit) - ending	<u>\$ 25,384</u>	<u>\$ (78,119)</u>	<u>\$ (52,735)</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

	Pioneer Village	Cultural Arts	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received for current services	\$ (2,757)	\$ 112,669	\$ 109,912
Cash received for rents	29,826	11,675	41,501
Cash paid for services and supplies	(65,126)	(142,183)	(207,309)
Cash paid for salaries and benefits	(14,382)	(44,298)	(58,680)
Cash received for other operating revenues	10,021	9,840	19,861
Net cash provided by (used for) operating activities	<u>(42,418)</u>	<u>(52,297)</u>	<u>(94,715)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers (to) from other funds	217	10,304	10,521
Loans from (to) other funds	15,000	34,791	49,791
Net cash provided by (used for) noncapital financing activities	<u>15,217</u>	<u>45,095</u>	<u>60,312</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest received	7,202	7,202	14,404
Net cash provided by (used for) investing activities	<u>7,202</u>	<u>7,202</u>	<u>14,404</u>
Net increase (decrease) in cash and investments	(19,999)	-	(19,999)
Cash and investments - beginning	19,999	-	19,999
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ (40,352)	\$ (83,516)	\$ (123,868)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	1,149	-	1,149
<b>Changes in the balance sheet:</b>			
(Increase) decrease in:			
Accounts receivable, net	(2,945)	3,960	1,015
Leases receivable	2,398	2,400	4,798
Deferred outflows of resources from pensions	408	(2,119)	(1,711)
Deferred outflows of resources from OPEB	(95)	(1,792)	(1,887)
Increase (decrease) in:			
Accounts payable	(49)	(3,471)	(3,520)
Accrued wages and benefits	201	(466)	(265)
Deposits	-	(2,304)	(2,304)
Compensated absences	1,232	10,247	11,479
Net pension liability	(9,326)	252	(9,074)
Net OPEB liability	(2,064)	10,614	8,550
Deferred inflow of resources from pensions	11,309	16,067	27,376
Deferred inflow of resources from OPEB	(764)	1,353	589
Deferred inflow of resources from leases	<u>(3,520)</u>	<u>(3,522)</u>	<u>(7,042)</u>
Total adjustments	<u>(2,066)</u>	<u>31,219</u>	<u>29,153</u>
Net cash provided by (used for) operating activities	<u>\$ (42,418)</u>	<u>\$ (52,297)</u>	<u>\$ (94,715)</u>

## INTERNAL SERVICE FUNDS

Internal service funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis.

**Insurance Funds** – These funds are used to account for workers' compensation, liability, and medical malpractice insurance expense.

**Fleet Management Fund** – This fund is used to account for the rental of motor vehicles to other departments and related costs.

**Building and Utility Fund** – This fund is used to account for the accumulation and allocation of general building and utility costs.

**General Overhead Fund** – This fund is used to account for the accumulation and allocation of costs associated with office supplies.

**Information Processing Fund** – This fund is used to account for the accumulation and allocation of costs associated with all information technology equipment and related services.

**CITY OF SELMA | JUNE 30, 2022**  
**Internal Service Funds**  
**Combining Statement of Net Position**

	Insurance	Fleet Management	Building and Utility	General Overhead	Information Processing	Total Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 1,082,981	\$ 329,309	\$ 752,211	\$ 57,538	\$ 447,597	\$ 2,669,636
Accounts receivable, net	-	-	-	6	-	6
Interest receivable	1,257	-	874	-	519	2,650
Deposits	104,432	-	-	-	-	104,432
Total current assets	<u>1,188,670</u>	<u>329,309</u>	<u>753,085</u>	<u>57,544</u>	<u>448,116</u>	<u>2,776,724</u>
Noncurrent assets:						
Capital assets:						
Machinery and equipment	-	31,901	93,223	-	184,643	309,767
Right-to-use leased equipment	-	-	-	63,748	-	63,748
Less accumulated depreciation/amortization	-	(9,121)	(29,228)	(33,915)	(67,501)	(139,765)
Total noncurrent assets	<u>-</u>	<u>22,780</u>	<u>63,995</u>	<u>29,833</u>	<u>117,142</u>	<u>233,750</u>
Total assets	<u>1,188,670</u>	<u>352,089</u>	<u>817,080</u>	<u>87,377</u>	<u>565,258</u>	<u>3,010,474</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related	-	17,069	53,648	-	-	70,717
OPEB related	-	7,338	1,748	-	-	9,086
Total deferred outflows of resources	<u>-</u>	<u>24,407</u>	<u>55,396</u>	<u>-</u>	<u>-</u>	<u>79,803</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	1,556	41,952	10,225	16	481	54,230
Accrued wages and benefits	-	4,406	3,952	-	-	8,358
Current portion of long-term liabilities	-	-	-	-	10,893	10,893
Total current liabilities	<u>1,556</u>	<u>46,358</u>	<u>14,177</u>	<u>16</u>	<u>11,374</u>	<u>73,481</u>
Noncurrent liabilities:						
Compensated absences	-	4,475	1,643	-	-	6,118
Leases payable	-	-	-	31,507	-	31,507
Net pension liability	-	52,515	161,463	-	-	213,978
Net OPEB liability	-	52,364	12,469	-	-	64,833
Total noncurrent liabilities	<u>-</u>	<u>109,354</u>	<u>175,575</u>	<u>31,507</u>	<u>-</u>	<u>316,436</u>
Total liabilities	<u>1,556</u>	<u>155,712</u>	<u>189,752</u>	<u>31,523</u>	<u>11,374</u>	<u>389,917</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related	-	49,171	152,132	-	-	201,303
OPEB related	-	8,368	1,993	-	-	10,361
Total deferred inflows of resources	<u>-</u>	<u>57,539</u>	<u>154,125</u>	<u>-</u>	<u>-</u>	<u>211,664</u>
<b>NET POSITION</b>						
Net investment in capital assets	-	22,780	63,995	(1,674)	106,249	191,350
Unrestricted	\$ 1,187,114	140,465	464,604	57,528	447,635	2,297,346
Total net position	<u>\$ 1,187,114</u>	<u>\$ 163,245</u>	<u>\$ 528,599</u>	<u>\$ 55,854</u>	<u>\$ 553,884</u>	<u>\$ 2,488,696</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

	Insurance	Fleet Management	Building and Utility	General Overhead	Information Processing	Total Internal Service Funds
Operating revenues:						
Charges for services	\$ 1,403,187	\$ 494,003	\$ 440,414	\$ 28,979	\$ 335,216	\$ 2,701,799
Miscellaneous	-	1,000	-	534	-	1,534
Total revenues	<u>1,403,187</u>	<u>495,003</u>	<u>440,414</u>	<u>29,513</u>	<u>335,216</u>	<u>2,703,333</u>
Operating expenses:						
Personnel services	-	215,208	(81,199)	-	-	134,009
Services and supplies	-	537,608	192,028	17,250	233,105	979,991
Other internal services	1,254,065	-	-	-	-	1,254,065
Depreciation/amortization	-	2,632	9,107	12,750	19,714	44,203
Total operating expenses	<u>1,254,065</u>	<u>755,448</u>	<u>119,936</u>	<u>30,000</u>	<u>252,819</u>	<u>2,412,268</u>
Operating Income (loss)	<u>149,122</u>	<u>(260,445)</u>	<u>320,478</u>	<u>(487)</u>	<u>82,397</u>	<u>291,065</u>
Nonoperating revenues (expenses)						
Interest income	3,245	-	2,257	-	1,340	6,842
Interest expense	-	-	-	(1,820)	(1,183)	(3,003)
Total nonoperating revenues (expenses)	<u>3,245</u>	<u>-</u>	<u>2,257</u>	<u>(1,820)</u>	<u>157</u>	<u>3,839</u>
Changes in net position	152,367	(260,445)	322,735	(2,307)	82,554	294,904
Net position (deficit) - beginning (restated)	<u>1,034,747</u>	<u>423,690</u>	<u>205,864</u>	<u>58,161</u>	<u>471,330</u>	<u>2,193,792</u>
Net position (deficit) - ending	<u>\$ 1,187,114</u>	<u>\$ 163,245</u>	<u>\$ 528,599</u>	<u>\$ 55,854</u>	<u>\$ 553,884</u>	<u>\$ 2,488,696</u>

**CITY OF SELMA | FOR THE YEAR ENDED JUNE 30, 2022**

Internal Service Funds

Combining Statement of Cash Flows

	Insurance	Fleet Management	Building and Utility	General Overhead	Information Processing	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received for current services	\$ 1,518,859	\$ 494,003	\$ 440,414	\$ 28,973	\$ 335,240	\$ 2,817,489
Cash paid for services and supplies	(1,256,314)	(571,865)	(195,153)	(16,742)	(254,492)	(2,294,566)
Cash paid for salaries and benefits	-	(128,698)	(55,451)	-	-	(184,149)
Cash received for other operating revenues	-	1,000	-	534	-	1,534
Net cash provided by (used for) operating activities	<u>262,545</u>	<u>(205,560)</u>	<u>189,810</u>	<u>12,765</u>	<u>80,748</u>	<u>340,308</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal paid on financed purchases	-	-	-	-	(21,409)	(21,409)
Principal paid on leases	-	-	-	(12,473)	-	(12,473)
Interest paid on long-term liabilities	-	-	-	(1,820)	(1,183)	(3,003)
Acquisition of capital assets	-	-	(10,850)	-	-	(10,850)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(10,850)</u>	<u>(14,293)</u>	<u>(22,592)</u>	<u>(47,735)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Interest received	<u>1,988</u>	<u>-</u>	<u>1,383</u>	<u>-</u>	<u>821</u>	<u>4,192</u>
Net cash provided by (used for) investing activities	<u>1,988</u>	<u>-</u>	<u>1,383</u>	<u>-</u>	<u>821</u>	<u>4,192</u>
Net increase (decrease) in cash and investments	264,533	(205,560)	180,343	(1,528)	58,977	296,765
Cash and investments - beginning	<u>818,448</u>	<u>534,869</u>	<u>571,868</u>	<u>59,066</u>	<u>388,620</u>	<u>2,372,871</u>
Cash and investments - ending	<u>\$ 1,082,981</u>	<u>\$ 329,309</u>	<u>\$ 752,211</u>	<u>\$ 57,538</u>	<u>\$ 447,597</u>	<u>\$ 2,669,636</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>						
Operating income (loss)	<u>\$ 149,122</u>	<u>\$ (260,445)</u>	<u>\$ 320,478</u>	<u>\$ (487)</u>	<u>\$ 82,397</u>	<u>\$ 291,065</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:						
Depreciation	-	2,632	9,107	12,750	19,714	44,203
<b>Changes in the balance sheet:</b>						
(Increase) decrease in:						
Accounts receivable, net	720	-	-	(6)	24	738
Deposits	114,952	-	-	-	-	114,952
Deferred outflows of resources from pensions	-	(7,438)	18,220	-	-	10,782
Deferred outflows of resources from OPEB	-	(5,968)	8,471	-	-	2,503
Increase (decrease) in:						
Accounts payable	(2,249)	(34,257)	(3,125)	508	(21,387)	(60,510)
Accrued wages and benefits	-	(647)	1,932	-	-	1,285
Compensated absences	-	4,475	1,643	-	-	6,118
Net pension liability	-	5,633	(188,377)	-	-	(182,744)
Net OPEB liability	-	36,609	(105,107)	-	-	(68,498)
Deferred inflow of resources from pensions	-	48,943	150,432	-	-	199,375
Deferred inflow of resources from OPEB	-	4,903	(23,864)	-	-	(18,961)
Total adjustments	<u>113,423</u>	<u>54,885</u>	<u>(130,668)</u>	<u>13,252</u>	<u>(1,649)</u>	<u>49,243</u>
Net cash provided by (used for) operating activities	<u>\$ 262,545</u>	<u>\$ (205,560)</u>	<u>\$ 189,810</u>	<u>\$ 12,765</u>	<u>\$ 80,748</u>	<u>\$ 340,308</u>