

**SELMA HEALTHCARE DISTRICT  
SELMA, CALIFORNIA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2021**

**SELMA HEALTHCARE DISTRICT  
FINANCIAL STATEMENTS  
JUNE 30, 2021**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>INTRODUCTORY SECTION:</b>	
Board of Directors .....	i
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS:</b>	
Statement of Net Position .....	3
Statement of Activities .....	4
General Fund – Balance Sheet .....	5
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position .....	6
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance .....	7
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities .....	8
<b>NOTES TO THE BASIC FINANCIAL STATEMENTS .....</b>	<b>9</b>

**SELMA HEALTHCARE DISTRICT  
FINANCIAL STATEMENTS  
JUNE 30, 2021**

**LIST OF BOARD OF DIRECTORS (at June 30, 2021)**

Colleen Nelson	Chairperson
Anthony Herrera	Vice-Chairperson
Lorane Avalos	Secretary
Leticia Gallardo	Treasurer
Danny Serimian	Director

*THIS PAGE IS LEFT BLANK INTENTIONALLY.*



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Selma Healthcare District  
Selma, California

We have audited the accompanying financial statements of the governmental activities and General Fund of the Selma Healthcare District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

570 N. Magnolia Avenue, Suite 100  
Clovis, CA 93611

tel 559.299.9540  
fax 559.299.2344

**Other Matters**

*Required Supplementary Information*

Management has omitted the management's discussion and analysis and budgetary comparison schedule 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.

*Price Pange & Company*

Clovis, California  
February 9, 2023

**SELMA HEALTHCARE DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

**ASSETS**

Cash and investments	\$ 348,569
Property taxes receivable	103,360
Interest receivable	<u>232</u>

Total assets 452,161

**LIABILITIES**

Accounts payable	<u>22,700</u>
------------------	---------------

Total liabilities 22,700

**NET POSITION**

Unrestricted	<u>429,461</u>
--------------	----------------

Total net position 429,461

Total liabilities and net position \$ 452,161

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

**SELMA HEALTHCARE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

Revenues	
Property taxes	\$ 200,810
Interest income	<u>199</u>
Total revenues	<u>201,009</u>
Expenditures	
Contributions to community organizations	57,283
Services and Supplies	38,288
Community outreach/marketing	11,100
Total expenditures	106,671
Change in net position	<u>94,338</u>
Net position - beginning of year (restated)	<u>335,123</u>
Net position - end of year	\$ 429,461

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



**SELMA HEALTHCARE DISTRICT  
BALANCE SHEET – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

**ASSETS**

Cash and investments	\$ 348,569
Receivables:	
Property tax	103,360
Interest	<u>232</u>
 Total assets	 \$ 452,161

**LIABILITIES**

Accounts payable	\$ <u>22,700</u>
 Total liabilities	 <u>22,700</u>

**FUND BALANCE**

Committed	23,075
Unassigned	<u>406,386</u>
 Total fund balance	 <u>429,461</u>
 Total liabilities and fund balance	 <u>\$ 452,161</u>

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

**SELMA HEALTHCARE DISTRICT  
RECONCILIATION OF THE GOVERNMENT FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021**

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

Total fund balance	\$ 429,461
Reconciling items - none	<u>                  -</u>
Total net position	<u>\$ 429,461</u>

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

**SELMA HEALTHCARE DISTRICT  
STATEMENT OF GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2021**

Revenues	
Property taxes	\$ 200,810
Interest income	<u>199</u>
Total revenues	<u>201,009</u>
Expenditures	
Current:	
Contributions to community organizations	57,283
Legal and professional	32,852
Secretarial	1,888
Operating supplies	3,140
Bank charges	408
Community outreach/marketing	<u>11,100</u>
Total expenditures	<u>106,671</u>
Net change in fund balance	94,338
Fund balance - beginning of year (restated)	<u>335,123</u>
Fund balance - end of year	<u>\$ 429,461</u>

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

**SELMA HEALTHCARE DISTRICT  
RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net change in fund balance	\$	94,338
Reconciling items - none		<hr/>
Change in net position	\$	94,338

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

**SELMA HEALTHCARE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**A. Reporting Entity**

Selma Healthcare District (the "District") was organized upon the approval of the Board of Supervisors of Fresno County. The District was organized to serve the City of Selma with medical and health care services. As the District is a governmental unit, it is exempt from federal and California taxes on income.

The Governmental Accounting Standards Board ("GASB") establishes criteria for determining which organizations should be included in a governmental reporting entity. Based on those criteria and definitions, the District is the primary government and there are no potential component units to be included with the accompanying financial statements of the District.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customer or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**C. Measurement Focus, Basis of Accounting**

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

**Governmental Fund Financial Statements**

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures and changes in fund balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues 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. Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within 60 days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**SELMA HEALTHCARE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**C. Measurement Focus, Basis of Accounting** (Continued)

**Governmental Fund Financial Statements** (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The District reports the following major governmental fund:

*General Fund* – The General Fund is the general operating fund of the District and is used to account for all financial resources.

The District adopts annual appropriated budgets for its General Fund.

**D. Assets, Liabilities and Net Position**

**Cash and Investments**

Investments are reported at fair value. Cash represents cash on hand and in banks. Investments made from pooled cash consist primarily of short-term investments.

**Capital Assets**

Capital assets, which includes property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of more than five years. Furniture and equipment purchased or acquired are carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives or the related fixed assets, as applicable.

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

Ground improvements .....	20-50 years
Buildings .....	20-50 years
Furniture and equipment .....	5-10 years

**SELMA HEALTHCARE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**D. Assets, Liabilities and Net Position** (Continued)

**Fund Equity**

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by the unrestricted component of net position as needed.

**Budgets and Budgetary Accounting**

The District did not establish a budget for its governmental fund for the year ended June 30, 2021.

**Net Position and Fund Balance**

**Net Position**

In the government-wide financial statements, net position is reported in three categories as follows:

*Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those.

*Restricted net position* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* – This component of net position consists of assets that do not meet the definition of "restricted net position" or "net investment in capital assets".

**SELMA HEALTHCARE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**D. Assets, Liabilities and Net Position** (Continued)

**Net Position and Fund Balance** (Continued)

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

*Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

*Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the Administrative Secretary through the budgetary process.

*Unassigned* – This classification includes any negative residual amounts that may exist as a result of expenditures incurred for specific purposes in excess of amounts restricted, committed or assigned to those purposes.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain 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 revenues and expenditures or expenses during the reporting period. Accordingly, actual results could differ from those estimates.



**SELMA HEALTHCARE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments at June 30, 2021 consist of the following:

Cash in Bank	\$	347,946
External Investment pool - Fresno County		
Treasury Investment Pool		<u>623</u>
 Total cash and investments	 \$	 348,569

**A. Concentration of Credit Risk**

There are no investments in any one issuer that represents 5% or more of total District investments.

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

As of June 30, 2021, none of the District's deposits with financial institutions were held in uncollateralized accounts. In addition, the cash balance is insured by the Federal Deposit Insurance Corporation.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or governmental investment pools (such as the Fresno County Treasury Investment Pool).

**C. Investments in Fresno County Treasury Investment Pool**

The District is a voluntary participant in the Fresno County Treasury Investment Pool that is regulated by the California Government Code under the oversight of the Auditor-Controller/Treasurer-tax Collector of Fresno County. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Treasury Investment Pool for the entire Treasury Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Treasury Investment Pool, which are recorded on an amortized cost basis.

**D. Fair Value Hierarchy**

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board ("GASB") Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fresno County Treasury Investment Pool invests in numerous types of investments ranging all levels in the fair value hierarchy. Accordingly, it is not an investment type that can be categorized in any particular level in the fair value hierarchy.

**SELMA HEALTHCARE DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 – PRIOR PERIOD ADJUSTMENTS**

The General Fund has a prior period adjustment which is reflective of related revenues and expenditures previously not recognized in the prior years:

Fund Balance/net position - beginning of year	\$ 238,534
Prior period adjustment	<u>96,589</u>
Fund Balance/net position - beginning of year (restated)	<u>\$ 335,123</u>

**NOTE 4 – COMMITMENTS AND CONTINGENCIES**

Commitments and contingencies, undeterminable in amount, include normal recurring pending claims and litigation. In the opinion of management, based upon discussion with legal counsel, there is no pending litigation which is likely to have a material adverse effect on the financial position of the District.



**PRICE PAIGE & COMPANY**  
Certified Public Accountants

The Place to Be

February 9, 2023

To the Board of Directors of  
Selma Healthcare District  
Selma, California

We have audited the financial statements of the governmental activities and General Fund of the Selma Health Care District (the "District") for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 13, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the District's financial statements

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

The completion of our audit was delayed due to the changes of personnel and the development of new processes and procedures related to providing information accurately and timely to the auditors, which led to additional challenges for audit completion.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes misstatements detected as a result of audit procedures that were corrected by management.

570 N. Magnolia Avenue, Suite 100

Clovis, CA 93611

tel 559.299.9540

fax 559.299.2344

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 9, 2023.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Price Pange & Company*

**Client:** SELMA HEALTHCARE DISTRICT  
**Engagement:** 6-30-21 Audit  
**Current Period:** 06/30/2021  
**Workpaper:** Attachment: Corrected Audit Adjustments

<b>Account</b>	<b>Description</b>	<b>Workpaper Reference</b>	<b>Debit</b>	<b>Credit</b>	<b>Net Income Effect</b>
<b>AJE 01</b>		<b>CD100</b>			
To adjust for previously recorded accrued revenue in the PY still on the books in the CY					
1100	Property Taxes Receivable			13,716.63	
1105	Accounts Receivable			7,100.00	
1110	Interest Receivable			126.37	
4000	Property Taxes		13,716.63	0.00	
4100	Intergovernmental		7,100.00	0.00	
4200	Interest		126.37	0.00	
<b>Total</b>			<b>20,943.00</b>	<b>20,943.00</b>	<b>(20,943.00)</b>
<b>AJE 02</b>		<b>CD100</b>			
To correct property tax and intergovernmental revenues					
4000	Property Taxes		97,648.96	0.00	
1000	Cash in Union Bank		0.00	97,522.96	
4100	Intergovernmental		242.70	0.00	
4000	Property Taxes		0.00	242.70	
4200	Interest		0.00	126.00	
<b>Total</b>			<b>97,891.66</b>	<b>97,891.66</b>	<b>(97,522.96)</b>
<b>AJE 03</b>		<b>C200</b>			
To account for missing accruals					
1000	Cash in Union Bank		0.00	80,892.00	
1100	Property Taxes Receivable		103,360.00	0.00	
1110	Interest Receivable		232.00	0.00	
2000	Accounts Payable		0.00	22,700.00	
<b>Total</b>			<b>103,592.00</b>	<b>103,592.00</b>	<b>0.00</b>
<b>AJE 04</b>		<b>C200</b>			
To post Prior Period Adjustment to account for missing activity in previous fiscal years					
1000	Cash in Union Bank		96,589.00	0.00	
3100	Prior Period Adjustment		0.00	96,589.00	
<b>Total</b>			<b>96,589.00</b>	<b>96,589.00</b>	<b>0.00</b>

**Client:** SELMA HEALTHCARE DISTRICT  
**Engagement:** 6-30-21 Audit  
**Current Period:** 06/30/2021  
**Workpaper:** Attachment: Corrected Audit Adjustments

<b>Account</b>	<b>Description</b>	<b>Workpaper Reference</b>	<b>Debit</b>	<b>Credit</b>	<b>Net Income Effect</b>
<b>AJE 05</b>		<b>N200</b>			
	To adjust fund balance classifications for the COVID set aside funds				
3000	Unassigned		50,000.00	0.00	
3020	Committed Fund Balance		0.00	50,000.00	
<b>Total</b>			<b>50,000.00</b>	<b>50,000.00</b>	<b>0.00</b>
<b>AJE 06</b>		<b>N100</b>			
	To post change to committed fund balance for proper year end presentation				
3020	Committed Fund Balance		26,925.00	0.00	
3000	Unassigned		0.00	26,925.00	
<b>Total</b>			<b>26,925.00</b>	<b>26,925.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>			<b>395,940.66</b>	<b>395,940.66</b>	<b>(118,465.96)</b>



**PRICE PAIGE & COMPANY**  
Certified Public Accountants

The Place to Be

To the Board of Directors of  
Selma Healthcare District  
Selma, California

In planning and performing our audit of the financial statements of the governmental activities and General Fund of Selma Healthcare District, Selma, California (the "District") as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses: Findings 2021-01 and 2021-02.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies: Findings 2021-03, 2021-04, 2021-05 and 2021-06.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various governmental unit personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management of the District and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Price Paige & Company*

Clovis, California  
February 9, 2023

570 N. Magnolia Avenue, Suite 100  
Clovis, CA 93611  
tel 559.299.9540  
fax 559.299.2344

[www.ppc.cpa](http://www.ppc.cpa)