

CITY OF SELMA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2004

Introductory Section

City of Selma
Annual Financial Report
For The Year Ended June 30, 2004

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
 FINANCIAL SECTION		
Independent Auditor's Report on Financial Statements.....	1	
Management's Discussion and Analysis (Required Supplementary Information).....	3	
 <u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	12	A-1
Statement of Activities.....	13	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	15	A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	17	A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	18	A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	20	A-6
Statement of Net Assets - Proprietary Funds.....	21	A-7
Statement of Revenues, Expenses, and Changes in		
Fund Net Assets - Proprietary Funds.....	23	A-8
Statement of Fiduciary Net Assets - Fiduciary Funds.....	25	A-9
Notes to the Financial Statements	26	
 <u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	38	B-1
Street Maintenance Fund.....	39	B-2
 <u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	40	C-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	41	C-2
 Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	42	C-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	48	C-4
 Debt Service Funds:		
Combining Balance Sheet - Nonmajor Debt Service Funds.....	54	C-5
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Debt Service Funds.....	60	C-6

City of Selma
Annual Financial Report
For The Year Ended June 30, 2004

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Capital Projects Funds:		
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	66	C-7
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	70	C-8
Enterprise Funds:		
Combining Statement of Net Assets - Nonmajor Enterprise Funds.....	74	C-9
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Nonmajor Enterprise Funds.....	76	C-10
Budgetary Comparison Schedules:		
Ambulance Service.....	78	C-11
Transit Service.....	79	C-12
Internal Service Funds:		
Combining Statement of Net Assets.....	80	C-13
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets.....	82	C-14
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	84	C-15
OTHER SUPPLEMENTARY INFORMATION SECTION		
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	87	
Report on Compliance with Requirements Applicable To each Major Program and Internal Control over Compliance In Accordance With OMB Circular A-133.....	89	
Schedule of Findings and Questioned Costs	91	
Schedule of Expenditures of Federal Awards	92	D-1
Notes to the Schedule of Expenditures of Federal Awards.....	93	

This page is left blank intentionally.

Financial Section

Jorge & Yribarren

Certified Public Accountants

--
Larry M. Jorge CPA, CFP
Steven B. Yribarren, CPA

February 15, 2005

Independent Auditor's Report on Financial Statements

Board of Trustees
City of Selma
1710 Tucker Street
Selma, California 93662

Members of the Board of Trustees:

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 City of Selma as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Selma's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The City has not valued and recorded property and depreciation in the government wide financial statements. In our opinion, property should be recorded at cost, if purchased, or at fair value, if donated or contributed, to conform to accounting principles generally accepted in the United States of America, and those amounts should be depreciated over the estimated useful lives of the assets. The effects on the financial statements of the preceding practice are not reasonably determinable.


In our opinion, except for the effect on the financial statements of the omission discussed in the previous paragraph, 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 City of Selma as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 15, 2005, on our consideration of City of Selma's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with GOVERNMENT AUDITING STANDARDS and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the City of Selma's basic financial statements. The accompanying schedule of expenditures of federal awards required by U. S. Office of Management and Budget Circular A-133, AUDITS OF STATES, LOCAL GOVERNMENTS AND NON-PROFIT ORGANIZATIONS and the combining financial statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Jorge and Yribarren
Certified Public Accountants

CITY OF SELMA

Managements Discussion and Analysis

June 30, 2004

Management's Discussion and Analysis

This Discussion and analysis of the City of Selma's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2004. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and accompanying to those financial statements.

Financial Highlights

The City's governmental funds ended the year with a combined fund balance of \$4.4 million, which is an increase of \$1.4 million over June 30, 2003. Of this balance, \$1.5 million is unreserved and available for spending at the City's discretion.

The City's General Fund ended the year with a fund balance of \$1.5 million, a decrease of \$87 thousand from the previous year. The unreserved balance is \$1.5 million, with \$300,000 of the unreserved balance designated for contingencies.

Overview of the Financial Statements

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

Reporting the City as a Whole

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

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

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

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

Governmental Activities: Most of the City's basic services are included here such as public safety, transportation (street and roads), and community development, culture and recreation and general government. These services are primarily financed by property and sales taxes, federal and state grants and development fees. The Selma Redevelopment Agency, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included under government activities as an integral part of the City.

Business-type Activities: The City charges fees to customers to cover the costs services provided. The City's ambulance and transportation services are included here.

CITY OF SELMA

Managements Discussion and Analysis

June 30, 2004

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

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

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

The City of Selma maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund, Reserve Fund, Redevelopment Administration Fund, and Street Maintenance Fund, all of which are considered to be major funds. Data from the other funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance to this budget.

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

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

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

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

CITY OF SELMA
Managements Discussion and Analysis
June 30, 2004

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

Government-wide Financial Analysis

Below is a table showing the City's net assets for the fiscal year ended June 30, 2004, with comparative data for the fiscal year ended June 30, 2003. Prior year information for governmental activities is not available this

City of Selma's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	27,430,648		424,556	551,621	27,855,204	551,621
Capital and intangible assets			179,550	80,890	179,550	80,890
Total assets	27,430,648	-	604,106	632,511	28,034,754	632,511
Long-term liabilities outstanding	29,896,393		83,722	139,256	29,980,115	139,256
Other liabilities	6,203,048		315,208	274,359	6,518,256	274,359
Total liabilities	36,099,441	-	398,930	413,615	36,498,371	413,615
Net assets:						
Investment in capital assets, net of related debt					-	-
Restricted	5,353,554				5,353,554	-
Unrestricted	(14,022,347)		205,176	218,896	(13,817,171)	218,896
Total net assets	(8,668,793)	-	205,176	218,896	(8,463,617)	218,896

As of June 30, 2004 the City's government-wide total liabilities exceeded asses (net assets) by \$8.5 million. Governmental activities finished the year with a negative net asset balance, \$8.7 million. However this is not a true indication of the financial position of the City because we have not valued the capital assets of the City. Business type activities finished the year with a positive balance of \$205 thousand, a reduction of \$13.7 thousand, or 6% under 2003. Net assets as noted earlier may serve over time as a useful indicator of the City's financial position.

A portion the City's long-term liabilities relate to the acquisition of capital assets. Some of those assets include the City's corporation yard, equipment, and street infrastructure. These capital assets are utilized to provide services to citizens and are not available for future spending. The repayment of the debt on these assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Slightly less than half (49%) of the long-term liabilities are covered by an outside funding source. These include the assessment districts and bond reserves. There are receivables that offset this liability.

Restricted net assets amount of \$5.3 million of the total. Restricted net assets are those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds by state or federal regulations.

CITY OF SELMA

Managements Discussion and Analysis

June 30, 2004

Governmental activities.

The following lists key components of these activities:

City of Selma's Changes in Net Assets

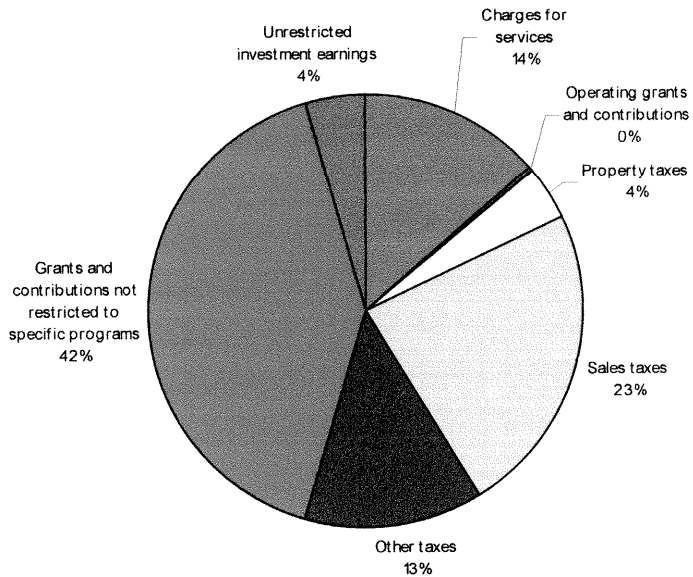
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	2,431,607		1,124,824	1,107,991	3,556,431	1,107,991
Operating grants and contributions	52,783				52,783	0
General revenues:						
Property taxes	755,325				755,325	0
Sales taxes	4,104,995				4,104,995	0
Other taxes	2,371,086		225,466	200,333	2,371,086	200,333
Grants and contributions not restricted to specific programs	7,344,172		28,156	60,288	7,597,794	60,288
Unrestricted investment earnings	798,820		(967)	15,218	797,853	15,218
total revenues	17,858,788	0	1,377,479	1,383,830	19,236,267	1,383,830
Expenses:						
General government	2,222,944				2,222,944	0
Public safety	4,323,502				4,323,502	0
Public Works	1,137,416				1,137,416	0
Community development	1,196,264				1,196,264	0
Cultural and recreation	488,499				488,499	0
Intergovernmental charges	292,930				292,930	0
Capital Outlay	1,001,141				1,001,141	0
Debt Service	4,045,343				4,045,343	0
Ambulance			1,077,175	1,051,445	1,077,175	1,051,445
RDA Selma Manufacturing Complex			5,019		5,019	0
Pioneer Village			99,070	52,599	99,070	52,599
Transit			273,321	239,287	273,321	239,287
Cultural Arts			33,481	39,320	33,481	39,320
Selma Manufacturing Complex			10,199		10,199	0
Total expense	14,708,039	0	1,498,265	1,382,651	16,206,304	1,382,651
Increase in net assets before transfers	3,150,749	0	(120,786)	1,179	3,029,963	1,179
Transfers	(9,569)		10,000	10,000	431	10,000
Increase in net assets	3,141,180	0	(110,786)	11,179	3,030,394	11,179
Net assets - beginning	(11,809,973)		315,962	207,717	(11,494,011)	207,717
Net assets - ending	(8,668,793)	0	205,176	218,896	(8,463,617)	218,896

The Governmental revenues for the year were \$17.9 million. Taxes, which include property, sales and other taxes account for \$7.2 million or 40% of the City's governmental activities revenue.

Total governmental expenses for the year were \$14.7. Public Safety, which includes police and fire, account for \$4.3 million or 29% of the total governmental activities expenses. Community Development function accounts for \$1.2 million or 8% of the total expenses. Transportation, which includes depreciation for the City's street infrastructure, was not calculated due to the incomplete valuation of the infrastructure.

CITY OF SELMA
Managements Discussion and Analysis
June 30, 2004

Revenues by Source-Governmental Activities

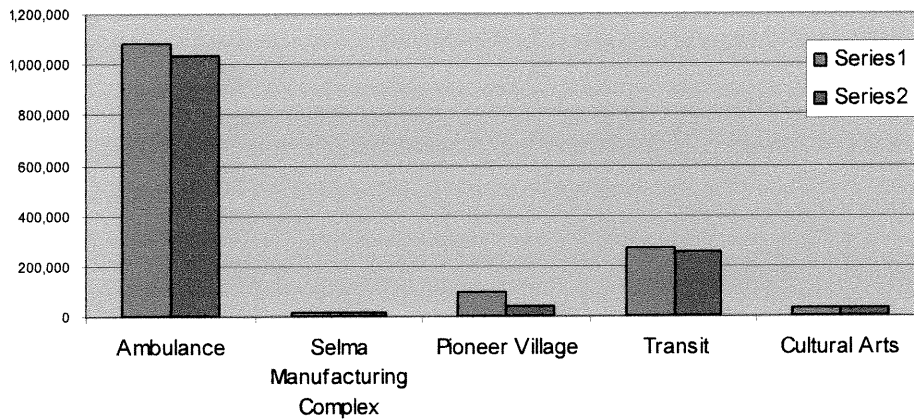


Program revenues that include charges for services and grants specific to certain programs, account for \$2.5 million of the total governmental activity revenue. The amounts necessary to fully fund the governmental activity programs are made up of "general" revenues such as taxes, interest, and unrestricted grants and contributions.

Business-type Activities

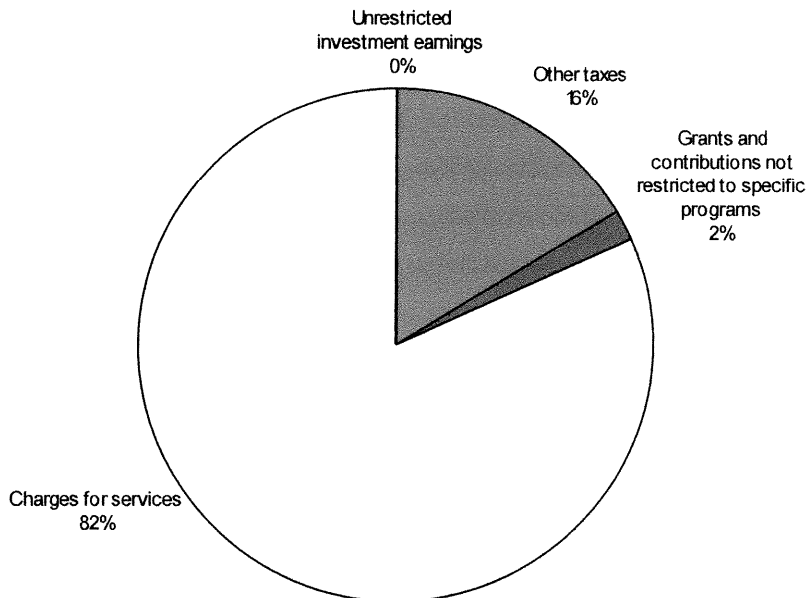
Business-type activities account for \$205 thousand of the total Government-wide net assets. This is a decrease of \$13 thousand or 6% over June 30, 2003. Investment earnings are down from the previous year. The caused a loss of \$1 thousand in revenues. The lower interest revenue reflects the current low interest rate environment.

Expense and Program Revenues-Business-type Activities



CITY OF SELMA
 Managements Discussion and Analysis
 June 30, 2004

Revenues by Source-Business-type activities



Financial Analysis of the City's Funds

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

Governmental funds. All of the City's governmental funds ended the year with positive fund balances. The ending fund balance for all funds is \$7.4 million, which is an increase of \$1.8 million or 33% when compared to the prior year. Of the total fund balance, \$1.5 million or 20% is unreserved, which is available for spending at the City's discretion, within the limitations of the fund's purpose. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for the following:

Special Revenue	\$ 73,895
Debt Service	\$ 3,129,304
Capital Projects	\$ 4,991,817

The general fund total fund balance decreased \$87 thousand or 5% from the previous fiscal year. The unreserved portion, as indicated, is available for spending at the City's discretion, but the city council has designated that a portion of these funds be set aside in special reserve funds. A General Reserve fund in the amount of \$727,078, and an Equipment Replacement fund, in the amount of \$315,740 are available for use for unanticipated needs.

Proprietary funds. As indicated in the description of proprietary funds, there are two types of funds, enterprise and internal service funds. The Ambulance fund ended the year with a positive unrestricted balance. The Transit Fund, finished the year with a negative change in net assets, had a negative ending balance due to deficiencies incurred in previous years.

All the internal service funds finished with growth in unrestricted net assets.

CITY OF SELMA

Managements Discussion and Analysis

June 30, 2004

General Fund Budgetary Highlights expropriations

Throughout the fiscal year it was necessary to adjust the original General Fund budget. The Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual, General Fund, shows the original budget and final budget. Below is a summary of the primary amendments:

\$ 70,317 Various Departments-Adjustments due to changes in salaries and benefits
 \$171,371 Police Department-Appropriation of grant program expenditures

Of these, the increase for the Police Department was funded from unanticipated grant revenues. The other increase was funded by available fund balance. During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Debt Administration

Long-term Debt. The City's long-term debt as of June 30, 2004 was \$31.4 million with governmental activities accounting for all except \$50 thousand in business-type activities accounting. Total debt was reduced during the year by \$8.6 million in debt principal payments.

City of Selma Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Special assessment debt with governmental commitment	6,210,000	6,315,000			6,210,000	6,315,000
Tax allocation bonds	3,835,000	3,785,000			3,835,000	3,785,000
Capital leases	428,598	629,105			428,598	629,105
Lease revenue bonds	6,295,000	6,250,000			6,295,000	6,250,000
Certificates of participation	1,469,224	1,630,756	50,776	99,244	1,520,000	1,730,000
Revenue bonds	12,647,000	20,785,350			12,647,000	20,785,350
Contracts payable	478,538	539,249			478,538	539,249
Total	31,363,360	39,934,460	50,776	99,244	31,414,136	40,033,704

The only new debt the City issued this year was the refinancing of various issues to take advantage of lower interest rates.

General obligation debt are direct obligations of the City and are backed by the full faith and credit of the City requiring voter approval, and may have a tax rate set to cover repayment. State statues limit the amount of general obligation debt to 15% of the City's total assessed valuation. The City of Selma debt limit is \$89.5 million. The city currently has no general obligation debt outstanding.

Economic Factors and Next Year's Budgets and Rates

The city is still experiencing substantial residential growth. During the budget process it was estimated 300 new single-family units and approximately five new commercial units would be constructed within the City. With the new

CITY OF SELMA

Managements Discussion and Analysis

June 30, 2004

units come estimated population increases of 1,000 people. These growth factors were utilized in developing the City's revenue estimates.

Total citywide expenditures excluding capital expenditures were projected to increase approximately 7%. The biggest portion of these costs includes salary and benefit increases based on negotiated agreements with the City's bargaining units, three new positions and normal step increases. Salaries are anticipated to increase \$450 thousand. Insurance costs program costs including workers' compensation are increasing 15% and it's anticipated that these costs will continue to rise as insurance companies continue to raise rates. Most other expenditures were estimated to grow at the rate of inflation.

Requests for Information

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

Basic Financial Statements

CITY OF SELMA
STATEMENT OF NET ASSETS
JUNE 30, 2004

	Governmental Activities	Business-type Activities	Total
Assets:			
<i>Cash and investments</i>	\$ 7,389,151	\$ 135,152	\$ 7,524,303
<i>Cash with fiscal agent</i>	3,337,749	--	3,337,749
<i>Accounts receivables</i>	129,253	325,399	454,652
<i>Due from other agencies</i>	858,493	102,982	961,475
<i>Deposits</i>	14,112	--	14,112
<i>Inventories</i>	94,232	1,158	95,390
<i>Prepaid items</i>	6,576	--	6,576
<i>Allowance for bad debt</i>	--	(140,135)	(140,135)
<i>Fixed assets (net, where applicable, of accumulated depreciation)</i>	--	179,550	179,550
<i>Notes receivable</i>	15,601,082	--	15,601,082
Total Assets	<u>27,430,648</u>	<u>604,106</u>	<u>28,034,754</u>
Liabilities:			
<i>Cash deficit</i>	3,691,771	238,691	3,930,462
<i>Accounts payable</i>	182,869	5,213	188,082
<i>Accrued wages/benefits</i>	70,563	65,485	136,048
<i>Due to other agencies</i>	322,874	5,819	328,693
Noncurrent liabilities:	--	--	--
<i>Due within one year</i>	1,934,971	--	1,934,971
<i>Due in more than one year</i>	29,896,393	83,722	29,980,115
Total Liabilities	<u>36,099,441</u>	<u>398,930</u>	<u>36,498,371</u>
NET ASSETS			
Restricted For:			
Debt Service	1,361,704	--	1,361,704
Capital Projects	2,516,251	--	2,516,251
Other Purposes	1,475,599	--	1,475,599
Unrestricted	(14,022,347)	205,176	(13,817,171)
Total Net Assets	<u>\$ (8,668,793)</u>	<u>\$ 205,176</u>	<u>\$ (8,463,617)</u>

The accompanying notes are an integral part of this statement.

CITY OF SELMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Expenditures:			
<i>General government</i>	\$ 2,222,944	\$ 772,834	\$ --
<i>Public Safety</i>	4,323,502	154,453	22,003
<i>Public Works</i>	1,137,416	217,165	--
<i>Community Development</i>	1,196,264	1,214,526	18,769
<i>Recreation</i>	488,499	72,629	12,011
<i>Intergovernmental charges</i>	292,930	--	--
<i>Capital outlay</i>	1,001,141	--	--
<i>Debt service:</i>	4,045,343	--	--
Total expenditures	<u>14,708,039</u>	<u>2,431,607</u>	<u>52,783</u>
Business-type Activities:			
Ambulance Service	1,077,175	1,024,486	10,000
RDA Selma Manufacturing Complex	5,019	4,885	--
Pioneer Village	99,070	21,296	15,512
Transit Service	273,321	31,304	225,466
Cultural Arts	33,481	32,538	890
Selma Manufacturing Complex	10,199	10,315	--
Total Business-type Activities	<u>1,498,265</u>	<u>1,124,824</u>	<u>251,868</u>
Total Primary Government	<u>\$ 16,206,304</u>	<u>\$ 3,556,431</u>	<u>\$ 304,651</u>

General Revenues:

Taxes
Licenses and permits
Intergovernmental
Fines
Franchise fees
Revenue for use of money & property
Miscellaneous

Transfers

Total General Revenues

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,450,110)		\$ (1,450,110)
(4,147,046)		(4,147,046)
(920,251)		(920,251)
37,031		37,031
(403,859)		(403,859)
(292,930)		(292,930)
(1,001,141)		(1,001,141)
(4,045,343)		(4,045,343)
<u>(12,223,649)</u>		<u>(12,223,649)</u>
--	\$ (42,689)	(42,689)
--	(134)	(134)
--	(62,262)	(62,262)
--	(16,551)	(16,551)
--	(53)	(53)
--	116	116
<u>--</u>	<u>(121,573)</u>	<u>(121,573)</u>
<u>(12,223,649)</u>	<u>(121,573)</u>	<u>(12,345,222)</u>
6,788,477	--	6,788,477
184,944	--	184,944
2,828,957	--	2,828,957
64,389	--	64,389
442,929	--	442,929
798,820	(967)	797,853
4,265,882	1,754	4,267,636
(9,569)	10,000	431
<u>15,364,829</u>	<u>10,787</u>	<u>15,375,616</u>
<u>3,141,180</u>	<u>(110,786)</u>	<u>3,030,394</u>
<u>(11,809,973)</u>	<u>315,962</u>	<u>(11,494,011)</u>
<u>\$ (8,668,793)</u>	<u>\$ 205,176</u>	<u>\$ (8,463,617)</u>

CITY OF SELMA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2004

	General Fund	Street Maintenance Fund	RDA General Debt Service
Assets:			
<i>Cash and investments</i>	\$ 1,066,587	\$ --	\$ --
<i>Cash with fiscal agent</i>	230,000	--	--
<i>Accounts receivables</i>	87,538	1,176	--
<i>Due from other agencies</i>	269,467	2,670	--
<i>Inventories</i>	7,328	86,150	--
<i>Prepaid items</i>	3,665	390	--
Total Assets	<u>\$ 1,664,585</u>	<u>\$ 90,386</u>	<u>\$ --</u>
Liabilities:			
<i>Cash deficit</i>	\$ --	\$ 972,295	\$ 781,422
<i>Accounts payable</i>	95,428	918	8,206
<i>Accrued wages/benefits</i>	61,509	2,237	--
<i>Due to other agencies</i>	--	--	267,862
Total Liabilities	<u>156,937</u>	<u>975,450</u>	<u>1,057,490</u>
Fund balances:			
Reserved fund balancers:			
<i>Reserved for low-income housing</i>	--	--	--
<i>Reserved for capital projects</i>	--	--	--
Unreserved	1,507,648	(885,064)	(1,057,490)
Unreserved, reported in nonmajor:			
Special revenue funds	--	--	--
Debt service funds	--	--	--
Capital projects funds	--	--	--
Total fund balances	<u>1,507,648</u>	<u>(885,064)</u>	<u>(1,057,490)</u>
Total Liabilities and Fund Balances	<u>\$ 1,664,585</u>	<u>\$ 90,386</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

RDA Industrial Park Debt Service	PFA 2004 A-B Debt Service	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 465	\$ 6,158,377	\$ 7,225,429
--	285,297	2,822,452	3,337,749
--	--	33,696	122,410
--	--	581,963	854,100
--	--	--	93,478
--	--	--	4,055
<u>\$ --</u>	<u>\$ 285,762</u>	<u>\$ 9,596,488</u>	<u>\$ 11,637,221</u>
\$ 622,315	\$ --	\$ 1,315,511	\$ 3,691,543
--	--	26,536	131,088
--	--	4,413	68,159
--	--	55,012	322,874
<u>622,315</u>	<u>--</u>	<u>1,401,472</u>	<u>4,213,664</u>
--	--	1,475,599	1,475,599
--	--	559,526	559,526
(622,315)	285,762	--	(771,459)
--	--	73,895	73,895
--	--	3,129,304	3,129,304
--	--	2,956,692	2,956,692
<u>(622,315)</u>	<u>285,762</u>	<u>8,195,016</u>	<u>7,423,557</u>
<u>\$ --</u>	<u>\$ 285,762</u>	<u>\$ 9,596,488</u>	<u>\$ 11,637,221</u>

CITY OF SELMA

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004*

Total fund balances - governmental funds balance sheet	\$ 7,423,557
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	137,931
Payables for bond principal which are not due in the current period are not reported in the funds.	(38,466,364)
Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds.	22,236,082
Rounding difference	<u>1</u>
Net assets of governmental activities - statement of net assets	\$ <u>(8,668,793)</u>

The accompanying notes are an integral part of this statement.

CITY OF SELMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2004

	General Fund	Street Maintenance Fund	RDA General Debt Service
Revenue:			
Taxes	\$ 5,594,503	\$ --	\$ 955,180
Licenses and permits	654,469	4,936	--
Intergovernmental	1,029,765	--	--
Charges for services	510,001	94,327	--
Fines	10,775	--	--
Franchise fees	442,929	--	--
Revenue for use of money & property	55,056	(20,940)	(9,394)
Miscellaneous	145,673	14,770	44,379
Total revenues	<u>8,443,171</u>	<u>93,093</u>	<u>990,165</u>
Expenditures:			
Current:			
General government	1,819,865	--	--
Public Safety	3,984,823	--	--
Public Works	444,156	677,382	--
Community Development	775,725	23,160	52,792
Recreation	450,719	--	--
Intergovernmental charges	--	--	386,337
Capital outlay	63,260	--	--
Debt service:			
Principal	332,585	110,436	115,026
Interest and fiscal charges	97,400	76,493	71,377
Total expenditures	<u>7,968,533</u>	<u>887,471</u>	<u>625,532</u>
Excess (deficiency) of revenues over (under) expenditures	474,638	(794,378)	364,633
Other financing sources (uses):			
Operating transfers in	(561,973)	1,170,869	--
Operating transfers out	--	--	--
Proceeds from bonds	--	--	--
Total other financing sources (uses)	<u>(561,973)</u>	<u>1,170,869</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(87,335)	376,491	364,633
Fund balances/equity, July 1	1,594,983	(1,261,555)	(1,422,123)
Fund balances/equity, June 30	<u>\$ 1,507,648</u>	<u>\$ (885,064)</u>	<u>\$ (1,057,490)</u>

The accompanying notes are an integral part of this statement.

RDA Industrial Park Debt Service	PFA 2004 A-B Debt Service	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 238,794	\$ 6,788,477
--	--	--	659,405
--	--	1,868,543	2,898,308
--	--	1,238,965	1,843,293
--	--	64,389	75,164
--	--	--	442,929
194,250	581	595,289	814,842
--	--	5,176,795	5,381,617
<u>194,250</u>	<u>581</u>	<u>9,182,775</u>	<u>18,904,035</u>
--	163,559	279,636	2,263,060
--	--	338,679	4,323,502
--	--	15,878	1,137,416
2,421	--	342,166	1,196,264
--	--	37,780	488,499
--	--	--	386,337
--	--	1,198,336	1,261,596
35,000	2,927,088	2,232,423	5,752,558
175,290	464	2,332,320	2,753,344
<u>212,711</u>	<u>3,091,111</u>	<u>6,777,218</u>	<u>19,562,576</u>
(18,461)	(3,090,530)	2,405,557	(658,541)
--	--	(234,302)	374,594
--	--	(384,163)	(384,163)
--	2,515,464	--	2,515,464
<u>--</u>	<u>2,515,464</u>	<u>(618,465)</u>	<u>2,505,895</u>
(18,461)	(575,066)	1,787,092	1,847,354
(603,854)	860,828	6,407,924	5,576,203
<u>\$ (622,315)</u>	<u>\$ 285,762</u>	<u>\$ 8,195,016</u>	<u>\$ 7,423,557</u>

CITY OF SELMA

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004*

Net change in fund balances - total governmental funds	\$ 1,847,354
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Proceeds from bond issues are income in funds but not in the SOA	(2,515,000)
Principal payments are income in the funds but not in SOA	(633,580)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	4,288,637
The net revenue (expense) of internal service funds is reported with governmental activities.	153,768
Rounding difference	1
Change in net assets of governmental activities - statement of activities	<u>\$ 3,141,180</u>

The accompanying notes are an integral part of this statement.

CITY OF SELMA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004

	Enterprise Fund	Enterprise Fund
	Ambulance Service	Transit Service
Assets:		
<i>Cash and investments</i>	\$ 64,771	\$ --
<i>Accounts receivables</i>	325,399	--
<i>Due from other agencies</i>	--	97,163
<i>Deposits</i>	--	--
<i>Inventories</i>	1,158	--
<i>Prepaid items</i>	--	--
<i>Allowance for bad debts</i>	(140,135)	--
<i>Fixed assets (net, where applicable, of accumulated depreciation)</i>	176,250	--
Total Assets	<u>\$ 427,443</u>	<u>\$ 97,163</u>
Liabilities:		
<i>Cash deficit</i>	\$ --	\$ 236,872
<i>Accounts payable</i>	369	216
<i>Accrued wages/benefits</i>	49,131	16,354
<i>Due to other agencies</i>	--	--
<i>Bonds payable</i>	83,722	--
Total Liabilities	<u>133,222</u>	<u>253,442</u>
Net Assets:		
<i>Invested in capital assets, net of related debt</i>	118,220	--
<i>Unrestricted</i>	176,001	(156,279)
Total net assets	<u>294,221</u>	<u>(156,279)</u>
Total Liabilities and Fund Balances	<u>\$ 427,443</u>	<u>\$ 97,163</u>

The accompanying notes are an integral part of this statement.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 70,381	\$ 135,152	\$ 163,721
--	325,399	6,843
5,819	102,982	4,393
--	--	14,112
--	1,158	754
--	--	2,521
--	(140,135)	--
3,300	179,550	--
<u>\$ 79,500</u>	<u>\$ 604,106</u>	<u>\$ 192,344</u>
\$ 1,819	\$ 238,691	\$ 228
4,628	5,213	51,781
--	65,485	2,404
5,819	5,819	--
--	83,722	--
<u>12,266</u>	<u>398,930</u>	<u>54,413</u>
1,406	119,626	--
65,828	85,550	137,931
<u>67,234</u>	<u>205,176</u>	<u>137,931</u>
<u>\$ 79,500</u>	<u>\$ 604,106</u>	<u>\$ 192,344</u>

CITY OF SELMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2004

	Enterprise Fund	Enterprise Fund
	Ambulance Service	Transit Service
Operating Revenues:		
<i>Charges for services</i>	\$ 980,329	\$ --
<i>Franchise fees</i>	--	256,770
<i>Revenue for use of money & property</i>	799	(2,846)
<i>Miscellaneous</i>	54,157	1,753
Total Operating Revenues	<u>1,035,285</u>	<u>255,677</u>
Operating Expenses:		
<i>Personal services - salaries and wages</i>	575,058	171,360
<i>Personal services - employee benefits</i>	197,028	71,752
<i>Purchased professional and technical services</i>	66,876	616
<i>Supplies</i>	183,137	29,593
<i>Depreciation</i>	53,281	--
<i>Capital outlay</i>	1,795	--
Total Operating Expenses	<u>1,077,175</u>	<u>273,321</u>
Operating Income (Loss)	<u>(41,890)</u>	<u>(17,644)</u>
Transfers:		
<i>Interfund operating transfers in</i>	--	10,000
<i>Interfund operating transfers out</i>	--	--
Total transfers	--	10,000
Net income	<u>(41,890)</u>	<u>(7,644)</u>
Retained earnings/fund balances, July 1	336,111	(148,635)
Retained earnings/fund balances, June 30	<u>\$ 294,221</u>	<u>\$ (156,279)</u>

The accompanying notes are an integral part of this statement.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 1,450	\$ 981,779	\$ 2,630,273
--	256,770	--
14,117	12,070	--
70,950	126,860	52,516
<u>86,517</u>	<u>1,377,479</u>	<u>2,682,789</u>
--	746,418	135,603
--	268,780	43,517
41,391	108,883	154,340
102,559	315,289	2,094,223
--	53,281	--
3,819	5,614	101,338
<u>147,769</u>	<u>1,498,265</u>	<u>2,529,021</u>
(61,252)	(120,786)	153,768
--	10,000	--
--	--	--
--	10,000	--
<u>(61,252)</u>	<u>(110,786)</u>	<u>153,768</u>
128,486	315,962	(15,837)
<u>\$ 67,234</u>	<u>\$ 205,176</u>	<u>\$ 137,931</u>

CITY OF SELMA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2004

	Agency Funds
Assets:	
<i>Cash and investments</i>	\$ 167,946
Total Assets	<u>\$ 167,946</u>
Liabilities:	
<i>Cash deficit</i>	\$ 23,751
<i>Accounts payable</i>	144,195
Total Liabilities	<u>167,946</u>
Net Assets:	
Total net assets	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

A. Summary of Significant Accounting Policies

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

These financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The blended component units have a June 30 fiscal year end. There are no discretely presented component units included in these financial statements. The following sections further describe the significant accounting policies of the City of Selma.

1. Reporting Entity

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

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

The City is a general law city 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.

(a) Blended Component Units

Based on the aforementioned oversight criteria, the operations of the Selma Redevelopment Agency (Agency), Selma Economic Development Corporation (Development Corporation), Selma Community Enhancement Corporation (Enhancement Corporation), and Selma Public Financing Authority (Authority) have been blended into the accompanying financial statements. Members of the City Council, as well as City administrative personnel make up a significant portion of the governing bodies.

The Authority's specific and primary purpose is to provide financial assistance to the City of Selma and other agencies by acquiring qualified obligations which were issued for the acquisition, construction, and improvement of public facilities and property. The Agency was formed in order to maintain and revitalize the Selma redevelopment project area. The Development Corporation was formed in order to promote economic growth within the jurisdictional limits of the City of Selma. The Enhancement Corporation was formed in order to enable citizens and organizations to make tax-exempt donations that aid other citizens and organizations, and assist the City in development of services within the community.

2. Basis of Presentation, Basis of Accounting

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

a. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations 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 nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The City reports the following major governmental funds:

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

The City reports the following major enterprise funds:

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.

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support City programs, these funds are not included in the government-wide statements.

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

b. Measurement Focus, Basis of Accounting

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

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

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

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The City has chosen to apply future FASB standards.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

The City records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

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

d. Capital Assets

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

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>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

e. Receivable and Payable Balances

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

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

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

g. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Assets of Individual Funds

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

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Deposits and Investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Investments:

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

D. Capital Assets

Capital asset activity for the period ended June 30, 2004, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Business-type activities:</u>				
<i>Capital assets being depreciated:</i>				
Equipment	54,666	--	--	54,666
Vehicles	353,610	--	--	353,610
Total capital assets being depreciated	408,276	--	--	408,276
Less accumulated depreciation for:				
Equipment	(48,182)	--	--	(48,182)
Vehicles	(127,264)	(53,281)	--	(180,545)
Total accumulated depreciation	(175,446)	(53,281)	--	(228,727)
Total capital assets being depreciated, net	232,830	(53,281)	--	179,549
Business-type activities capital assets, net	\$ 232,830	\$ (53,281)	\$ --	\$ 179,549

Depreciation was charged to functions as follows:

General Government	\$ --
Public Protection:	
Ambulance	53,281
	<u>\$ 53,281</u>

E. Interfund Balances and Activity

Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2004, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General fund	Street Maintenance Fund	\$ 300,000	Provide resources for payment of expenditures
General fund	General reserve	334,500	Match on T21 Grant projects
General fund	Other Governmental Funds	24,435	Supplement other funds sources
Other Governmental Funds	General fund	96,962	Reimburse expenditures
Other Governmental Funds	Street Maintenance Fund	870,869	Provide resources for payment of expenditures
	Total	<u>\$ 1,626,766</u>	

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

F. Bonds and leases receivable

The Authority has entered into bond and lease agreements with the following at June 30, 2004:

City of Placerville Loan Refunding	\$	25,000
City of Wasco Assessment District 1992-3 Improvement Bonds		715,000
City of Mt. Shasta Assessment District 1994-1 Improvement Bonds		535,000
		<hr/>
	\$	<u>1,275,000</u>

Future Commitments to the Authority follow:

Year Ending		
June 30		
2005	\$	899,000
2006		85,404
2007		86,435
2008		90,475
2009		88,150
After 2009		814,250
		<hr/>
		2,063,714
Interest		788,714
	\$	<u>1,275,000</u>

G. Notes receivable

The Agency had the following receivables outstanding at June 30, 2004:

Up-Right, Inc., a California corporation, \$7,550,000 installment promissory note dated 10/27/94, secured by Deed of Trust and equipment liens, due in monthly installments with interest from 7% to 11%, due September 15, 2014, this note is in default, due to Up-Right filing for bankruptcy protection. The bankruptcy proceedings have been completed. On December 12, 2003 the California State Superior Court granted title of the Up-Right property to the Selma Redevelopment Agency. The Agency is in the process of marketing the site to rental tenants to provide rental income. This income will provide the necessary cash flow to continue the required debt service payments.	\$	7,661,153
Up-Right, Inc., a California corporation, \$320,000 lease-sublease development loan dated 10/27/94, due in semi-annual installments with interest at 7.25%, due September 15, 2014, this note is in default, due to Up-Right filing for bankruptcy protection. See above note. The same rental income will also be used to make these service payments.		319,194

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

Gustavo Oscar Chavez, \$15,270 installment promissory note dated 12/20/95, secured by Deed of Trust, due in monthly installments with interest at 7%, due March 19, 2001, this note is in default.	13,305
Nelson's Hardware, \$85,000 renovation loan dated December 15, 1997, secured by Deed of Trust, due in annual installments with interest at 7%, due October 2007.	40,402
Centerstage Partners, \$407,000 installment promissory note dated August 21, 1997, secured by Deed of Trust, due in monthly installments with interest at 8.5%, due on June 1, 2018.	391,774
Fox Drug Store, \$46,800 installment promissory note dated October 22, 1998, secured by Deed of Trust, due in monthly installments with interest at 7%, due in November 2003.	6,778
Secure Storage, \$167,000 installment promissory note dated September 5, 2003, secured by Deed of Trust, due in quarterly installments with interest at 5.5% due in September 2023.	163,476
	<u>\$ 8,596,082</u>

H. Amounts to be provided by special assessments

The City established the following assessment districts in order to fund improvements within the City of Selma. The property owners within the districts are responsible for the following at June 30, 2003:

Assessment District No. 1991-2 Improvement Bonds - Highland	\$ 1,238,000
Assessment District No. 1992-1 Improvement Bonds - Dancer II	280,000
Assessment District No. 1992-1 Supplemental Improvement Bonds - Dancer III	265,000
Assessment District No. 1992-1 Third Supplemental Improvement Bonds - Pea Soup Andersen	2,071,000
Assessment District No. 1993-1 Improvement Bonds - Vineyard	545,000
Assessment District No. 1991-2 Supplemental Improvement Bonds - Stillman	285,000
Assessment District No. 1991-2 Supplemental Improvement Bonds - Watermain	256,000
Assessment District No. 1994-1 Supplemental Improvement Bonds - Up-Right	525,000
Assessment District No. 1997-1 - Theater	265,000
	<u>\$ 5,730,000</u>

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

I. Long-Term Obligations

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended June 30, 2004, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Revenue bonds-Authority	\$ 34,882,744	\$ 2,515,000	\$ 10,734,466	\$ 26,663,278	1,597,000
Revenue bonds-Agency	3,795,000	--	35,000	3,760,000	50,000
Notes	430,529	--	33,531	396,998	33,891
Capital leases	737,810	--	226,914	510,896	205,612
Compensated absences *	393,908	20,246	--	414,154	--
Total governmental activities	<u>\$ 40,239,991</u>	<u>\$ 2,535,246</u>	<u>\$ 11,029,911</u>	<u>\$ 31,745,326</u>	<u>\$ 1,886,503</u>
<u>Business-type activities:</u>					
General obligation bonds	\$ 139,256	\$ --	\$ 55,534	\$ 83,722	48,468
Compensated absences *	30,504	8,621	--	39,125	--
Total business-type activities	<u>\$ 227,345</u>	<u>\$ 321</u>	<u>\$ 57,906</u>	<u>\$ 169,760</u>	<u>\$ 48,468</u>

* Other long-term liabilities

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

Liability	Activity Type	Fund
Compensated absences	Governmental	General
Claims and judgments	Governmental	General

Revenue Bonds

A summary of changes in bonds payable of the Authority for the year ended June 30, 2004 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2003	Issued	Retired	Outstanding June 30, 2004
1992A	4.5% - 7.5%	\$ 4,715,000	\$ 870,000	\$ --	\$ 870,000	\$ --
1993-C	3.75% - 7.25%	7,325,000	1,100,000	--	560,000	540,000
1994	4% - 7.25%	11,570,000	10,002,000	--	6,665,000	3,337,000
1994-C	7% - 11%	7,550,000	5,935,000	--	--	5,935,000
1997-A	4.25% - 6.25%	3,700,000	2,130,000	--	2,130,000	--
1999-COP	6% - 6.15%	2,300,000	1,590,744	--	154,466	1,436,278
99-A	4.5% - 5.85%	8,110,000	6,470,000	--	290,000	6,180,000
2001-A	variable	6,850,000	6,785,000	--	65,000	6,720,000
2004-A/B	variable	2,515,000	--	2,515,000	--	2,515,000
		<u>\$ 54,635,000</u>	<u>\$ 34,882,744</u>	<u>\$ 2,515,000</u>	<u>\$ 10,734,466</u>	<u>\$ 26,663,278</u>

Debt Service Requirements

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

Debt service requirements on bonds payable of the Authority at June 30, 2003, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2005	\$ 1,597,000	\$ 2,127,659	\$ 3,724,659
2006	1,337,000	2,025,961	3,362,961
2007	1,594,000	1,932,237	3,526,237
2008	1,678,000	1,827,753	3,505,753
2009	1,827,000	3,301,366	5,128,366
2010-2014	6,334,000	5,682,481	12,016,481
2015-2019	5,857,000	3,055,830	8,912,830
2020-2024	5,171,000	2,572,363	7,743,363
2025-2029	500,000	541,250	1,041,250
2030-2034	630,000	400,500	1,030,500
2035-2039	138,278	247,375	385,653
Totals	\$ 26,663,278	\$ 23,714,775	\$ 50,378,053

A summary of changes in bonds payable of the Agency for the year ended June 30, 2004 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2003	Issued	Retired	Outstanding June 30, 2004
1994	4% - 7.25%	\$ 320,000	\$ 265,000	\$ --	\$ --	\$ 265,000
Industrial Park	5%	3,561,890	3,530,000	--	35,000	3,495,000
		<u>\$ 3,881,890</u>	<u>\$ 3,795,000</u>	<u>\$ --</u>	<u>\$ 35,000</u>	<u>\$ 3,760,000</u>

Debt Service Requirements

Debt service requirements on bonds payable of the Agency at June 30, 2004, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2005	\$ 50,000	\$ 191,094	\$ 241,094
2006	50,000	188,256	238,256
2007	50,000	185,419	235,419
2008	55,000	182,482	237,482
2009	55,000	178,625	233,625
2010-2014	420,000	872,725	1,292,725
2015-2019	295,000	734,375	1,029,375
2020-2024	380,000	650,750	1,030,750
2025-2029	500,000	541,250	1,041,250
2030-2034	630,000	400,500	1,030,500
Thereafter	1,275,000	247,375	1,522,375
Totals	\$ 3,760,000	\$ 4,372,851	\$ 8,132,851

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

A summary of changes in bonds payable of the Enterprise fund for the year ended June 30, 2004 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2003	Issued	Retired	Outstanding June 30, 2004
1999	5.85%	\$ 230,800	\$ 139,256	\$ --	\$ 55,534	\$ 83,722

Debt Service Requirements

Debt service requirements on bonds payable of the Enterprise funds at June 30, 2004, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2005	\$ 48,468	\$ 20,786	\$ 69,254
2006	35,254	9,769	45,023
Totals	\$ 83,722	\$ 30,555	\$ 114,277

Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of June 30, 2004, as follows:

Year Ending June 30:	
2005	\$ 205,612
2006	205,612
2007	205,612
2008	85,612
2009	85,612
2010-2014	346,231
Total Minimum Rentals	1,134,291
Amount representing interest	578,706
Amount representing principal	\$ 555,585

The effective interest rate on capital leases is 8.000%.

Notes Payable

The outstanding notes payable of the City of Selma at June 30, 2004 are as follows:

Selma Health Care District	\$ 225,765
Wal-Mart	171,233
Selma Unified	33,531
	\$ 430,529

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

Debt Service Requirements

Debt service requirements on notes payable of the City at June 30, 2004, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2005	\$ 3,381	\$ 32,133	\$ 66,024
2006	36,047	39,977	76,024
2007	38,754	27,270	66,024
2008	40,212	25,812	66,024
2009	41,800	24,224	66,024
2010-2014	206,294	96,633	302,927
Totals	\$ 396,998	\$ 246,049	\$ 643,047

J. 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 \$350,000 of each worker's 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 \$25,000 and workers' compensation losses under \$50,000. The CSJVRMA participates in an excess pool which provides general liability coverage from \$1,000,000 to \$10,000,000 and purchases excess reinsurance from \$10,000,000 to \$15,000,000. The CSJVRMA participates in an excess pool which provides workers' compensation coverage from \$350,000 to \$500,000 and purchases excess reinsurance above \$500,000 to the statutory limit.

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

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

K. Pension Plan

1. Plan Description

The City's pension plan ("Plan") is a non-traditional, joint contributory, defined benefit plan which provides retirement benefits to Plan members through its affiliation with CALPERS Retirement System ("PERS"), an agent multiple-employer public employee retirement system. PERS operates under the authority of Calif. Government Code, Title 8, Subtitle G. The legislature has the authority to establish or amend benefit provisions and the governing body of the City adopts the plan provisions within the options and constraints established by the legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS.

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

L. Commitments and Contingencies

1. 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 collectibility of any related receivable 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.

Sales Tax Revenue Reimbursement Agreement

In pursuing a strategy to ensure the continued operation of certain businesses inside the City limits, the City has entered into sales tax reimbursement agreements. The agreements run from five to fifteen years and require the City to pay the business an amount based on a formula that assures the City a required return in increased sales tax flows.

2. Litigation

No reportable litigation was pending against the City at June 30, 2004.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

CITY OF SELMA

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
<i>Taxes</i>	\$ 6,070,728	\$ 6,070,728	\$ 5,594,503	\$ (476,225)
<i>Licenses and permits</i>	408,200	408,200	654,469	246,269
<i>Intergovernmental</i>	1,300,000	1,300,000	1,029,765	(270,235)
<i>Charges for services</i>	365,310	365,310	510,001	144,691
<i>Fines</i>	4,500	4,500	10,775	6,275
<i>Franchise fees</i>	--	--	442,929	442,929
<i>Revenue for use of money & property</i>	160,315	160,315	55,056	(105,259)
<i>Miscellaneous</i>	69,670	69,670	145,673	76,003
Total revenues	<u>8,378,723</u>	<u>8,378,723</u>	<u>8,443,171</u>	<u>64,448</u>
Expenditures:				
<i>General government</i>	1,945,009	1,958,461	1,819,865	138,596
<i>Public Safety</i>	4,117,670	4,319,389	3,984,823	334,566
<i>Public Works</i>	490,856	497,473	444,156	53,317
<i>Community Development</i>	792,102	807,302	775,725	31,577
<i>Recreation</i>	504,826	509,526	450,719	58,807
Capital outlay	--	--	63,260	(63,260)
Debt service:				
<i>Principal</i>	--	--	332,585	(332,585)
<i>Interest and fiscal charges</i>	--	--	97,400	(97,400)
Total expenditures	<u>7,850,463</u>	<u>8,092,151</u>	<u>7,968,533</u>	<u>123,618</u>
Excess (deficiency) of revenues over (under) expenditures	528,260	286,572	474,638	188,066
Other financing sources (uses):				
<i>Operating transfers in</i>	(424,371)	(424,371)	(561,973)	(137,602)
Total other financing sources (uses)	<u>(424,371)</u>	<u>(424,371)</u>	<u>(561,973)</u>	<u>(137,602)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	103,889	(137,799)	(87,335)	50,464
Fund balances/equity, July 1	1,594,983	1,594,983	1,594,983	--
Fund balances/equity, June 30	<u>\$ 1,698,872</u>	<u>\$ 1,457,184</u>	<u>\$ 1,507,648</u>	<u>\$ 50,464</u>

CITY OF SELMA
**STREET MAINTENANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2004**
EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
<i>Licenses and permits</i>	\$ --	\$ --	\$ 4,936	\$ 4,936
<i>Charges for services</i>	199,575	199,575	94,327	(105,248)
<i>Revenue for use of money & property</i>	(150,000)	(150,000)	(20,940)	129,060
<i>Miscellaneous</i>	--	--	14,770	14,770
Total revenues	<u>49,575</u>	<u>49,575</u>	<u>93,093</u>	<u>43,518</u>
Expenditures:				
<i>Public Works</i>	1,049,337	1,049,337	677,382	371,955
<i>Community Development</i>	--	--	23,160	(23,160)
Debt service:				
<i>Principal</i>	--	--	110,436	(110,436)
<i>Interest and fiscal charges</i>	--	--	76,493	(76,493)
Total expenditures	<u>1,049,337</u>	<u>1,049,337</u>	<u>887,471</u>	<u>161,866</u>
Excess (deficiency) of revenues over (under) expenditures	(999,762)	(999,762)	(794,378)	205,384
Other financing sources (uses):				
<i>Operating transfers in</i>	--	--	1,170,869	1,170,869
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>1,170,869</u>	<u>1,170,869</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(999,762)	(999,762)	376,491	1,376,253
Fund balances/equity, July 1	--	--	(1,261,555)	(1,261,555)
Fund balances/equity, June 30	<u>\$ (999,762)</u>	<u>\$ (999,762)</u>	<u>\$ (885,064)</u>	<u>\$ 114,698</u>

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

CITY OF SELMA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2004

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
Assets:				
<i>Cash and investments</i>	\$ 198,791	\$ 921,867	\$ 5,037,719	\$ 6,158,377
<i>Cash with fiscal agent</i>	--	2,822,452	--	2,822,452
<i>Accounts receivables</i>	--	22,275	11,421	33,696
<i>Due from other agencies</i>	553,630	28,333	--	581,963
Total Assets	<u>\$ 752,421</u>	<u>\$ 3,794,927</u>	<u>\$ 5,049,140</u>	<u>\$ 9,596,488</u>
Liabilities:				
<i>Cash deficit</i>	\$ 618,783	\$ 652,464	\$ 44,264	\$ 1,315,511
<i>Accounts payable</i>	23,373	3,163	--	26,536
<i>Accrued wages/benefits</i>	4,413	--	--	4,413
<i>Due to other agencies</i>	31,957	9,996	13,059	55,012
Total Liabilities	<u>678,526</u>	<u>665,623</u>	<u>57,323</u>	<u>1,401,472</u>
Fund balances:				
Reserved fund balancers:				
<i>Reserved for low-income housing</i>	--	--	1,475,599	1,475,599
<i>Reserved for capital projects</i>	--	--	559,526	559,526
Unreserved, reported in nonmajor:				
<i>Special revenue funds</i>	73,895	--	--	73,895
<i>Debt service funds</i>	--	3,129,304	--	3,129,304
<i>Capital projects funds</i>	--	--	2,956,692	2,956,692
Total fund balances	<u>73,895</u>	<u>3,129,304</u>	<u>4,991,817</u>	<u>8,195,016</u>
Total Liabilities and Fund Balances	<u>\$ 752,421</u>	<u>\$ 3,794,927</u>	<u>\$ 5,049,140</u>	<u>\$ 9,596,488</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
Taxes	\$ --	\$ --	\$ 238,794	\$ 238,794
Intergovernmental	1,868,543	--	--	1,868,543
Charges for services	36,933	--	1,202,032	1,238,965
Fines	64,389	--	--	64,389
Revenue for use of money & property	(4,582)	557,820	42,051	595,289
Miscellaneous	283,276	4,671,151	222,368	5,176,795
Total revenues	<u>2,248,559</u>	<u>5,228,971</u>	<u>1,705,245</u>	<u>9,182,775</u>
Expenditures:				
Current:				
General government	203,385	76,251	--	279,636
Public Safety	338,679	--	--	338,679
Public Works	15,878	--	--	15,878
Community Development	88,501	85,290	168,375	342,166
Recreation	37,780	--	--	37,780
Capital outlay	647,904	--	550,432	1,198,336
Debt service:				
Principal	--	2,038,817	193,606	2,232,423
Interest and fiscal charges	--	2,332,320	--	2,332,320
Total expenditures	<u>1,332,127</u>	<u>4,532,678</u>	<u>912,413</u>	<u>6,777,218</u>
Excess (deficiency) of revenues over (under) expenditur	916,432	696,293	792,832	2,405,557
Other financing sources (uses):				
Operating transfers in	(569,232)	430	334,500	(234,302)
Operating transfers out	(384,163)	--	--	(384,163)
Total other financing sources (uses)	<u>(953,395)</u>	<u>430</u>	<u>334,500</u>	<u>(618,465)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(36,963)	696,723	1,127,332	1,787,092
Fund balances/equity, July 1	110,858	2,432,581	3,864,485	6,407,924
Fund balances/equity, June 30	<u>\$ 73,895</u>	<u>\$ 3,129,304</u>	<u>\$ 4,991,817</u>	<u>\$ 8,195,016</u>

CITY OF SELMA

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2004

	1002 Governmental Component Unit	201 Traffic Safety	202 Redevelopment Administration	204 Public Safety
Assets:				
Cash and investments	\$ --	\$ --	\$ --	\$ --
Due from other agencies	--	9,383	275,287	5,133
Total Assets	<u>\$ --</u>	<u>\$ 9,383</u>	<u>\$ 275,287</u>	<u>\$ 5,133</u>
Liabilities:				
Cash deficit	\$ 1,951	\$ --	\$ 395,377	\$ --
Accounts payable	--	--	--	--
Accrued wages/benefits	--	--	833	--
Due to other agencies	31,957	--	--	--
Total Liabilities	<u>33,908</u>	<u>--</u>	<u>396,210</u>	<u>--</u>
Fund balances:				
Unreserved, reported in nonmajor:				
Special revenue funds	(33,908)	9,383	(120,923)	5,133
Total fund balances	<u>(33,908)</u>	<u>9,383</u>	<u>(120,923)</u>	<u>5,133</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 9,383</u>	<u>\$ 275,287</u>	<u>\$ 5,133</u>

205 Redevelopment Housing Administration	207 Traffic Congestion Relief Grant	208 Cleap High Technology Grant	209 AB 1913 Grant	211 Street Gas Tax
\$ --	\$ 49,682	\$ 9,120	\$ 73,947	\$ 360
15,716	--	--	--	--
<u>\$ 15,716</u>	<u>\$ 49,682</u>	<u>\$ 9,120</u>	<u>\$ 73,947</u>	<u>\$ 360</u>
\$ 15,717	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
336	--	--	662	--
--	--	--	--	--
<u>16,053</u>	<u>--</u>	<u>--</u>	<u>662</u>	<u>--</u>
(337)	49,682	9,120	73,285	360
<u>(337)</u>	<u>49,682</u>	<u>9,120</u>	<u>73,285</u>	<u>360</u>
<u>\$ 15,716</u>	<u>\$ 49,682</u>	<u>\$ 9,120</u>	<u>\$ 73,947</u>	<u>\$ 360</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004

	213	214	220	230
	Street LTF	Street Measure "C"	Landscape and Lighting Assesment	CDBG Grant
Assets:				
<i>Cash and investments</i>	\$ 379	\$ 260	\$ 3,986	\$ --
<i>Due from other agencies</i>	--	28,800	1,846	272
Total Assets	<u>\$ 379</u>	<u>\$ 29,060</u>	<u>\$ 5,832</u>	<u>\$ 272</u>
Liabilities:				
<i>Cash deficit</i>	\$ --	\$ --	\$ --	\$ 272
<i>Accounts payable</i>	--	--	--	--
<i>Accrued wages/benefits</i>	--	--	--	--
<i>Due to other agencies</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>272</u>
Fund balances:				
Unreserved, reported in nonmajor:				
Special revenue funds	379	29,060	5,832	--
Total fund balances	<u>379</u>	<u>29,060</u>	<u>5,832</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 379</u>	<u>\$ 29,060</u>	<u>\$ 5,832</u>	<u>\$ 272</u>

232 Recycling Grant	234 Weed & Seed Grant	235 Bureau of Justice Grant	236 Healthy Cities Grant	237 State Prop 12 Parks Grant
\$ (4,807)	\$ 50	\$ 5,181	\$ 12,635	\$ --
7,125	85,115	--	4,000	30,402
<u>\$ 2,318</u>	<u>\$ 85,165</u>	<u>\$ 5,181</u>	<u>\$ 16,635</u>	<u>\$ 30,402</u>
\$ --	\$ 85,115	\$ --	\$ --	\$ 30,402
--	9,074	--	14,238	--
--	1,878	--	704	--
--	--	--	--	--
<u>--</u>	<u>96,067</u>	<u>--</u>	<u>14,942</u>	<u>30,402</u>
2,318	(10,902)	5,181	1,693	--
<u>2,318</u>	<u>(10,902)</u>	<u>5,181</u>	<u>1,693</u>	<u>--</u>
<u>\$ 2,318</u>	<u>\$ 85,165</u>	<u>\$ 5,181</u>	<u>\$ 16,635</u>	<u>\$ 30,402</u>

CITY OF SELMA

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2004

	238	239	240	242
	T-21 Project	FEMA Grant	HODAG Grant	Traffic Grant
Assets:				
Cash and investments	\$ --	\$ 914	\$ 46,772	\$ --
Due from other agencies	42,811	--	--	3,340
Total Assets	<u>\$ 42,811</u>	<u>\$ 914</u>	<u>\$ 46,772</u>	<u>\$ 3,340</u>
Liabilities:				
Cash deficit	\$ 43,076	\$ --	\$ --	\$ 2,410
Accounts payable	--	--	--	--
Accrued wages/benefits	--	--	--	--
Due to other agencies	--	--	--	--
Total Liabilities	<u>43,076</u>	<u>--</u>	<u>--</u>	<u>2,410</u>
Fund balances:				
Unreserved, reported in nonmajor:				
Special revenue funds	(265)	914	46,772	930
Total fund balances	<u>(265)</u>	<u>914</u>	<u>46,772</u>	<u>930</u>
Total Liabilities and Fund Balances	<u>\$ 42,811</u>	<u>\$ 914</u>	<u>\$ 46,772</u>	<u>\$ 3,340</u>

243 Proposition 40 Parks Grant	244 ABC Grant	247 Homeland Security Fire Grant	248 Small Business Support Center	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ --	\$ --	\$ --	\$ 312	\$ 198,791
17,159	--	27,241	--	553,630
<u>\$ 17,159</u>	<u>\$ --</u>	<u>\$ 27,241</u>	<u>\$ 312</u>	<u>\$ 752,421</u>
\$ 17,159	\$ 2	\$ 27,302	\$ --	\$ 618,783
--	--	--	61	23,373
--	--	--	--	4,413
--	--	--	--	31,957
<u>17,159</u>	<u>2</u>	<u>27,302</u>	<u>61</u>	<u>678,526</u>
--	(2)	(61)	251	73,895
<u>--</u>	<u>(2)</u>	<u>(61)</u>	<u>251</u>	<u>73,895</u>
<u>\$ 17,159</u>	<u>\$ --</u>	<u>\$ 27,241</u>	<u>\$ 312</u>	<u>\$ 752,421</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	1002 Governmental Component Unit	201 Traffic Safety	202 Redevelopment Administration	204 Public Safety
Revenue:				
Intergovernmental	\$ --	\$ --	\$ --	\$ 33,222
Charges for services	--	--	--	--
Fines	--	64,389	--	--
Revenue for use of money & property	--	--	(9,371)	--
Miscellaneous	13,817	--	137,374	--
Total revenues	<u>13,817</u>	<u>64,389</u>	<u>128,003</u>	<u>33,222</u>
Expenditures:				
Current:				
General government	35,026	--	72,402	--
Public Safety	--	--	--	--
Public Works	--	--	--	--
Community Development	--	--	51,234	--
Recreation	--	--	--	--
Capital outlay	--	--	--	--
Total expenditures	<u>35,026</u>	<u>--</u>	<u>123,636</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditure	(21,209)	64,389	4,367	33,222
Other financing sources (uses):				
Operating transfers in	--	(55,155)	--	(31,807)
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>(55,155)</u>	<u>--</u>	<u>(31,807)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(21,209)	9,234	4,367	1,415
Fund balances/equity, July 1	(12,699)	149	(125,290)	3,718
Fund balances/equity, June 30	<u>\$ (33,908)</u>	<u>\$ 9,383</u>	<u>\$ (120,923)</u>	<u>\$ 5,133</u>

205 Redevelopment Housing Administration	207 Traffic Congestion Relief Grant	208 Cleap High Technology Grant	209 AB 1913 Grant	211 Street Gas Tax
\$ --	\$ --	\$ --	\$ 100,186	\$ 383,261
--	--	--	--	--
--	--	--	--	--
(531)	667	174	921	1,262
88,985	--	--	--	--
<u>88,454</u>	<u>667</u>	<u>174</u>	<u>101,107</u>	<u>384,523</u>
46,762	--	--	--	--
--	--	1,006	64,510	--
--	--	--	--	--
31,687	--	--	--	--
--	--	--	--	--
--	--	3,672	16,981	--
<u>78,449</u>	<u>--</u>	<u>4,678</u>	<u>81,491</u>	<u>--</u>
10,005	667	(4,504)	19,616	384,523
--	--	--	--	--
--	--	--	--	(384,163)
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(384,163)</u>
10,005	667	(4,504)	19,616	360
(10,342)	49,015	13,624	53,669	--
<u>\$ (337)</u>	<u>\$ 49,682</u>	<u>\$ 9,120</u>	<u>\$ 73,285</u>	<u>\$ 360</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	213	214	220	230
	Street LTF	Street Measure "C"	Landscape and Lighting Assesment	CDBG Grant
Revenue:				
Intergovernmental	\$ 222,314	\$ 265,719	\$ --	\$ 301,120
Charges for services	--	--	36,933	--
Fines	--	--	--	--
Revenue for use of money & property	726	1,060	--	--
Miscellaneous	--	--	--	41,446
Total revenues	<u>223,040</u>	<u>266,779</u>	<u>36,933</u>	<u>342,566</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public Safety	--	--	--	--
Public Works	--	--	15,878	--
Community Development	--	--	386	52
Recreation	--	--	--	--
Capital outlay	--	--	--	343,066
Total expenditures	<u>--</u>	<u>--</u>	<u>16,264</u>	<u>343,118</u>
Excess (deficiency) of revenues over (under) expenditu	223,040	266,779	20,669	(552)
Other financing sources (uses):				
Operating transfers in	(222,661)	(264,045)	(10,000)	--
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>(222,661)</u>	<u>(264,045)</u>	<u>(10,000)</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	379	2,734	10,669	(552)
Fund balances/equity, July 1	--	26,326	(4,837)	552
Fund balances/equity, June 30	<u>\$ 379</u>	<u>\$ 29,060</u>	<u>\$ 5,832</u>	<u>\$ --</u>

232 Recycling Grant	234 Weed & Seed Grant	235 Bureau of Justice Grant	236 Healthy Cities Grant	237 State Prop 12 Parks Grant
\$ 12,858	\$ 218,006	\$ 25,789	\$ 24,000	\$ 30,402
--	--	--	--	--
--	--	--	--	--
61	--	141	242	--
40	201	--	--	--
<u>12,959</u>	<u>218,207</u>	<u>25,930</u>	<u>24,242</u>	<u>30,402</u>
12,979	216	--	--	--
--	214,173	17,423	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	37,780	--
1,415	--	14,203	20,329	30,402
<u>14,394</u>	<u>214,389</u>	<u>31,626</u>	<u>58,109</u>	<u>30,402</u>
(1,435)	3,818	(5,696)	(33,867)	--
3,000	11,436	--	--	--
--	--	--	--	--
<u>3,000</u>	<u>11,436</u>	<u>--</u>	<u>--</u>	<u>--</u>
1,565	15,254	(5,696)	(33,867)	--
753	(26,156)	10,877	35,560	--
<u>\$ 2,318</u>	<u>\$ (10,902)</u>	<u>\$ 5,181</u>	<u>\$ 1,693</u>	<u>\$ --</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	238	239	240	242
	T-21 Project	FEMA Grant	HODAG Grant	Traffic Grant
Revenue:				
Intergovernmental	\$ 171,360	\$ 22,150	\$ --	\$ 13,256
Charges for services	--	--	--	--
Fines	--	--	--	--
Revenue for use of money & property	(264)	19	392	--
Miscellaneous	--	--	--	--
Total revenues	<u>171,096</u>	<u>22,169</u>	<u>392</u>	<u>13,256</u>
Expenditures:				
Current:				
General government	--	--	36,000	--
Public Safety	--	21,255	--	19,850
Public Works	--	--	--	--
Community Development	--	--	--	--
Recreation	--	--	--	--
Capital outlay	172,050	--	--	1,386
Total expenditures	<u>172,050</u>	<u>21,255</u>	<u>36,000</u>	<u>21,236</u>
Excess (deficiency) of revenues over (under) expenditures	(954)	914	(35,608)	(7,980)
Other financing sources (uses):				
Operating transfers in	--	--	--	--
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(954)	914	(35,608)	(7,980)
Fund balances/equity, July 1	689	--	82,380	8,910
Fund balances/equity, June 30	<u>\$ (265)</u>	<u>\$ 914</u>	<u>\$ 46,772</u>	<u>\$ 930</u>

243 Proposition 40 Parks Grant	244 ABC Grant	247 Homeland Security Fire Grant	248 Small Business Support Center	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ 17,159	\$ --	\$ 27,241	\$ 500	\$ 1,868,543
--	--	--	--	36,933
--	--	--	--	64,389
--	(20)	(61)	--	(4,582)
--	1,037	--	376	283,276
<u>17,159</u>	<u>1,017</u>	<u>27,180</u>	<u>876</u>	<u>2,248,559</u>
--	--	--	--	203,385
--	462	--	--	338,679
--	--	--	--	15,878
--	--	--	5,142	88,501
--	--	--	--	37,780
17,159	--	27,241	--	647,904
<u>17,159</u>	<u>462</u>	<u>27,241</u>	<u>5,142</u>	<u>1,332,127</u>
--	555	(61)	(4,266)	916,432
--	--	--	--	(569,232)
--	--	--	--	(384,163)
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(953,395)</u>
--	555	(61)	(4,266)	(36,963)
--	(557)	--	4,517	110,858
<u>\$ --</u>	<u>\$ (2)</u>	<u>\$ (61)</u>	<u>\$ 251</u>	<u>\$ 73,895</u>

CITY OF SELMA

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

JUNE 30, 2004

	3002 PFA 1992-A Debt Service	3021 RDA Upright Debt Service	3041 RDA Upright-Coalinga Debt Service	3052 PFA 1993 Debt Service
Assets:				
Cash and investments	\$ --	\$ --	\$ 430	\$ 5,222
Cash with fiscal agent	--	397,139	--	--
Accounts receivables	--	--	--	--
Due from other agencies	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 397,139</u>	<u>\$ 430</u>	<u>\$ 5,222</u>
Liabilities:				
Cash deficit	\$ 90	\$ 409,329	\$ --	\$ --
Accounts payable	--	--	--	--
Due to other agencies	--	9,996	--	--
Total Liabilities	<u>90</u>	<u>419,325</u>	<u>--</u>	<u>--</u>
Fund balances:				
Unreserved, reported in nonmajor:				
Debt service funds	(90)	(22,186)	430	5,222
Total fund balances	<u>(90)</u>	<u>(22,186)</u>	<u>430</u>	<u>5,222</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 397,139</u>	<u>\$ 430</u>	<u>\$ 5,222</u>

3071 RDA Theatre Debt Service	3102 PFA 1993 A-B Debt Service	3152 PFA 1993 C Debt Service	3201 RDA Low Income Housing Debt Service	3202 PFA 1994 Debt Service
\$ --	\$ 25,218	\$ --	\$ 133,283	\$ --
--	--	906,825	--	1,000,286
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ 25,218</u>	<u>\$ 906,825</u>	<u>\$ 133,283</u>	<u>\$ 1,000,286</u>
\$ 115,465	\$ --	\$ 35,588	\$ --	\$ 5,020
--	--	--	--	--
--	--	--	--	--
<u>115,465</u>	<u>--</u>	<u>35,588</u>	<u>--</u>	<u>5,020</u>
(115,465)	25,218	871,237	133,283	995,266
<u>(115,465)</u>	<u>25,218</u>	<u>871,237</u>	<u>133,283</u>	<u>995,266</u>
<u>\$ --</u>	<u>\$ 25,218</u>	<u>\$ 906,825</u>	<u>\$ 133,283</u>	<u>\$ 1,000,286</u>

CITY OF SELMA

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

JUNE 30, 2004

	3252 PFA 1994 A Debt Service	3302 PFA 1995 B-C Debt Service	3352 PFA Hotel Debt Service	3402 PFA 97 A Debt Service
Assets:				
<i>Cash and investments</i>	\$ --	\$ 3,452	\$ 3,163	\$ --
<i>Cash with fiscal agent</i>	--	4	--	--
<i>Accounts receivables</i>	--	--	--	--
<i>Due from other agencies</i>	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 3,456</u>	<u>\$ 3,163</u>	<u>\$ --</u>
Liabilities:				
<i>Cash deficit</i>	\$ 24,152	\$ --	\$ --	\$ 17,752
<i>Accounts payable</i>	--	--	3,163	--
<i>Due to other agencies</i>	--	--	--	--
Total Liabilities	<u>24,152</u>	<u>--</u>	<u>3,163</u>	<u>17,752</u>
Fund balances:				
Unreserved, reported in nonmajor:				
Debt service funds	(24,152)	3,456	--	(17,752)
Total fund balances	<u>(24,152)</u>	<u>3,456</u>	<u>--</u>	<u>(17,752)</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 3,456</u>	<u>\$ 3,163</u>	<u>\$ --</u>

350 Assmt 91-2 Highland Debt Service	3502 PFA 1999 A Reassessment Debt Service	351 Assessment 92-1 Dancer II	352 Assessment 92-1 Supplemental Dancer III	353 Assessment 91-2 Supplemental Watermain
\$ 123,414	\$ 70,761	\$ 60,794	\$ 30,065	\$ 59,310
--	145,295	--	--	--
--	--	--	--	--
5,618	--	1,376	1,348	865
<u>\$ 129,032</u>	<u>\$ 216,056</u>	<u>\$ 62,170</u>	<u>\$ 31,413</u>	<u>\$ 60,175</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
129,032	216,056	62,170	31,413	60,175
<u>129,032</u>	<u>216,056</u>	<u>62,170</u>	<u>31,413</u>	<u>60,175</u>
<u>\$ 129,032</u>	<u>\$ 216,056</u>	<u>\$ 62,170</u>	<u>\$ 31,413</u>	<u>\$ 60,175</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2004

	354 Assessment 91-2 Supplemental Stillman	355 Assessment 91-2 Peasoup	3552 PFA 1999 COP Debt Service	356 Assessment 93- Briarwood
Assets:				
Cash and investments	\$ --	\$ 170,852	\$ 29,582	\$ 99,544
Cash with fiscal agent	--	--	230,259	--
Accounts receivables	--	--	--	--
Due from other agencies	1,391	9,599	--	2,563
Total Assets	<u>\$ 1,391</u>	<u>\$ 180,451</u>	<u>\$ 259,841</u>	<u>\$ 102,107</u>
Liabilities:				
Cash deficit	\$ 2,263	\$ --	\$ --	\$ --
Accounts payable	--	--	--	--
Due to other agencies	--	--	--	--
Total Liabilities	<u>2,263</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:				
Unreserved, reported in nonmajor:				
Debt service funds	(872)	180,451	259,841	102,107
Total fund balances	<u>(872)</u>	<u>180,451</u>	<u>259,841</u>	<u>102,107</u>
Total Liabilities and Fund Balances	<u>\$ 1,391</u>	<u>\$ 180,451</u>	<u>\$ 259,841</u>	<u>\$ 102,107</u>

1	357	358	359	3602	Total
	Theater Debt Service	Assessment 91-2 Health Center	Assessment Upright	PFA 2001 A Debt Service	Nonmajor Debt Service Funds (See Exhibit C-1)
	\$ --	\$ --	\$ 106,777	\$ --	\$ 921,867
	--	--	--	142,644	2,822,452
	22,275	--	--	--	22,275
	1,630	--	3,943	--	28,333
	<u>\$ 23,905</u>	<u>\$ --</u>	<u>\$ 110,720</u>	<u>\$ 142,644</u>	<u>\$ 3,794,927</u>
	\$ 5,104	\$ 31,721	\$ --	\$ 5,980	\$ 652,464
	--	--	--	--	3,163
	--	--	--	--	9,996
	<u>5,104</u>	<u>31,721</u>	<u>--</u>	<u>5,980</u>	<u>665,623</u>
	18,801	(31,721)	110,720	136,664	3,129,304
	<u>18,801</u>	<u>(31,721)</u>	<u>110,720</u>	<u>136,664</u>	<u>3,129,304</u>
	<u>\$ 23,905</u>	<u>\$ --</u>	<u>\$ 110,720</u>	<u>\$ 142,644</u>	<u>\$ 3,794,927</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	300 Lease Purchase Debt Service City	3002 PFA 1992-A Debt Service	3021 RDA Upright Debt Service	3041 RDA Upright-Coalinge Debt Service
Revenue:				
Revenue for use of money & property	\$ --	\$ 27,782	\$ 34,331	\$ 6
Miscellaneous	688,155	37,402	--	--
Total revenues	<u>688,155</u>	<u>65,184</u>	<u>34,331</u>	<u>6</u>
Expenditures:				
General government	13,700	894	--	--
Community Development	--	--	83,157	--
Debt service:				
Principal	420,000	20,000	4,817	--
Interest and fiscal charges	254,885	37,971	--	--
Total expenditures	<u>688,585</u>	<u>58,865</u>	<u>87,974</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditure	(430)	6,319	(53,643)	6
Other financing sources (uses):				
Operating transfers in	430	--	--	--
Total other financing sources (uses)	<u>430</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	6,319	(53,643)	6
Fund balances/equity, July 1	--	(6,409)	31,457	424
Fund balances/equity, June 30	<u>\$ --</u>	<u>\$ (90)</u>	<u>\$ (22,186)</u>	<u>\$ 430</u>

3052 PFA 1993 Debt Service	3071 RDA Theatre Debt Service	3102 PFA 1993 A-B Debt Service	3152 PFA 1993 C Debt Service	3201 RDA Low Income Hous Debt Service
\$ --	\$ (1,973)	\$ --	\$ 34,424	\$ 16,424
8,435	47,000	4,130	812,945	--
<u>8,435</u>	<u>45,027</u>	<u>4,130</u>	<u>847,369</u>	<u>16,424</u>
--	--	--	63	--
--	540	--	--	1,593
--	15,000	--	560,000	10,000
--	12,600	--	28,601	64,900
<u>--</u>	<u>28,140</u>	<u>--</u>	<u>588,664</u>	<u>76,493</u>
8,435	16,887	4,130	258,705	(60,069)
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
8,435	16,887	4,130	258,705	(60,069)
(3,213)	(132,352)	21,088	612,532	193,352
<u>\$ 5,222</u>	<u>\$ (115,465)</u>	<u>\$ 25,218</u>	<u>\$ 871,237</u>	<u>\$ 133,283</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	3202 PFA 1994 Debt Service	3252 PFA 1994 A Debt Service	3302 PFA 1995 B-C Debt Service	3402 PFA 97 A Debt Service
Revenue:				
Revenue for use of money & property	\$ 17,706	\$ --	\$ --	\$ 23,384
Miscellaneous	1,107,840	--	3,452	212,691
Total revenues	<u>1,125,546</u>	<u>--</u>	<u>3,452</u>	<u>236,075</u>
Expenditures:				
General government	26,784	--	--	4,500
Community Development	--	--	--	--
Debt service:				
Principal	30,000	--	--	150,000
Interest and fiscal charges	246,881	--	--	67,585
Total expenditures	<u>303,665</u>	<u>--</u>	<u>--</u>	<u>222,085</u>
Excess (deficiency) of revenues over (under) expenditures	821,881	--	3,452	13,990
Other financing sources (uses):				
Operating transfers in	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	821,881	--	3,452	13,990
Fund balances/equity, July 1	173,385	(24,152)	4	(31,742)
Fund balances/equity, June 30	<u>\$ 995,266</u>	<u>\$ (24,152)</u>	<u>\$ 3,456</u>	<u>\$ (17,752)</u>

350 Assmt 91-2 Highland Debt Service	3502 PFA 1999 A Reassessment Debt Service	351 Assessment 92-1 Dancer II	352 Assessment 92-1 Supplemental Dancer III	353 Assessment 91-2 Supplemental Watermain
\$ 1,173	\$ 397,597	\$ 707	\$ 410	\$ 649
112,358	647,878	27,687	27,202	29,896
<u>113,531</u>	<u>1,045,475</u>	<u>28,394</u>	<u>27,612</u>	<u>30,545</u>
--	--	92	8,526	74
--	--	--	--	--
25,000	290,000	10,000	10,000	5,000
82,461	1,034,866	18,750	17,743	17,040
<u>107,461</u>	<u>1,324,866</u>	<u>28,842</u>	<u>36,269</u>	<u>22,114</u>
6,070	(279,391)	(448)	(8,657)	8,431
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
6,070	(279,391)	(448)	(8,657)	8,431
122,962	495,447	62,618	40,070	51,744
<u>\$ 129,032</u>	<u>\$ 216,056</u>	<u>\$ 62,170</u>	<u>\$ 31,413</u>	<u>\$ 60,175</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	354 Assessment 91-2 Supplemental Stillman	355 Assessment 91-2 Peasoup	3552 PFA 1999 COP Debt Service	356 Assessment 93- Briarwood
Revenue:				
<i>Revenue for use of money & property</i>	\$ (161)	\$ 1,501	\$ 1,050	\$ 1,031
<i>Miscellaneous</i>	27,810	191,988	300,060	62,031
Total revenues	<u>27,649</u>	<u>193,489</u>	<u>301,110</u>	<u>63,062</u>
Expenditures:				
<i>General government</i>	73	2,563	--	375
<i>Community Development</i>	--	--	--	--
Debt service:				
<i>Principal</i>	9,000	55,000	210,000	15,000
<i>Interest and fiscal charges</i>	19,033	138,237	90,060	36,308
Total expenditures	<u>28,106</u>	<u>193,800</u>	<u>300,060</u>	<u>51,683</u>
Excess (deficiency) of revenues over (under) expenditures	(457)	(2,311)	1,050	11,379
Other financing sources (uses):				
<i>Operating transfers in</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(457)	(2,311)	1,050	11,379
Fund balances/equity, July 1	(415)	182,762	258,791	90,728
Fund balances/equity, June 30	<u><u>\$ (872)</u></u>	<u><u>\$ 180,451</u></u>	<u><u>\$ 259,841</u></u>	<u><u>\$ 102,107</u></u>

1	357	358	359	3602	Total
	Theater	Assessment 91-2	Assessment	PFA	Nonmajor
	Debt	Health	Upright	2001 A	Debt
	Service	Center		Debt Service	Service
					Funds (See
					Exhibit C-2)
	\$ (714)	\$ --	\$ 1,863	\$ 630	\$ 557,820
	54,874	--	78,860	188,457	4,671,151
	<u>54,160</u>	<u>--</u>	<u>80,723</u>	<u>189,087</u>	<u>5,228,971</u>
	123	--	3,690	14,794	76,251
	--	--	--	--	85,290
	10,000	--	125,000	65,000	2,038,817
	17,385	--	36,923	110,091	2,332,320
	<u>27,508</u>	<u>--</u>	<u>165,613</u>	<u>189,885</u>	<u>4,532,678</u>
	26,652	--	(84,890)	(798)	696,293
	--	--	--	--	430
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>430</u>
	26,652	--	(84,890)	(798)	696,723
	(7,851)	(31,721)	195,610	137,462	2,432,581
	<u>\$ 18,801</u>	<u>\$ (31,721)</u>	<u>\$ 110,720</u>	<u>\$ 136,664</u>	<u>\$ 3,129,304</u>

CITY OF SELMA

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2004

	110	111	401	402
	Reserve	Equipment Replacement	Developmental Impact Traffic Control	Development Impact Police Facility
Assets:				
Cash and investments	\$ 727,078	\$ 351,740	\$ 484,860	\$ 19,122
Accounts receivables	--	--	--	--
Total Assets	<u>\$ 727,078</u>	<u>\$ 351,740</u>	<u>\$ 484,860</u>	<u>\$ 19,122</u>
Liabilities:				
Cash deficit	\$ --	\$ --	\$ --	\$ --
Due to other agencies	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:				
Reserved fund balancers:				
Reserved for low-income housing	--	--	--	--
Reserved for capital projects	--	--	--	--
Unreserved, reported in nonmajor:				
Capital projects funds	727,078	351,740	484,860	19,122
Total fund balances	<u>727,078</u>	<u>351,740</u>	<u>484,860</u>	<u>19,122</u>
Total Liabilities and Fund Balances	<u>\$ 727,078</u>	<u>\$ 351,740</u>	<u>\$ 484,860</u>	<u>\$ 19,122</u>

4021 RDA Civic Center/Courthouse Capital Project	403 Development Impact Fire Facility	404 Developmental Impact City Facilities	4041 RDA Housing Project Capital Project	405 Developmental Impact Storm Drain
\$ 269,581	\$ 27,107	\$ 522,876	\$ 704,815	\$ 222,207
--	--	--	--	--
<u>\$ 269,581</u>	<u>\$ 27,107</u>	<u>\$ 522,876</u>	<u>\$ 704,815</u>	<u>\$ 222,207</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	13,059	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>13,059</u>	<u>--</u>
--	--	--	528,828	--
270,103	--	--	--	--
(522)	27,107	522,876	162,928	222,207
<u>269,581</u>	<u>27,107</u>	<u>522,876</u>	<u>691,756</u>	<u>222,207</u>
<u>\$ 269,581</u>	<u>\$ 27,107</u>	<u>\$ 522,876</u>	<u>\$ 704,815</u>	<u>\$ 222,207</u>

CITY OF SELMA

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2004

	406 Developmental Impact Sewer	407 Developmental Impact Parks and Recreation	408 Long Range Planning Fee	4121 RDA Industrial Park Capital Project
Assets:				
Cash and investments	\$ 305,870	\$ 314,632	\$ 6,388	\$ 66,322
Accounts receivables	--	250	--	--
Total Assets	<u>\$ 305,870</u>	<u>\$ 314,882</u>	<u>\$ 6,388</u>	<u>\$ 66,322</u>
Liabilities:				
Cash deficit	\$ --	\$ --	\$ --	\$ --
Due to other agencies	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:				
Reserved fund balancers:				
Reserved for low-income housing	--	--	--	--
Reserved for capital projects	--	--	--	289,423
Unreserved, reported in nonmajor:				
Capital projects funds	305,870	314,882	6,388	(223,101)
Total fund balances	<u>305,870</u>	<u>314,882</u>	<u>6,388</u>	<u>66,322</u>
Total Liabilities and Fund Balances	<u>\$ 305,870</u>	<u>\$ 314,882</u>	<u>\$ 6,388</u>	<u>\$ 66,322</u>

4151 RDA Housing Bond Capital Project	432 Assessment 97-2 Theater	435 City Hall Construction	439 Assessment 94A Upright Tax Exempt	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
\$ 946,771	\$ --	\$ 24,247	\$ 44,103	\$ 5,037,719
--	11,171	--	--	11,421
<u>\$ 946,771</u>	<u>\$ 11,171</u>	<u>\$ 24,247</u>	<u>\$ 44,103</u>	<u>\$ 5,049,140</u>
\$ --	\$ 44,264	\$ --	\$ --	\$ 44,264
--	--	--	--	13,059
<u>--</u>	<u>44,264</u>	<u>--</u>	<u>--</u>	<u>57,323</u>
946,771	--	--	--	1,475,599
--	--	--	--	559,526
--	(33,093)	24,247	44,103	2,956,692
<u>946,771</u>	<u>(33,093)</u>	<u>24,247</u>	<u>44,103</u>	<u>4,991,817</u>
<u>\$ 946,771</u>	<u>\$ 11,171</u>	<u>\$ 24,247</u>	<u>\$ 44,103</u>	<u>\$ 5,049,140</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	110	111	401	402
	Reserve	Equipment Replacement	Developmental Impact Traffic Control	Development Impact Police Facility
Revenue:				
<i>Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>Charges for services</i>	--	--	345,590	19,089
<i>Revenue for use of money & property</i>	5,838	10,344	2,748	33
<i>Miscellaneous</i>	--	20,000	--	--
Total revenues	<u>5,838</u>	<u>30,344</u>	<u>348,338</u>	<u>19,122</u>
Expenditures:				
<i>Community Development</i>	--	--	--	--
Capital outlay	--	35,898	1,316	--
Debt service:				
<i>Principal</i>	--	--	22,614	--
Total expenditures	<u>--</u>	<u>35,898</u>	<u>23,930</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	5,838	(5,554)	324,408	19,122
Other financing sources (uses):				
<i>Operating transfers in</i>	334,500	--	--	--
Total other financing sources (uses)	<u>334,500</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	340,338	(5,554)	324,408	19,122
Fund balances/equity, July 1	386,740	357,294	160,452	--
Fund balances/equity, June 30	<u>\$ 727,078</u>	<u>\$ 351,740</u>	<u>\$ 484,860</u>	<u>\$ 19,122</u>

4021 RDA Civic Center/Courthouse Capital Project	403 Development Impact Fire Facility	404 Developmental Impact City Facilities	4041 RDA Housing Project Capital Project	405 Developmental Impact Storm Drain
\$ --	\$ --	\$ --	\$ 238,794	\$ --
--	27,061	270,799	--	181,352
--	46	5,830	8,076	2,578
--	--	--	33,083	--
--	27,107	276,629	279,953	183,930
522	--	--	81,640	57,721
--	--	--	--	69,299
--	--	120,244	35,385	--
522	--	120,244	117,025	127,020
(522)	27,107	156,385	162,928	56,910
--	--	--	--	--
--	--	--	--	--
(522)	27,107	156,385	162,928	56,910
270,103	--	366,491	528,828	165,297
\$ 269,581	\$ 27,107	\$ 522,876	\$ 691,756	\$ 222,207

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	406 Developmental Impact Sewer	407 Developmental Impact Parks and Recreation	408 Long Range Planning Fee	4121 RDA Industrial Park Capital Project
Revenue:				
<i>Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>Charges for services</i>	136,808	214,950	6,383	--
<i>Revenue for use of money & property</i>	4,132	2,421	5	--
<i>Miscellaneous</i>	--	--	--	169,285
Total revenues	<u>140,940</u>	<u>217,371</u>	<u>6,388</u>	<u>169,285</u>
Expenditures:				
<i>Community Development</i>	--	--	--	28,492
Capital outlay	80,025	--	--	363,894
Debt service:				
<i>Principal</i>	--	15,363	--	--
Total expenditures	<u>80,025</u>	<u>15,363</u>	<u>--</u>	<u>392,386</u>
Excess (deficiency) of revenues over (under) expenditu	60,915	202,008	6,388	(223,101)
Other financing sources (uses):				
<i>Operating transfers in</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	60,915	202,008	6,388	(223,101)
Fund balances/equity, July 1	244,955	112,874	--	289,423
Fund balances/equity, June 30	<u>\$ 305,870</u>	<u>\$ 314,882</u>	<u>\$ 6,388</u>	<u>\$ 66,322</u>

4151 RDA Housing Bond Capital Project	432 Assessment 97-2 Theater	435 City Hall Construction	439 Assessment 94A Upright Tax Exempt	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
\$ --	\$ --	\$ --	\$ --	\$ 238,794
--	--	--	--	1,202,032
--	--	--	--	42,051
--	--	--	--	222,368
--	--	--	--	1,705,245
--	--	--	--	168,375
--	--	--	--	550,432
--	--	--	--	193,606
--	--	--	--	912,413
--	--	--	--	792,832
--	--	--	--	334,500
--	--	--	--	334,500
--	--	--	--	1,127,332
946,771	(33,093)	24,247	44,103	3,864,485
\$ 946,771	\$ (33,093)	\$ 24,247	\$ 44,103	\$ 4,991,817

CITY OF SELMA

COMBINING STATEMENT OF NET ASSETS

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2004

	Enterprise Fund RDA Selma Mfgr. Complex Enterprise	Enterprise Fund Pioneer Village Village
Assets:		
Cash and investments	\$ 2,886	\$ 57,047
Due from other agencies	2,000	--
Fixed assets (net, where applicable, of accumulated depreciation)	--	--
Total Assets	<u>\$ 4,886</u>	<u>\$ 57,047</u>
Liabilities:		
Cash deficit	\$ --	\$ --
Accounts payable	1,200	164
Due to other agencies	3,819	--
Total Liabilities	<u>5,019</u>	<u>164</u>
Net Assets:		
Invested in capital assets, net of related debt	--	--
Unrestricted	(133)	56,883
Total net assets	<u>(133)</u>	<u>56,883</u>
Total Liabilities and Fund Balances	<u>\$ 4,886</u>	<u>\$ 57,047</u>

Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit A-7)
Cultural Arts	Selma Manufacturing Complex	
\$ 10,448	\$ --	\$ 70,381
--	3,819	5,819
3,300	--	3,300
<u>\$ 13,748</u>	<u>\$ 3,819</u>	<u>\$ 79,500</u>
\$ --	\$ 1,819	\$ 1,819
3,264	--	4,628
--	2,000	5,819
<u>3,264</u>	<u>3,819</u>	<u>12,266</u>
1,406	--	1,406
9,078	--	65,828
<u>10,484</u>	<u>--</u>	<u>67,234</u>
<u>\$ 13,748</u>	<u>\$ 3,819</u>	<u>\$ 79,500</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Enterprise Fund RDA Selma Mfgr. Complex Enterprise	Enterprise Fund Pioneer Village Village
Operating Revenues:		
<i>Charges for services</i>	\$ --	\$ --
<i>Revenue for use of money & property</i>	--	13,066
<i>Miscellaneous</i>	4,886	24,788
Total Operating Revenues	<u>4,886</u>	<u>37,854</u>
Operating Expenses:		
<i>Purchased professional and technical services</i>	--	20,555
<i>Supplies</i>	1,200	78,515
<i>Capital outlay</i>	3,819	--
Total Operating Expenses	<u>5,019</u>	<u>99,070</u>
Operating Income (Loss)	<u>(133)</u>	<u>(61,216)</u>
Transfers:		
<i>Interfund operating transfers in</i>	--	--
<i>Interfund operating transfers out</i>	--	--
Net income	<u>(133)</u>	<u>(61,216)</u>
Retained earnings/fund balances, July 1	--	118,099
Retained earnings/fund balances, June 30	<u>\$ (133)</u>	<u>\$ 56,883</u>

Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit A-8)
Cultural Arts	Selma Manufacturing Complex	
\$ 1,450	\$ --	\$ 1,450
1,167	(116)	14,117
30,961	10,315	70,950
<u>33,578</u>	<u>10,199</u>	<u>86,517</u>
17,289	3,547	41,391
16,192	6,652	102,559
--	--	3,819
<u>33,481</u>	<u>10,199</u>	<u>147,769</u>
97	--	(61,252)
--	--	--
--	--	--
<u>97</u>	<u>--</u>	<u>(61,252)</u>
10,387	--	128,486
<u>\$ 10,484</u>	<u>\$ --</u>	<u>\$ 67,234</u>

CITY OF SELMA
AMBULANCE SERVICE
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 1,061,028	\$ 980,329	\$ (80,699)
Revenue for use of money & property	3,000	799	(2,201)
Miscellaneous	--	54,157	54,157
Total Operating Revenues	<u>1,064,028</u>	<u>1,035,285</u>	<u>(28,743)</u>
Operating Expenses:			
Personal services - salaries and wages	1,206,742	575,058	631,684
Personal services - employee benefits	--	197,028	(197,028)
Purchased professional and technical services	--	66,876	(66,876)
Supplies	--	183,137	(183,137)
Depreciation	--	53,281	(53,281)
Capital outlay	--	1,795	(1,795)
Total Operating Expenses	<u>1,206,742</u>	<u>1,077,175</u>	<u>129,567</u>
Operating Income (Loss)	<u>(142,714)</u>	<u>(41,890)</u>	<u>(100,824)</u>
Transfers:			
Interfund operating transfers in	--	--	--
Interfund operating transfers out	--	--	--
Net income	<u>(142,714)</u>	<u>(41,890)</u>	<u>100,824</u>
Retained earnings/fund balances, July 1	336,111	336,111	--
Retained earnings/fund balances, June 30	<u>\$ 193,397</u>	<u>\$ 294,221</u>	<u>\$ 100,824</u>

CITY OF SELMA

TRANSIT SERVICE
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT C-12

	Budget	Actual	Variance Positive (Negative)
Operating Revenues:			
<i>Franchise fees</i>	\$ 313,483	\$ 256,770	\$ (56,713)
<i>Revenue for use of money & property</i>	(20,000)	(2,846)	17,154
<i>Miscellaneous</i>	--	1,753	1,753
Total Operating Revenues	<u>293,483</u>	<u>255,677</u>	<u>(37,806)</u>
Operating Expenses:			
<i>Personal services - salaries and wages</i>	247,503	171,360	76,143
<i>Personal services - employee benefits</i>	--	71,752	(71,752)
<i>Purchased professional and technical services</i>	--	616	(616)
<i>Supplies</i>	--	29,593	(29,593)
Total Operating Expenses	<u>247,503</u>	<u>273,321</u>	<u>(25,818)</u>
Operating Income (Loss)	<u>45,980</u>	<u>(17,644)</u>	<u>63,624</u>
Transfers:			
<i>Interfund operating transfers in</i>	--	10,000	10,000
<i>Interfund operating transfers out</i>	--	--	--
Total transfers	<u>--</u>	<u>10,000</u>	<u>10,000</u>
Net income	<u>45,980</u>	<u>(7,644)</u>	<u>(53,624)</u>
Retained earnings/fund balances, July 1	(148,635)	(148,635)	--
Retained earnings/fund balances, June 30	<u>\$ (102,655)</u>	<u>\$ (156,279)</u>	<u>\$ (53,624)</u>

CITY OF SELMA

COMBINING STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

JUNE 30, 2004

	700	701
	Insurance	Fleet Management
Assets:		
<i>Cash and investments</i>	\$ 163,700	\$ 21
<i>Accounts receivables</i>	152	(80)
<i>Due from other agencies</i>	--	4,393
<i>Deposits</i>	14,112	--
<i>Inventories</i>	--	--
<i>Prepaid items</i>	2,521	--
Total Assets	<u>\$ 180,485</u>	<u>\$ 4,334</u>
Liabilities:		
<i>Cash deficit</i>	\$ --	\$ --
<i>Accounts payable</i>	--	4,397
<i>Accrued wages/benefits</i>	--	645
Total Liabilities	<u>--</u>	<u>5,042</u>
Net Assets:		
<i>Unrestricted</i>	180,485	(708)
Total net assets	<u>180,485</u>	<u>(708)</u>
Total Liabilities and Fund Balances	<u>\$ 180,485</u>	<u>\$ 4,334</u>

702	703	704	Total Internal Service Funds (See Exhibit A-7)
Building & Utility	General Overhead	Information Processing Fund	
\$ --	\$ --	\$ --	\$ 163,721
(55)	6,826	--	6,843
--	--	--	4,393
--	--	--	14,112
--	754	--	754
--	--	--	2,521
<u>\$ (55)</u>	<u>\$ 7,580</u>	<u>\$ --</u>	<u>\$ 192,344</u>
\$ 157	\$ 17	\$ 54	\$ 228
43,779	226	3,379	51,781
453	755	551	2,404
<u>44,389</u>	<u>998</u>	<u>3,984</u>	<u>54,413</u>
(44,444)	6,582	(3,984)	137,931
<u>(44,444)</u>	<u>6,582</u>	<u>(3,984)</u>	<u>137,931</u>
<u>\$ (55)</u>	<u>\$ 7,580</u>	<u>\$ --</u>	<u>\$ 192,344</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	700	701
	Insurance	Fleet Management
Operating Revenues:		
<i>Charges for services</i>	\$ 1,291,365	\$ 386,165
<i>Miscellaneous</i>	51,191	67
Total Operating Revenues	<u>1,342,556</u>	<u>386,232</u>
Operating Expenses:		
<i>Personal services - salaries and wages</i>	--	37,574
<i>Personal services - employee benefits</i>	--	15,699
<i>Purchased professional and technical services</i>	--	110,560
<i>Supplies</i>	1,249,149	197,108
<i>Capital outlay</i>	--	16,736
Total Operating Expenses	<u>1,249,149</u>	<u>377,677</u>
Operating Income (Loss)	<u>93,407</u>	<u>8,555</u>
Transfers:		
<i>Interfund operating transfers in</i>	--	--
<i>Interfund operating transfers out</i>	--	--
Net income	<u>93,407</u>	<u>8,555</u>
Retained earnings/fund balances, July 1	87,078	(9,263)
Retained earnings/fund balances, June 30	<u>\$ 180,485</u>	<u>\$ (708)</u>

702	703	704	Total
Building & Utility	General Overhead	Information Processing Fund	Internal Service Funds (See Exhibit A-8)
\$ 617,856	\$ 238,698	\$ 96,189	\$ 2,630,273
--	100	1,158	52,516
<u>617,856</u>	<u>238,798</u>	<u>97,347</u>	<u>2,682,789</u>
28,817	43,894	25,318	135,603
8,675	16,069	3,074	43,517
299	21,526	21,955	154,340
556,673	56,038	35,255	2,094,223
--	74,058	10,544	101,338
<u>594,464</u>	<u>211,585</u>	<u>96,146</u>	<u>2,529,021</u>
23,392	27,213	1,201	153,768
--	--	--	--
--	--	--	--
<u>23,392</u>	<u>27,213</u>	<u>1,201</u>	<u>153,768</u>
(67,836)	(20,631)	(5,185)	(15,837)
<u>\$ (44,444)</u>	<u>\$ 6,582</u>	<u>\$ (3,984)</u>	<u>\$ 137,931</u>

CITY OF SELMA*COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**AGENCY FUNDS**JUNE 30, 2004*

	800	802	803
	Finance	Community	Planning
	Clearing	Services	Clearing
Assets:			
<i>Cash and investments</i>	\$ --	\$ 2,068	\$ 126,779
Total Assets	<u>\$ --</u>	<u>\$ 2,068</u>	<u>\$ 126,779</u>
Liabilities:			
<i>Cash deficit</i>	\$ 8,751	\$ --	\$ --
<i>Accounts payable</i>	(8,751)	2,068	126,779
Total Liabilities	<u>--</u>	<u>2,068</u>	<u>126,779</u>
Net Assets:			
Total net assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

804 Public Works Clearing	805 Senior Citizens Clearing	806 Police Dept Clearing	820 Payroll Clearing Fund
\$ 3,121	\$ 13,635	\$ 5,968	\$ 15,000
<u>\$ 3,121</u>	<u>\$ 13,635</u>	<u>\$ 5,968</u>	<u>\$ 15,000</u>
\$ --	\$ --	\$ --	\$ 15,000
3,121	13,635	5,968	--
<u>3,121</u>	<u>13,635</u>	<u>5,968</u>	<u>15,000</u>
\$ --	\$ --	\$ --	\$ --

CITY OF SELMA

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2004

	834 Sister City Fund	836 Graffiti Reward Fund	Total Agency Funds (See Exhibit A-9)
Assets:			
<i>Cash and investments</i>	\$ 675	\$ 700	\$ 167,946
Total Assets	<u>\$ 675</u>	<u>\$ 700</u>	<u>\$ 167,946</u>
Liabilities:			
<i>Cash deficit</i>	\$ --	\$ --	\$ 23,751
<i>Accounts payable</i>	675	700	144,195
Total Liabilities	<u>675</u>	<u>700</u>	<u>167,946</u>
Net Assets:			
Total net assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Jorge & Yribarren

Certified Public Accountants

--
Larry M. Jorge CPA, CFP
Steven B. Yribarren, CPA

February 15, 2005

Independent Auditor's Report

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Trustees
City of Selma
1710 Tucker Street
Selma, California 93662

Members of the Board of Trustees:

We have audited the basic financial statements of City of Selma as of and for the year ended June 30, 2004, and have issued our report thereon dated February 15, 2005. 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.

Compliance

As part of obtaining reasonable assurance about whether City of Selma's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS.

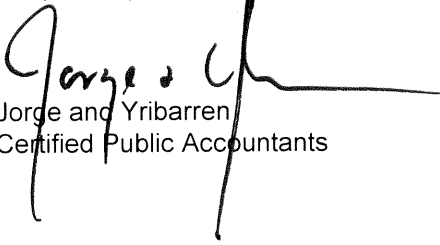
Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Selma's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

Board of Trustees
City of Selma
Page 2

This report is intended solely for the information and use of management, others within the organization, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Jorge and Yribarren
Certified Public Accountants

Jorge & Yribarren

Certified Public Accountants

Larry M. Jorge CPA, CFP
Steven B. Yribarren, CPA

February 15, 2005

Independent Auditor's Report

Report on Compliance with Requirements Applicable
To each Major Program and Internal Control over Compliance
In Accordance With OMB Circular A-133

Board of Trustees
City of Selma
1710 Tucker Street
Selma, California 93662

Members of the Board of Trustees:

Compliance

We have audited the compliance of City of Selma with the types of compliance requirements described in the U. S. OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133 COMPLIANCE SUPPLEMENT that are applicable to each of its major federal programs for the year ended June 30, 2004. City of Selma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Selma's management. Our responsibility is to express an opinion on City of Selma's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States; and OMB Circular A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Selma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Selma's compliance with those requirements.

In our opinion, City of Selma complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.


Internal Control Over Compliance

The management of City of Selma is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Selma's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,


Jorge and Yribarren
Certified Public Accountant

CITY OF SELMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2004

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Reportable condition(s) identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Reportable condition(s) identified that are not considered to be material weaknesses? Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.219	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes X No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

CITY OF SELMA
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004**
EXHIBIT D-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Program:			
Healthy Cities Grant	Unavailable	--	\$ 60,146
Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>60,146</u>
<u>U. S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Program:			
Highway Planning and Construction *	20.205	--	171,346
Total U. S. Department of Transportation			<u>171,346</u>
<u>U. S. DEPARTMENT OF JUSTICE</u>			
Direct Programs:			
Local Law Enforcement Block Grant	16.592	--	33,608
Supplemental Law Enforcement Services Fund	16.592	--	76,937
Executive Office of Weed and Seed	16.595	--	218,006
Total Direct Programs			<u>328,551</u>
Total U. S. Department of Justice			<u>328,551</u>
<u>U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
Direct Program:			
Community Development Block Grant-Entitlement *	14.219	--	298,017
Total U. S. Department of Housing & Urban Development			<u>298,017</u>
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Direct Programs:			
FMAAA-Title IIIB *	93.044	--	12,011
FMAAA-Title IIIC-1 *	93.045	--	5,619
Total Direct Programs			<u>17,630</u>
Total U. S. Department of Health and Human Services			<u>17,630</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Program:			
FEMA Fire Grant	97.044	--	22,150
Total DEPARTMENT OF HOMELAND SECURITY			<u>22,150</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 897,840</u>

* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

CITY OF SELMA***NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004*****Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Selma and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

