

CITY OF SELMA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

Introductory Section

City of Selma
Annual Financial Report
For The Year Ended June 30, 2010

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Financial Section

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December 31, 2010

Independent Auditor's Report on Financial Statements

Honorable Members of the City Council
of the City of Selma
Selma, California

Members of the City Council:

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Selma, California (City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 I 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

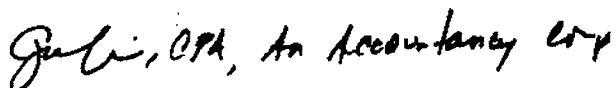
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2010, and the respective 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*, I have also issued my report dated December 31, 2010, on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages three through eight and page thirty-eight be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gary I. Istamboulian, CPA, An Accountancy Corp".

Gary I. Istamboulian, CPA
An Accountancy Corporation

CITY OF SELMA

Management's Discussion and Analysis
June 30, 2010

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, 2010. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and accompanying notes to those financial statements.

Financial Highlights

The City's governmental funds ended the year with a combined fund balance of \$46.9 million.

The City's General Fund ended the year with a fund deficiency of \$1.5 million, an increase of \$38,404 from the previous year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements include all activities of the City of Selma and its component units, 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 in cash flow in future fiscal periods (e.g. earned but unused vacation leave.)

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

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

CITY OF SELMA

Management's Discussion and Analysis June 30, 2010

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

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

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 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 the ambulance service and the Selma Manufacturing Complex, plus several non-major enterprise activities. 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 the Selma Manufacturing Complex funds, 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.

CITY OF SELMA

Management's Discussion and Analysis

June 30, 2010

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

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

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

Government-wide Financial Analysis

Below is a table showing the City's net assets for the fiscal year ended June 30, 2010, with comparative data for the fiscal year ended June 30, 2009.

City of Selma's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 7,888,931	\$ 8,847,085	\$ 1,209,060	\$ 1,230,272	\$ 9,097,991	\$ 10,077,357
Capital and long-term assets	59,692,618	59,997,791	435,983	195,562	60,128,601	60,193,353
Total assets	\$ 67,581,549	\$ 68,844,876	\$ 1,645,043	\$ 1,425,834	\$ 69,226,592	\$ 70,270,710
Long-term liabilities outstanding	\$ 16,291,743	\$ 17,307,303	\$ 297,143	\$ 92,594	\$ 16,588,886	\$ 17,399,897
Other liabilities	5,744,701	6,327,787	44,942	362,955	5,789,643	6,690,742
Total liabilities	22,036,444	23,635,090	342,085	455,549	22,378,529	24,090,639
Net assets:	\$ 45,545,105	\$ 45,209,786	\$ 1,302,958	\$ 970,285	\$ 46,848,063	\$ 46,180,071
Investment in capital assets, net of related debt	\$ 45,538,427	\$ 45,308,058	\$ 291,835	\$ 187,882	\$ 45,830,262	\$ 45,495,940
Restricted	5,324,934	4,727,808	-	-	5,324,934	4,727,808
Unrestricted	(5,318,256)	(4,826,080)	1,011,123	782,403	(4,307,133)	(4,043,677)
Total net assets	\$ 45,545,105	\$ 45,209,786	\$ 1,302,958	\$ 970,285	\$ 46,848,063	\$ 46,180,071

As of June 30, 2010 the City's government-wide total assets exceeded liabilities (net assets) by \$46.9 million. Governmental activities finished the year with a positive net asset balance of \$45.6 million. Business type activities finished the year with a positive balance of \$ 1.3 million. 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 more than half (51%) 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.

CITY OF SELMA

Management's Discussion and Analysis
June 30, 2010

Restricted net assets amount to \$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.

Governmental activities.

The following lists key components of these activities:

City of Selma's Changes in Net Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 1,468,789	\$ 837,819	\$ 3,115,276	\$ 2,923,337	\$ 4,584,065	\$ 3,761,156
Operating grants and contributions	35,661	42,973	6,900	363,306	42,561	406,279
Capital grants and contributions					-	-
General revenues:						
Taxes	8,155,604	9,221,763	-	-	8,155,604	9,221,763
Licenses and permits	180,514	171,518	-	-	180,514	171,518
Intergovernmental charges	3,076,938	2,075,100	-	-	3,076,938	2,075,100
Fines	120,212	134,829	-	-	120,212	134,829
Franchise fees	675,607	654,003	-	-	675,607	654,003
Revenue for the use of property	136,166	340,906	2,568	4,511	138,734	345,417
Miscellaneous	284,620	713,836	32,164	10,080	316,784	723,916
Transfers	(136,187)	475,031	136,188	(475,029)	1	2
Total revenues	13,997,924	14,667,778	3,293,096	2,826,205	17,291,020	17,493,983
Expenses:						
General government	976,952	1,751,427			976,952	1,751,427
Public safety	6,215,521	6,432,852			6,215,521	6,432,852
Public Works	1,400,952	1,718,520			1,400,952	1,718,520
Community development	1,891,143	2,108,373			1,891,143	2,108,373
Cultural and recreation	369,135	522,415			369,135	522,415
Capital Outlay	2,665,143	2,533,306			2,665,143	2,533,306
Debt Service	321,278	675,614			321,278	675,614
Ambulance			1,766,176	1,536,156	1,766,176	1,536,156
RDA Selma Manufacturing Complex			59,657	15,220	59,657	15,220
Pioneer Village			6,450	36,662	6,450	36,662
Transit			-	364,521	-	364,521
Garbage services			1,107,470	1,072,880	1,107,470	1,072,880
Cultural Arts			20,670	18,834	20,670	18,834
Total expense	13,840,124	15,742,507	2,960,423	3,044,273	16,800,547	18,786,780
Increase in net assets	157,800	(1,074,729)	332,673	(218,068)	490,473	(1,292,797)
Prior period adjustments	177,517	239,495	-	-	177,517	239,495
Net assets - beginning	45,209,788	46,045,022	1,188,355	1,188,355	46,398,143	47,233,377
Net assets - ending	\$ 45,545,105	\$ 45,209,788	\$ 1,521,028	\$ 970,287	\$ 47,066,133	\$ 46,180,075

CITY OF SELMA

Management's Discussion and Analysis June 30, 2010

The Governmental revenues for the year were \$14 million. Taxes, which include property, sales and other taxes account for \$8.155 million or 58% of the City's governmental activities revenue. Total governmental expenses for the year were \$13.8 million. Public Safety, which includes police and fire, account for \$6.2 million or 45% of the total governmental activity expenses, an increase of 4%. Community Development function accounts for \$1.9 million or 14% of the total expenses.

Financial Analysis of the City's Funds

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

Governmental funds. Not all of the City's governmental funds ended the year with positive fund balances. The ending fund balance for all funds is \$3.4 million, which is a decrease of \$500,000 or 15% when compared to the prior year. Of the total fund balance, a deficiency of \$1,498,891 is unreserved. 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:

Debt Service	\$ (278,571)
Low-Income Housing	\$ 10,154
Capital Projects and other	\$ 5,128,779

The general fund total fund balance decreased \$38,404 from the previous fiscal year.

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.

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.

Capital Assets and Debt Administration

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

	City of Selma Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 8,112,177	\$ 8,112,177	\$ -	\$ -	\$ 8,112,177	\$ 8,112,177
Construction in progress	794,533	170,783	-	-	794,533	170,783
Building and improvements	4,170,313	4,170,313	263,152	263,152	4,433,465	4,433,465
Machinery and equipment	7,561,810	7,089,232	782,102	510,022	8,343,912	7,599,254
Road network	90,164,276	89,094,595	-	-	90,164,276	89,094,595
Total	\$ 110,803,109	\$ 108,637,100	\$ 1,045,254	\$ 773,174	\$ 111,848,363	\$ 109,410,274

CITY OF SELMA

Management's Discussion and Analysis
June 30, 2010

Long-term Debt. The City's long-term debt as of June 30, 2010 was \$17 million with governmental activities accounting for most debt. Total debt was reduced during the year by \$1.6 million in debt principal payments.

City of Selma
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Special assessment debt with governmental commitment	\$ 5,115,000	\$ 5,530,000	\$ -	\$ -	\$ 5,115,000	\$ 5,530,000
Tax allocation bonds	3,270,000	3,310,000	-	-	3,270,000	3,310,000
Capital leases	1,224,314	1,092,586	137,236	39,120	1,361,550	1,131,706
Lease revenue bonds	-	-	-	-	-	-
Certificates of participation	-	290,000	-	-	-	290,000
Revenue bonds	7,225,000	7,615,000	-	-	7,225,000	7,615,000
Contracts payable	172,362	187,561	-	-	172,362	187,561
Total	<u>\$ 17,006,676</u>	<u>\$ 18,025,147</u>	<u>\$ 137,236</u>	<u>\$ 39,120</u>	<u>\$ 17,143,912</u>	<u>\$ 18,064,267</u>

The City issued new debt this past year. This new debt was for Capital Leases on new and replacement vehicles for City departments.

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 statutes limit the amount of general obligation debt to 15% of the City's total assessed valuation. The City of Selma's debt limit is \$131 million.

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, 2010

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 5,746,288	\$ 531,945	\$ 6,278,233
Cash with fiscal agent	944,651	--	944,651
Accounts receivables	287,319	1,257,499	1,544,818
Internal balances	40,000	(40,000)	--
Due from other agencies	712,232	87	712,319
Deposits	147,120	--	147,120
Inventories	8,221	254	8,475
Prepaid items	3,100	--	3,100
Allowance for bad debt	--	(540,725)	(540,725)
Fixed assets (net, where applicable, of accumulated depreciation)	54,381,976	435,983	54,817,959
Notes receivable	5,310,642	--	5,310,642
Total Assets	67,581,549	1,645,043	69,226,592
Liabilities:			
Cash deficit	3,542,132	--	3,542,132
Accounts payable	393,314	15,861	409,175
Accrued wages/benefits	199,941	29,081	229,022
Due to other agencies	184,228	--	184,228
Noncurrent liabilities:	--	--	--
Due within one year	1,425,086	44,072	1,425,086
Due in more than one year	16,291,743	253,071	16,588,886
Total Liabilities	22,036,444	342,085	22,378,529
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	45,538,427	291,835	45,830,262
Restricted For:			
Federal and State Programs	(317,176)	--	(317,176)
Debt Service	(278,571)	--	(278,571)
Capital Projects	4,723,245	--	4,723,245
Low-income housing	1,197,436	--	1,197,436
Unrestricted	(5,318,256)	1,011,123	(4,307,133)
Total Net Assets	\$ 45,545,105	\$ 1,302,958	\$ 46,848,063

The accompanying notes are an integral part of this statement.

CITY OF SELMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Expenditures:						
General government	\$ 976,951	\$ 351,559	\$ --	\$ (625,392)		\$ (625,392)
Public Safety	6,215,521	145,423	13,607	(6,056,491)		(6,056,491)
Public Works	1,400,952	705,818	--	(695,134)		(695,134)
Community Development	1,891,143	10,550	18,005	(1,862,588)		(1,862,588)
Recreation	369,135	41,221	4,049	(323,865)		(323,865)
Capital outlay	2,665,143	--	--	(2,665,143)		(2,665,143)
Debt service:	321,277	--	--	(321,277)		(321,277)
Total expenditures	13,840,122	1,254,571	35,661	(12,549,890)		(12,549,890)
Business-type Activities:						
Ambulance Service	1,766,176	1,840,436	--	--	\$ 74,260	74,260
Pioneer Village	59,657	25,389	3,000	--	(31,268)	(31,268)
Transit Service	6,450	80	--	--	(6,370)	(6,370)
Garbage Service	1,107,470	1,104,735	--	--	(2,735)	(2,735)
Cultural Arts	20,670	--	3,900	--	(16,770)	(16,770)
Total Business-type Activities	2,960,423	2,970,640	6,900	--	17,117	17,117
Total Primary Government	\$ 16,800,545	\$ 4,225,211	\$ 42,561	(12,549,890)	17,117	(12,532,773)
General Revenues:						
Taxes				8,155,604	--	8,155,604
Licenses and permits				180,514	--	180,514
Intergovernmental				3,076,938	--	3,076,938
Charges for services				214,217	144,636	358,853
Fines				120,212	--	120,212
Franchise fees				675,607	--	675,607
Revenue for use of money & property				136,166	2,568	138,734
Assessment Payments				(162,018)	--	(162,018)
Miscellaneous				446,638	32,164	478,802
Transfers				(136,187)	136,188	1
Total General Revenues				12,707,691	315,556	13,023,247
Change in Net Assets				157,801	332,673	490,474
Net Assets - Beginning				45,209,787	970,285	46,180,072
Prior Period Adjustment				177,517	--	177,517
Net Assets - Ending				\$ 45,545,105	\$ 1,302,958	\$ 46,848,063

The accompanying notes are an integral part of this statement.

CITY OF SELMA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2010

	General Fund	RDA General Debt Service	Developmental Impact Streets & Traffic
Assets:			
Cash and investments	\$ 11,149	\$ --	\$ 780,241
Cash with fiscal agent	--	--	--
Accounts receivables	98,130	--	--
Due from other funds	96,443	--	600,000
Due from other agencies	109,583	31,000	--
Inventories	1,554	--	--
Prepaid items	3,100	--	--
Total Assets	\$ 319,959	\$ 31,000	\$ 1,380,241
Liabilities:			
Cash deficit	\$ 447,405	\$ 1,450,794	\$ --
Accounts payable	83,048	--	--
Accrued wages/benefits	148,397	--	--
Due to other funds	1,140,000	--	--
Due to other agencies	--	163,971	--
Total Liabilities	1,818,850	1,614,765	--
Fund balances:			
Reserved fund balances:			
Reserved for debt service	--	(1,583,765)	--
Reserved for low-income housing	--	--	--
Reserved for capital projects	--	--	1,380,241
Reserved for federal and state programs	--	--	--
Unreserved	(1,498,891)	--	--
Unreserved, reported in nonmajor:			
Capital projects funds	--	--	--
Total fund balances	(1,498,891)	(1,583,765)	1,380,241
Total Liabilities and Fund Balances	\$ 319,959	\$ 31,000	\$ 1,380,241

The accompanying notes are an integral part of this statement.

RDA Housing Project Capital Project	RDA Housing Bond Capital Project	Other Governmental Funds	Total Governmental Funds
\$ 1,171,104	\$ 946,771	\$ 2,660,149	\$ 5,569,414
--	--	944,651	944,651
--	--	188,833	286,963
--	--	1,152,965	1,849,408
--	--	571,635	712,218
--	--	6,447	8,001
--	--	--	3,100
<u>\$ 1,171,104</u>	<u>\$ 946,771</u>	<u>\$ 5,524,680</u>	<u>\$ 9,373,755</u>
\$ --	\$ --	\$ 1,643,833	\$ 3,542,032
--	--	190,961	274,009
--	--	44,269	192,666
--	--	669,408	1,809,408
20,257	--	--	184,228
<u>20,257</u>	<u>--</u>	<u>2,548,471</u>	<u>6,002,343</u>
--	--	1,305,194	(278,571)
1,150,847	946,771	--	2,097,618
--	--	1,650,920	3,031,161
--	--	(315,487)	(315,487)
--	--	--	(1,498,891)
--	--	335,582	335,582
<u>1,150,847</u>	<u>946,771</u>	<u>2,976,209</u>	<u>3,371,412</u>
<u>\$ 1,171,104</u>	<u>\$ 946,771</u>	<u>\$ 5,524,680</u>	<u>\$ 9,373,755</u>

CITY OF SELMA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances - governmental funds balance sheet	\$ 3,371,412
--	--------------

Amounts reported for governmental activities in the Statement of Net Assets
("SNA") are different because:

Capital assets used in governmental activities are not reported in the funds.	53,535,101
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	197,904
Payables for bond principal which are not due in the current period are not reported in the funds.	(15,630,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(1,224,312)
Payables for notes which are not due in the current period are not reported in the funds.	(172,362)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(690,155)
Long-term receivables unavailable to pay for current period expenditures are deferred in the funds.	945,642
Assessments receivable unavailable to pay for current period expenditures are deferred in the funds.	4,365,000
Other reconciling items	846,875

Net assets of governmental activities - Statement of Net Assets	\$ 45,545,105
---	---------------

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, 2010

	General Fund	RDA General Debt Service	Developmental Impact Streets & Traffic
Revenue:			
Taxes	\$ 5,587,392	\$ 1,171,469	\$ --
Licenses and permits	375,009	--	--
Intergovernmental	107,068	--	--
Charges for services	349,365	--	51,224
Fines	10,928	--	--
Franchise fees	675,607	--	--
Revenue for use of money & property	18,585	(6,272)	2,897
Assessment payment	--	6,375	--
Miscellaneous	132,819	1,750	--
Total revenues	<u>7,256,773</u>	<u>1,173,322</u>	<u>54,121</u>
Expenditures:			
General government	1,155,135	--	--
Public Safety	5,432,198	--	--
Public Works	242,673	--	--
Community Development	522,861	946,036	--
Recreation	345,229	--	--
Capital outlay	5,995	--	--
Debt service:			
Principal	253,264	423,798	--
Interest and fiscal charges	226,513	69,495	--
Total expenditures	<u>8,183,868</u>	<u>1,439,329</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(927,095)	(266,007)	54,121
Other financing sources (uses):			
Operating transfers in	888,691	--	--
Operating transfers out	--	--	--
Total other financing sources (uses)	<u>888,691</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(38,404)	(266,007)	54,121
Fund balances/equity, July 1	(1,460,487)	(1,317,758)	1,326,120
Fund balances/equity, June 30	<u>\$ (1,498,891)</u>	<u>\$ (1,583,765)</u>	<u>\$ 1,380,241</u>

The accompanying notes are an integral part of this statement.

RDA Housing Project Capital Project	RDA Housing Bond Capital Project	Other Governmental Funds	Total Governmental Funds
\$ 292,861	\$ --	\$ 1,103,882	\$ 8,155,604
--	--	1,625	376,634
--	--	2,981,812	3,088,880
--	--	838,773	1,239,362
--	--	120,212	131,140
--	--	--	675,607
12,292	--	197,338	224,840
1,080	--	2,016,285	2,023,740
120	--	346,203	480,892
<u>306,353</u>	<u>--</u>	<u>7,606,130</u>	<u>16,396,699</u>
--	--	45,185	1,200,320
--	--	572,222	6,004,420
--	--	1,158,279	1,400,952
17,398	--	404,848	1,891,143
--	--	23,906	369,135
--	--	1,995,413	2,001,408
38,290	--	1,662,082	2,377,434
--	--	1,224,939	1,520,947
<u>55,688</u>	<u>--</u>	<u>7,086,874</u>	<u>16,765,759</u>
250,665	--	519,256	(369,060)
--	--	(1,085,022)	(196,331)
--	--	60,144	60,144
<u>--</u>	<u>--</u>	<u>(1,024,878)</u>	<u>(136,187)</u>
250,665	--	(505,622)	(505,247)
900,182	946,771	3,481,831	3,876,659
<u>\$ 1,150,847</u>	<u>\$ 946,771</u>	<u>\$ 2,976,209</u>	<u>\$ 3,371,412</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, 2010

Net change in fund balances - total governmental funds \$ (505,247)

Amounts reported for governmental activities in the Statement of Activities
("SOA") are different because:

Capital outlays are not reported as expenses in the SOA.	589,133
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,379,868)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(76,831)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,590,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	1,120,346
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	(192,000)
The net revenue (expense) of internal service funds is reported with governmental activities.	223,368
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(211,101)
Rounding difference	1

Change in net assets of governmental activities - Statement of Activities \$ 157,801

The accompanying notes are an integral part of this statement.

CITY OF SELMA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Enterprise Fund	Enterprise Fund
	Ambulance Service	Garbage Service
Assets:		
Cash and investments	\$ 307,785	\$ 21,111
Accounts receivables	1,257,499	--
Due from other agencies	--	87
Deposits	--	--
Inventories	254	--
Allowance for bad debts	(540,725)	--
Fixed assets (net, where applicable, of accumulated depreciation)	429,071	--
Total Assets	<u>\$ 1,453,884</u>	<u>\$ 21,198</u>
Liabilities:		
Accounts payable	\$ 6,233	\$ --
Accrued wages/benefits	188,988	--
Due to other funds	--	--
Leases payable	137,236	--
Total Liabilities	<u>332,457</u>	<u>--</u>
Net Assets:		
Unrestricted	1,121,427	21,198
Total net assets	<u>1,121,427</u>	<u>21,198</u>
Total Liabilities and Fund Balances	<u>\$ 1,453,884</u>	<u>\$ 21,198</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-7

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 203,049	\$ 531,945	\$ 85,596
--	1,257,499	356
--	87	14
--	--	147,120
--	254	220
--	(540,725)	--
6,912	435,983	--
<u>\$ 209,961</u>	<u>\$ 1,685,043</u>	<u>\$ 233,306</u>
\$ 9,628	\$ 15,861	\$ 28,128
--	188,988	7,275
40,000	40,000	--
--	137,236	--
<u>49,628</u>	<u>382,085</u>	<u>35,403</u>
160,333	1,302,958	197,903
<u>160,333</u>	<u>1,302,958</u>	<u>197,903</u>
<u>\$ 209,961</u>	<u>\$ 1,685,043</u>	<u>\$ 233,306</u>

CITY OF SELMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Enterprise Fund	Enterprise Fund
	Ambulance Service	Garbage Service
Operating Revenues:		
Taxes	\$ --	\$ 1,104,735
Charges for services	1,975,341	--
Intergovernmental	--	--
Revenue for use of money & property	1,221	(459)
Miscellaneous	2,064	--
Total Operating Revenues	<u>1,978,626</u>	<u>1,104,276</u>
Operating Expenses:		
Personal services - salaries and wages	947,474	--
Personal services - employee benefits	380,310	--
Purchased professional and technical services	92,388	1,107,470
Other internal services	250,225	--
Depreciation	30,883	--
Capital outlay-Interest charges	64,896	--
Total Operating Expenses	<u>1,766,176</u>	<u>1,107,470</u>
Operating Income (Loss)	<u>212,450</u>	<u>(3,194)</u>
Transfers:		
Interfund operating transfers in	(89,019)	--
Interfund operating transfers out	--	--
Total transfers	<u>(89,019)</u>	<u>--</u>
Net income	123,431	(3,194)
Retained earnings/fund balances, July 1	997,996	24,392
Retained earnings/fund balances, June 30	<u>\$ 1,121,427</u>	<u>\$ 21,198</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-8

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ --	\$ 1,104,735	\$ --
9,731	1,985,072	3,490,720
80	80	--
26,920	27,682	--
37,275	39,339	38,337
<u>74,006</u>	<u>3,156,908</u>	<u>3,529,057</u>
4,524	951,998	130,239
4,534	384,844	68,744
49,037	1,248,895	262,857
27,914	278,139	2,739,094
768	31,651	--
--	64,896	104,755
<u>86,777</u>	<u>2,960,423</u>	<u>3,305,689</u>
(12,771)	196,485	223,368
--	(89,019)	--
225,207	225,207	--
<u>225,207</u>	<u>136,188</u>	<u>--</u>
212,436	332,673	223,368
(52,103)	970,285	(25,465)
<u>\$ 160,333</u>	<u>\$ 1,302,958</u>	<u>\$ 197,903</u>

CITY OF SELMA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

	Enterprise Funds		
	Ambulance Service	Garbage Service	Nonmajor Ent. Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 1,866,593	\$ 1,105,943	\$ 73,869
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	--	--	--
Cash Payments to Employees for Services	(1,220,038)	--	(9,058)
Cash Payments to Other Suppliers for Goods and Services	(307,115)	(1,107,470)	(69,199)
Cash Payments for Grants to Other Organizations	--	--	--
Other Operating Cash Receipts (Payments)	--	--	--
Net Cash Provided (Used) by Operating Activities	339,440	(1,527)	(4,388)
Cash Flows from Capital and Related Financing Activities:			
Principal and Interest Paid	(22,331)	--	--
Acquisition or Construction of Capital Assets	(239,844)	--	--
Net Cash Provided (Used) for Capital & Related Financing Activities	(262,175)	--	--
Net Increase (Decrease) in Cash and Cash Equivalents	77,265	(1,527)	(4,388)
Cash and Cash Equivalents at Beginning of Year	230,520	22,638	207,438
Cash and Cash Equivalents at End of Year	\$ 307,785	\$ 21,111	\$ 203,050
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ 123,431	\$ (3,194)	212,436
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	30,883	--	768
Change in Assets and Liabilities:			
Decrease (Increase) in Deposits	--	--	(307,302)
Decrease (Increase) in Receivables	(23,014)	76,667	424
Decrease (Increase) in Inventories	1,998	--	--
Decrease (Increase) in Prepaid Expenses	--	--	--
Increase (Decrease) in Accounts Payable	280	--	1,876
Increase (Decrease) in Accrued Wages Payable	107,746	--	(14,180)
Increase (Decrease) in Interfund Payables	--	(75,000)	101,590
Increase (Decrease) in Leases Payable	98,116	--	--
Total Adjustments	216,009	1,667	(216,824)
Net Cash Provided (Used) by Operating Activities	\$ 339,440	\$ (1,527)	(4,388)

The accompanying notes are an integral part of this statement.

EXHIBIT A-9

Internal Serv. Funds	Totals
\$ 3,303,113	\$ 6,349,518
--	--
(203,309)	(1,432,405)
(3,102,353)	(4,586,137)
--	--
--	--
(2,549)	330,976
--	(22,331)
--	(239,844)
--	(262,175)
(2,549)	68,801
88,145	548,741
\$ 85,596	\$ 617,542

\$ 223,368	\$ 556,041
--	31,651
(226,297)	(533,599)
408	54,485
129	2,127
2,149	2,149
(6,631)	(4,475)
4,325	97,891
--	26,590
--	98,116
(225,917)	(225,065)
\$ (2,549)	\$ 330,976

CITY OF SELMA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2010

	Agency Funds
Assets:	
Cash and investments	\$ 91,277
Total Assets	\$ 91,277
Liabilities:	
Cash deficit	\$ 100
Accounts payable	91,177
Total Liabilities	91,277
Net Assets:	
Total net assets	\$ --

The accompanying notes are an integral part of this statement.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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.

1. Reporting Entity

The City's basic 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 exclusion of the organization would result in misleading or incomplete financial statements

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

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

2. Basis of Presentation, Basis of Accounting

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 are 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.

Street Maintenance Fund. This is the fund that accounts for the maintenance of the City's streets and alleyways.

Debt Service Funds. These are the funds that are used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

The City reports the following major enterprise funds:

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

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.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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.

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 not 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

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

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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

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

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

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

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.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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.

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:

Violation	Action Taken
None reported	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.

Cash Deposits:

At June 30, 2010, the carrying amount of the City's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$7,222,884 and the bank balance was \$6,278,233. The City's cash deposits at June 30, 2010 and during the year ended June 30, 2010, were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

At year end, the City was not exposed to custodial credit risk.

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

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.

Local Agency Investment Fund (LAIF)

The City participates in an external investment pool, as defined by Government Accounting Standards Board (GASB) Statement No. 31, by way of its funds on deposit in the Local Agency Investment Fund (LAIF), managed by the State of California. These funds are pooled with those of other agencies in the state and invested in accordance with state guidelines. Substantially all information required for the GASB Statement No. 31 disclosure was unavailable at the time these financial statements were prepared. The balance of \$1,427,651 approximates the fair value. Investment gains and losses are shared proportionately by all members of LAIF and paid quarterly to each member. Investment in LAIF is not subject to risk categorization.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

D. Notes receivable

The Agency had the following receivables outstanding at June 30, 2010:

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
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.	214,549
Secure Storage, \$444,000 installment promissory note dated with varying dates, secured by Deed of Trust, due in quarterly installments with interest at 5.5%	330,102
Farmer in the Dill, LP, \$117,810 installment promissory note dated April 30, 2007, secured by Deed of Trust, due in quarterly installments with interest at 5.5%	101,312
Glacier Air, \$103,850 installment promissory note dated May 4, 2005 secured by Deed of Trust, due in quarterly installments with interest at 5% due in January 2020.	76,964
Facade improvement - Helm property secured by Deed of Trust, due upon sale of the property no interest	35,594
Selma Pallet, \$220,000 installment promissory note dated November 8, 2006, secured by Deed of Trust, due in quarterly installments with interest at 5.5% due in September 2023.	173,816
	<u>\$ 945,642</u>

E. Bonds receivable

The Authority has entered into bond and lease agreements with the following at June 30, 2010:

City of Mt Shasta Loan Refunding	\$ 160,000
	<u>\$ 160,000</u>

Future Commitments to the Authority follow:

Year Ending	
June 30, 2011	\$ 80,000
June 30, 2012	80,000
	<u>\$ 160,000</u>

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

F. 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, 2010:

Assessment District No. 1991-2 Improvement Bonds - Highland	\$ 1,028,000
Assessment District No. 1992-1 Improvement Bonds - Dancer II	230,000
Assessment District No. 1992-1 Supplemental Improvement Bonds - Dancer III	215,000
Assessment District No. 1992-1 Third Supplemental Improvement Bonds - Pea Soup Andersen	1,689,000
Assessment District No. 1993-1 Improvement Bonds - Vineyard	430,000
Assessment District No. 1991-2 Supplemental Improvement Bonds - Stillman	229,000
Assessment District No. 1991-2 Supplemental Improvement Bonds - Watermain	214,000
Assessment District No. 1997-1 - Theater	170,000
	<u>\$ 4,205,000</u>

G. Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,112,177	\$ --	\$ --	\$ 8,112,177
Construction in progress	170,783	623,750	--	794,533
Total capital assets not being depreciated	<u>8,282,960</u>	<u>623,750</u>	<u>--</u>	<u>8,906,710</u>
Capital assets being depreciated:				
Roads and other infrastructure	89,094,595	1,069,681	--	90,164,276
Buildings and improvements	4,170,313	--	--	4,170,313
Equipment	7,089,232	472,578	--	7,561,810
Total capital assets being depreciated	<u>100,354,140</u>	<u>1,542,259</u>	<u>--</u>	<u>101,896,399</u>
Less accumulated depreciation for:				
Roads and other infrastructure	(48,203,960)	(1,864,085)	--	(50,068,045)
Buildings and improvements	(2,597,457)	(110,118)	--	(2,707,575)
Equipment	(3,239,848)	(405,665)	--	(3,645,513)
Total accumulated depreciation	<u>(54,041,265)</u>	<u>(2,379,868)</u>	<u>--</u>	<u>(56,421,133)</u>
Total capital assets being depreciated, net	<u>46,312,875</u>	<u>(837,609)</u>	<u>--</u>	<u>45,475,266</u>
Governmental activities capital assets, net	<u>\$ 54,595,835</u>	<u>\$ (213,859)</u>	<u>\$ --</u>	<u>\$ 54,381,976</u>

CITY OF SELMA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	263,152	--	--	263,152
Equipment	510,020	272,082	--	782,102
Vehicles	--	--	--	--
Total capital assets being depreciated	773,172	272,082	--	1,045,254
Less accumulated depreciation for:				
Buildings and improvements	(255,472)	(826)	--	(256,298)
Equipment	(322,140)	(30,883)	--	(353,023)
Total accumulated depreciation	(577,612)	(31,709)	--	(609,321)
Total capital assets being depreciated, net	195,560	240,373	--	435,933
Business-type activities capital assets, net	\$ 195,560	\$ 240,373	\$ --	\$ 435,933

Depreciation was charged to functions as follows:

General Government	\$ 158,367
Public Protection:	
Fire Protection	78,224
Police	170,384
Public Ways and Facilities, Including	
Depreciation of General Infrastructure Assets	1,972,893
Pioneer Village	826
Ambulance Service	30,883
	\$ 2,411,577

H. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2010, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Cultural Arts Fund	\$ 40,000	Short-term loans
Development Impact Fund	Northeast Specific Plan	450,000	Short-term loans
Park & Rec. Impact Fund	Prop. 40 Parks Grant	24,125	Capital projects expenditures
Other Governmental Funds	General Fund	1,140,000	Short-term loans
General Fund	Other Governmental Funds	96,443	
	Total	\$ 1,750,568	

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

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2010, consisted of the following:

Transfers From	Transfers To	Amount	Reason
Other Governmental Funds	Street Maintenance Fund	\$ 1,166,637	Supplement other funds sources
Other Governmental Funds	General fund	1,117,514	Reimburse expenditures
General fund	Other Governmental Funds	228,823	Supplement other funds sources
	Total	\$ 2,512,974	

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

I. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2010, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Revenue bonds-Authority	\$ 13,570,000	\$ --	\$ 1,210,000	\$ 12,360,000	995,000
Revenue bonds-Agency	3,310,000	--	40,000	3,270,000	45,000
Notes	187,560	--	15,198	172,362	57,093
Capital leases	1,092,586	449,876	318,148	1,224,314	327,993
Compensated absences *	479,053	211,102	--	690,155	--
Total governmental activities	\$ 18,639,199	\$ 660,978	\$ 1,583,346	\$ 17,716,831	\$ 1,425,086
Business-type activities:					
Capital leases	\$ 39,120	\$ 137,236	\$ 39,120	\$ 137,236	\$ 44,072
Compensated absences *	71,173	106,434	17,699	159,908	--
Total business-type activities	\$ 110,293	\$ 243,670	\$ 56,819	\$ 297,144	\$ 44,072

* Other long-term liabilities

Revenue Bonds

A summary of changes in bonds payable of the Authority for the year ended June 30, 2010 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2009	Issued	Retired	Outstanding June 30, 2010
1994	4% - 7.25%	\$ 11,570,000	\$ 1,440,000	\$ --	\$ 115,000	\$ 1,325,000
99 COP	6% - 6.15%	2,300,000	290,000	--	290,000	--
1999-A	4.5% - 5.85%	8,110,000	4,680,000	--	245,000	4,435,000
2001-A	variable	6,850,000	5,530,000	--	415,000	5,115,000
2004-A	variable	2,515,000	1,630,000	--	145,000	1,485,000
		\$ 31,345,000	\$ 13,570,000	\$ --	\$ 1,210,000	\$ 12,360,000

A summary of changes in bonds payable of the Agency for the year ended June 30, 2010 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2009	Issued	Retired	Outstanding June 30, 2010
Industrial Park	7.25%	\$ 3,561,890	\$ 3,310,000	\$ --	\$ 40,000	\$ 3,270,000
		\$ 3,561,890	\$ 3,310,000	\$ --	\$ 40,000	\$ 3,270,000

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2010, are as follows:

Year Ending June 30,	Authority		
	Governmental Activities		Total
	Principal	Interest	
2011	\$ 995,000	\$ 560,395	\$ 1,555,395
2012	1,045,000	519,419	1,564,419
2013	995,000	478,200	1,473,200
2014	1,045,000	433,821	1,478,821
2015	1,120,000	384,833	1,504,833
2016-2020	4,700,000	1,134,089	5,834,089
2021-2025	2,460,000	202,467	2,662,467
Totals	\$ 12,360,000	\$ 3,713,224	\$ 16,073,224

Year Ending June 30,	Agency		
	Governmental Activities		Total
	Principal	Interest	
2011	\$ 45,000	\$ 162,375	\$ 207,375
2012	45,000	160,125	205,125
2013	50,000	157,750	207,750
2014	50,000	155,250	205,250
2015	55,000	152,625	207,625
2016-2020	310,000	716,250	1,026,250
2021-2025	400,000	631,250	1,031,250
2026-2030	525,000	515,625	1,040,625
2031-2036	660,000	368,250	1,028,250
2036-2040	850,000	180,250	1,030,250
2041-2045	280,000	7,000	287,000
Totals	\$ 3,270,000	\$ 3,206,750	\$ 6,476,750

3. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of June 30, 2010, as follows:

Year Ending June 30:	
2011	\$ 429,856
2012	319,137
2013	277,084
2014	188,658
2015	57,865
2016-2020	289,327
Total Minimum Rentals	1,561,927
Interest amount	200,379
Principal amount	\$ 1,361,548

4. Notes Payable

The outstanding notes payable of the City of Selma at June 30, 2010 are as follows:

Selma Health Care District	\$ 75,691
Wal-Mart	96,671
	\$ 172,362

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Debt Service Requirements

Debt service requirements on notes payable of the City at June 30, 2010, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2011	\$ 53,144	\$ 12,881	\$ 66,025
2012	57,093	8,857	65,950
2013	19,595	4,529	24,124
2014	21,327	2,796	24,123
2015	21,203	911	22,114
Totals	\$ 172,362	\$ 29,974	\$ 202,336

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

Liability	Activity Type	Fund
Compensated absences	Governmental	General fund
Claims and judgments	Governmental	General fund
Compensated absences	Business-type	Ambulance fund

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-five (55) 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

Plan Description

The City contributes to an employer pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Funding Policy

City employees are required by state statute to contribute 8% for miscellaneous employees and 8% for safety employees of their annual covered salary. The City employer makes 3% of the contributions required of City employees on their behalf and for their account which amounted to \$213,950 for the year ended June 30, 2010. The City employer is required to contribute for fiscal year 2009-2010 at an actuarially determined rate; the current rate is 15.826% for miscellaneous employees, and 14.6% for safety employees of annual covered payroll. The contribution requirements of City employees and the City employer are established and may be amended by PERS.

Annual Pension Cost

For fiscal year 2009-2010, the City's annual pension cost of \$1,091,119 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), and (b) projected salary increases range from 3.25% to 14.45% for miscellaneous employees and safety depending on age, service, and type of employment. Both (a) and (b) included an inflation component of 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 15 year period. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll. The amortization period at June 30, 2006 was 17 years for miscellaneous employees and 14 years for safety employees.

Trend Information for the Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	\$ 1,334,151	100%	\$ --
June 30, 2009	1,296,660	100%	--
June 30, 2010	1,091,119	100%	--

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.

2. Litigation

The city is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

M. Subsequent Events

Subsequent to the end of the fiscal year, a vacant building owned by the Agency collapsed. The damage resulted in a total loss. The Agency has insurance that will cover all losses and make the Agency whole.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

N. Prior Period Adjustments

Certain errors resulting in an understatement of previously reported assets were discovered during the current year. Accordingly, adjustments totaling \$177,517 were made for the following:

1) Assessment due from another City was underreported	\$	160,000
2) A note receivable was overreported		(18,077)
3) A note receivable for facade improvement was underreported		<u>35,594</u>
	\$	<u>177,517</u>

A corresponding entry was made to increase previously reported net assets by \$177,517.

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, 2010

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 6,540,072	\$ 6,540,072	\$ 5,587,392	\$ (952,680)
Licenses and permits	132,050	132,050	375,009	242,959
Intergovernmental	152,188	152,188	107,068	(45,120)
Charges for services	422,685	422,685	349,365	(73,320)
Fines	16,900	16,900	10,928	(5,972)
Franchise fees	681,000	681,000	675,607	(5,393)
Revenue for use of money & property	41,320	41,320	18,585	(22,735)
Miscellaneous	123,100	123,100	132,819	9,719
Total revenues	8,109,315	8,109,315	7,256,773	(852,542)
Expenditures:				
General government	1,113,645	1,113,645	1,155,135	(41,490)
Public Safety	5,839,737	5,839,737	5,432,198	407,539
Public Works	373,558	373,558	242,673	130,885
Community Development	485,043	485,043	522,861	(37,818)
Recreation	432,873	432,873	345,229	87,644
Capital outlay	6,000	6,000	5,995	5
Debt service:				
Principal	439,094	439,094	253,264	185,830
Interest and fiscal charges	226,513	226,513	226,513	--
Total expenditures	8,916,463	8,916,463	8,183,868	732,595
Excess (deficiency) of revenues over (under) expenditures	(807,148)	(807,148)	(927,095)	(119,947)
Other financing sources (uses):				
Operating transfers in	1,135,000	1,135,000	888,691	(246,309)
Total other financing sources (uses)	1,135,000	1,135,000	888,691	(246,309)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	327,852	327,852	(38,404)	(366,256)
Fund balances/equity, July 1	(1,460,487)	(1,460,487)	(1,460,487)	--
Fund balances/equity, June 30	\$ (1,132,635)	\$ (1,132,635)	\$ (1,498,891)	\$ (366,256)

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, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
Assets:				
Cash and investments	\$ (542,363)	\$ 776,615	\$ 2,425,897	\$ 2,660,149
Cash with fiscal agent	--	944,651	--	944,651
Accounts receivables	25,765	--	163,068	188,833
Due from other funds	453,840	--	699,125	1,152,965
Due from other agencies	571,635	--	--	571,635
Inventories	6,447	--	--	6,447
Total Assets	\$ 515,324	\$ 1,721,266	\$ 3,288,090	\$ 5,524,680
Liabilities:				
Cash deficit	\$ 381,185	\$ 412,906	\$ 849,742	\$ 1,643,833
Accounts payable	185,949	3,166	1,846	190,961
Accrued wages/benefits	44,269	--	--	44,269
Due to other funds	219,408	--	450,000	669,408
Total Liabilities	830,811	416,072	1,301,588	2,548,471
Fund balances:				
Reserved fund balances:				
Reserved for debt service	--	1,305,194	--	1,305,194
Reserved for capital projects	--	--	1,650,920	1,650,920
Reserved for federal and state programs	(315,487)	--	--	(315,487)
Unreserved, reported in nonmajor:				
Capital projects funds	--	--	335,582	335,582
Total fund balances	(315,487)	1,305,194	1,986,502	2,976,209
Total Liabilities and Fund Balances	\$ 515,324	\$ 1,721,266	\$ 3,288,090	\$ 5,524,680

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
Taxes	\$ 1,103,882	\$ --	\$ --	\$ 1,103,882
Licenses and permits	1,625	--	--	1,625
Intergovernmental	2,981,812	--	--	2,981,812
Charges for services	337,839	--	500,934	838,773
Fines	120,212	--	--	120,212
Revenue for use of money & property	(4,503)	197,287	4,554	197,338
Assessment payment	--	2,016,285	--	2,016,285
Miscellaneous	223,053	3,150	120,000	346,203
Total revenues	<u>4,763,920</u>	<u>2,216,722</u>	<u>625,488</u>	<u>7,606,130</u>
Expenditures:				
General government	33,835	11,350	--	45,185
Public Safety	572,222	--	--	572,222
Public Works	1,158,279	--	--	1,158,279
Community Development	237,431	--	167,417	404,848
Recreation	23,906	--	--	23,906
Capital outlay	1,975,440	--	19,973	1,995,413
Debt service:				
Principal	244,482	1,412,000	5,600	1,662,082
Interest and fiscal charges	79,592	1,142,518	2,829	1,224,939
Total expenditures	<u>4,325,187</u>	<u>2,565,868</u>	<u>195,819</u>	<u>7,086,874</u>
Excess (deficiency) of revenues over (under) expenditures	438,733	(349,146)	429,669	519,256
Other financing sources (uses):				
Operating transfers in	(610,022)	--	(475,000)	(1,085,022)
Operating transfers out	60,144	--	--	60,144
Total other financing sources (uses)	<u>(549,878)</u>	<u>--</u>	<u>(475,000)</u>	<u>(1,024,878)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(111,145)	(349,146)	(45,331)	(505,622)
Fund balances/equity, July 1	(204,342)	1,654,340	2,031,833	3,481,831
Fund balances/equity, June 30	<u>\$ (315,487)</u>	<u>\$ 1,305,194</u>	<u>\$ 1,986,502</u>	<u>\$ 2,976,209</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	201	202	204	205
	Traffic Safety	Redevelopment Administration	Public Safety	Redevelopment Housing Administration
Assets:				
Cash and investments	\$ --	\$ --	\$ --	\$ 2
Accounts receivables	--	--	--	--
Due from other funds	--	--	--	--
Due from other agencies	7,317	163,972	4,426	20,257
Inventories	--	--	--	--
Total Assets	\$ 7,317	\$ 163,972	\$ 4,426	\$ 20,259
Liabilities:				
Cash deficit	\$ --	\$ 159,744	\$ --	\$ 20,259
Accounts payable	--	--	--	--
Accrued wages/benefits	--	4,642	--	1,126
Due to other funds	19,900	--	2,543	--
Total Liabilities	19,900	164,386	2,543	21,385
Fund balances:				
Reserved fund balances:				
Reserved for federal and state programs	(12,583)	(414)	1,883	(1,126)
Total fund balances	(12,583)	(414)	1,883	(1,126)
Total Liabilities and Fund Balances	\$ 7,317	\$ 163,972	\$ 4,426	\$ 20,259

207 Traffic Congestion Relief Grant	209 AB 1913 Grant	210 Street Maintenance Fund	211 Street Gas Tax	214 Street Measure "C"
\$ 409,201	\$ 39,485	\$ (1,275,065)	\$ --	\$ --
--	--	1,840	--	(200)
--	--	315,000	--	138,840
58,689	8,956	--	37,272	31,779
--	--	6,447	--	--
\$ 467,890	\$ 48,441	\$ (951,778)	\$ 37,272	\$ 170,419
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	1,891	--	--
--	2,310	17,524	--	--
--	--	138,840	--	--
--	2,310	158,255	--	--
467,890	46,131	(1,110,033)	37,272	170,419
467,890	46,131	(1,110,033)	37,272	170,419
\$ 467,890	\$ 48,441	\$ (951,778)	\$ 37,272	\$ 170,419

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	215 Proposition 1B Fund	220 Landscape and Lighting Assessment	228 Abandoned Vehicle Abatement	230 CDBG Grant
Assets:				
Cash and investments	\$ 76,000	\$ --	\$ 24,436	\$ 22,525
Accounts receivables	--	--	--	--
Due from other funds	--	--	--	--
Due from other agencies	--	14	--	9,734
Inventories	--	--	--	--
Total Assets	\$ 76,000	\$ 14	\$ 24,436	\$ 32,259
Liabilities:				
Cash deficit	\$ --	\$ 22,534	\$ --	\$ --
Accounts payable	76,000	42	--	31,500
Accrued wages/benefits	--	2,538	--	--
Due to other funds	--	--	--	--
Total Liabilities	76,000	25,114	--	31,500
Fund balances:				
Reserved fund balances:				
Reserved for federal and state programs	--	(25,100)	24,436	759
Total fund balances	--	(25,100)	24,436	759
Total Liabilities and Fund Balances	\$ 76,000	\$ 14	\$ 24,436	\$ 32,259

232	233	234	236	238
Recycling Grant	Safe Routes to Schools Grant	Weed & Seed Grant	Healthy Cities Grant	T-21 Project Grant
\$ 28,962	\$ 18,478	\$ 944	\$ 3,821	\$ 51,321
--	--	--	--	--
--	--	--	--	18,728
--	--	--	--	--
\$ 28,962	\$ 18,478	\$ 944	\$ 3,821	\$ 70,049
\$ --	\$ --	\$ --	\$ --	\$ --
--	18,480	944	--	51,562
--	--	--	--	--
--	--	--	--	--
--	18,480	944	--	51,562
28,962	(2)	--	3,821	18,487
28,962	(2)	--	3,821	18,487
\$ 28,962	\$ 18,478	\$ 944	\$ 3,821	\$ 70,049

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	242	243	248	252
	Traffic Grant	Proposition 40 Parks Grant	Small Business Support Center	DOJ Brynes Grant
Assets:				
Cash and investments	\$ --	\$ --	\$ 700	\$ 23,805
Accounts receivables	--	24,125	--	--
Due from other funds	--	--	--	--
Due from other agencies	10,861	--	--	--
Inventories	--	--	--	--
Total Assets	\$ 10,861	\$ 24,125	\$ 700	\$ 23,805
Liabilities:				
Cash deficit	\$ 10,861	\$ --	\$ --	\$ --
Accounts payable	--	--	--	--
Accrued wages/benefits	--	--	--	637
Due to other funds	--	24,125	--	--
Total Liabilities	10,861	24,125	--	637
Fund balances:				
Reserved fund balances:				
Reserved for federal and state programs	--	--	700	23,168
Total fund balances	--	--	700	23,168
Total Liabilities and Fund Balances	\$ 10,861	\$ 24,125	\$ 700	\$ 23,805

254	260	262	263	265
Grip Grant	Foreclosed Homes Project	Sports Hall of Fame	State Asset Forfeiture Fund	Federal Grants Fund
\$ --	\$ 18,268	\$ 209	\$ 925	\$ --
--	--	--	--	--
--	--	--	--	--
27,028	--	--	--	93,830
--	--	--	--	--
<u>\$ 27,028</u>	<u>\$ 18,268</u>	<u>\$ 209</u>	<u>\$ 925</u>	<u>\$ 93,830</u>
\$ 27,000	\$ --	\$ --	\$ --	\$ 100,015
1,604	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>28,604</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>100,015</u>
(1,576)	18,268	209	925	(6,185)
<u>(1,576)</u>	<u>18,268</u>	<u>209</u>	<u>925</u>	<u>(6,185)</u>
<u>\$ 27,028</u>	<u>\$ 18,268</u>	<u>\$ 209</u>	<u>\$ 925</u>	<u>\$ 93,830</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	266 Federal Grants Fund	295 Citizen's Tax Initiative	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
Assets:			
Cash and investments	\$ --	\$ 13,620	\$ (542,363)
Accounts receivables	--	--	25,765
Due from other funds	--	--	453,840
Due from other agencies	40,772	38,000	571,635
Inventories	--	--	6,447
Total Assets	\$ 40,772	\$ 51,620	\$ 515,324
Liabilities:			
Cash deficit	\$ 40,772	\$ --	\$ 381,185
Accounts payable	--	3,926	185,949
Accrued wages/benefits	5,159	10,333	44,269
Due to other funds	--	34,000	219,408
Total Liabilities	45,931	48,259	830,811
Fund balances:			
Reserved fund balances:			
Reserved for federal and state programs	(5,159)	3,361	(315,487)
Total fund balances	(5,159)	3,361	(315,487)
Total Liabilities and Fund Balances	\$ 40,772	\$ 51,620	\$ 515,324

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	201	202	204	205
	Traffic Safety	Redevelopment Administration	Public Safety	Redevelopment Housing Administration
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Intergovernmental	--	--	34,913	--
Charges for services	--	--	--	--
Fines	120,212	--	--	--
Revenue for use of money & property	--	(475)	--	(39)
Miscellaneous	--	163,798	--	38,290
Total revenues	<u>120,212</u>	<u>163,323</u>	<u>34,913</u>	<u>38,251</u>
Expenditures:				
General government	--	28,332	--	2,687
Public Safety	--	--	--	--
Public Works	--	--	--	--
Community Development	--	136,846	--	35,841
Recreation	--	--	--	--
Capital outlay	--	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total expenditures	<u>--</u>	<u>165,178</u>	<u>--</u>	<u>38,528</u>
Excess (deficiency) of revenues over (under) expenditure:	120,212	(1,855)	34,913	(277)
Other financing sources (uses):				
Operating transfers in	(132,874)	--	(34,640)	--
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>(132,874)</u>	<u>--</u>	<u>(34,640)</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(12,662)	(1,855)	273	(277)
Fund balances/equity, July 1	79	1,441	1,610	(849)
Fund balances/equity, June 30	<u>\$ (12,583)</u>	<u>\$ (414)</u>	<u>\$ 1,883</u>	<u>\$ (1,126)</u>

207 Traffic Congestion Relief Grant	209 AB 1913 Grant	210 Street Maintenance Fund	211 Street Gas Tax	213 Street LTF
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	1,625	--	--
211,049	100,000	--	375,431	37,509
--	--	163,221	--	--
--	--	--	--	--
1,058	63	(5,648)	41	49
--	--	14,186	--	--
212,107	100,063	173,384	375,472	37,558
--	--	--	--	--
--	74,091	--	--	--
--	--	996,847	--	--
--	--	23,095	--	--
--	--	--	--	--
--	17,027	--	--	--
--	--	244,482	--	--
--	--	79,592	--	--
--	91,118	1,344,016	--	--
212,107	8,945	(1,170,632)	375,472	37,558
--	--	1,027,797	(338,200)	(83,946)
--	--	--	--	--
--	--	1,027,797	(338,200)	(83,946)
212,107	8,945	(142,835)	37,272	(46,388)
255,783	37,186	(967,198)	--	46,388
\$ 467,890	\$ 46,131	\$ (1,110,033)	\$ 37,272	\$ --

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	214 Street Measure "C"	215 Proposition 1B Fund	220 Landscape and Lighting Assessment	228 Abandoned Vehicle Abatement
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Intergovernmental	429,650	--	--	6,395
Charges for services	--	--	152,869	--
Fines	--	--	--	--
Revenue for use of money & property	283	--	--	77
Miscellaneous	--	--	--	--
Total revenues	<u>429,933</u>	<u>--</u>	<u>152,869</u>	<u>6,472</u>
Expenditures:				
General government	--	--	--	--
Public Safety	--	--	--	65
Public Works	--	--	161,432	--
Community Development	--	5,000	455	6,558
Recreation	--	--	--	--
Capital outlay	--	76,000	--	--
Debt service:				
Principal	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total expenditures	<u>--</u>	<u>81,000</u>	<u>161,887</u>	<u>6,623</u>
Excess (deficiency) of revenues over (under) expenditure:	429,933	(81,000)	(9,018)	(151)
Other financing sources (uses):				
Operating transfers in	(288,237)	(251,757)	--	--
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>(288,237)</u>	<u>(251,757)</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	141,696	(332,757)	(9,018)	(151)
Fund balances/equity, July 1	28,723	332,757	(16,082)	24,587
Fund balances/equity, June 30	<u>\$ 170,419</u>	<u>\$ --</u>	<u>\$ (25,100)</u>	<u>\$ 24,436</u>

230	232	233	234	236
CDBG Grant	Recycling Grant	Safe Routes to Schools Grant	Weed & Seed Grant	Healthy Cities Grant
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
308,585	5,000	(45,564)	--	--
--	--	--	--	--
--	--	--	--	--
--	99	(2)	--	43
--	--	--	2,311	--
<u>308,585</u>	<u>5,099</u>	<u>(45,566)</u>	<u>2,311</u>	<u>43</u>
--	2,816	--	--	--
--	--	--	--	--
--	--	--	--	--
569	--	(200)	--	1,524
--	--	--	2,311	9,918
338,979	--	24,569	--	--
--	--	--	--	--
--	--	--	--	--
<u>339,548</u>	<u>2,816</u>	<u>24,369</u>	<u>2,311</u>	<u>11,442</u>
(30,963)	2,283	(69,935)	--	(11,399)
--	--	--	--	--
31,722	--	28,422	--	--
<u>31,722</u>	<u>--</u>	<u>28,422</u>	<u>--</u>	<u>--</u>
759	2,283	(41,513)	--	(11,399)
--	26,679	41,511	--	15,220
\$ <u>759</u>	\$ <u>28,962</u>	\$ <u>(2)</u>	\$ <u>--</u>	\$ <u>3,821</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	238	242	247	248
	T-21 Project Grant	Traffic Grant	Homeland Security Fire Grant	Small Business Support Center
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Intergovernmental	724,536	65,513	19,443	--
Charges for services	--	--	--	--
Fines	--	--	--	--
Revenue for use of money & property	(241)	--	--	--
Miscellaneous	--	--	--	--
Total revenues	<u>724,295</u>	<u>65,513</u>	<u>19,443</u>	<u>--</u>
Expenditures:				
General government	--	--	--	--
Public Safety	--	65,513	19,443	--
Public Works	--	--	--	--
Community Development	16,752	--	--	68
Recreation	--	--	--	--
Capital outlay	839,380	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total expenditures	<u>856,132</u>	<u>65,513</u>	<u>19,443</u>	<u>68</u>
Excess (deficiency) of revenues over (under) expenditure:	(131,837)	--	--	(68)
Other financing sources (uses):				
Operating transfers in	191,835	--	--	--
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>191,835</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	59,998	--	--	(68)
Fund balances/equity, July 1	(41,511)	--	--	768
Fund balances/equity, June 30	<u>\$ 18,487</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 700</u>

252 DOJ Byrnes Grant	254 Grip Grant	260 Foreclosed Homes Project	262 Sports Hall of Fame	263 State Asset Forfeiture Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
57,203	28,479	--	--	--
--	--	17,400	4,349	--
--	--	--	--	--
131	--	52	3	3
--	3,709	759	--	--
57,334	32,188	18,211	4,352	3
--	--	--	--	--
28,485	23,146	--	--	--
--	--	--	--	--
--	--	10,009	--	--
--	7,089	--	4,588	--
5,676	--	--	--	--
--	--	--	--	--
--	--	--	--	--
34,161	30,235	10,009	4,588	--
23,173	1,953	8,202	(236)	3
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
23,173	1,953	8,202	(236)	3
(5)	(3,529)	10,066	445	922
\$ 23,168	\$ (1,576)	\$ 18,268	\$ 209	\$ 925

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	265 Federal Grants Fund	266 Federal Grants Fund	295 Citizen's Tax Initiative	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenues:				
Taxes	\$ --	\$ --	\$ 1,103,882	\$ 1,103,882
Licenses and permits	--	--	--	1,625
Intergovernmental	555,714	67,956	--	2,981,812
Charges for services	--	--	--	337,839
Fines	--	--	--	120,212
Revenue for use of money & property	--	--	--	(4,503)
Miscellaneous	--	--	--	223,053
Total revenues	<u>555,714</u>	<u>67,956</u>	<u>1,103,882</u>	<u>4,763,920</u>
Expenditures:				
General government	--	--	--	33,835
Public Safety	--	73,115	288,364	572,222
Public Works	--	--	--	1,158,279
Community Development	914	--	--	237,431
Recreation	--	--	--	23,906
Capital outlay	560,985	--	112,824	1,975,440
Debt service:				
Principal	--	--	--	244,482
Interest and fiscal charges	--	--	--	79,592
Total expenditures	<u>561,899</u>	<u>73,115</u>	<u>401,188</u>	<u>4,325,187</u>
Excess (deficiency) of revenues over (under) expenditures	(6,185)	(5,159)	702,694	438,733
Other financing sources (uses):				
Operating transfers in	--	--	(700,000)	(610,022)
Operating transfers out	--	--	--	60,144
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(700,000)</u>	<u>(549,878)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(6,185)	(5,159)	2,694	(111,145)
Fund balances/equity, July 1	--	--	667	(204,342)
Fund balances/equity, June 30	<u>\$ (6,185)</u>	<u>\$ (5,159)</u>	<u>\$ 3,361</u>	<u>\$ (315,487)</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2010

	3071 RDA Theater Debt Service	3091 RDA Industrial Park Debt Service	3152 PFA 1993 C Debt Service	3201 RDA-Low Income Hsng. Debt Service
Assets:				
Cash and investments	\$ --	\$ --	\$ --	\$ 75,948
Cash with fiscal agent	--	--	11	--
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 11</u>	<u>\$ 75,948</u>
Liabilities:				
Cash deficit	\$ 715	\$ 386,136	\$ --	\$ --
Accounts payable	--	--	--	--
Total Liabilities	<u>715</u>	<u>386,136</u>	<u>--</u>	<u>--</u>
Fund balances:				
Reserved fund balances:				
Reserved for debt service	(715)	(386,136)	11	75,948
Total fund balances	<u>(715)</u>	<u>(386,136)</u>	<u>11</u>	<u>75,948</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 11</u>	<u>\$ 75,948</u>

3202 1994 Debt Service	3302 PFA 1994 B-C Debt Service	3352 PFA Hotel Debt Service	350 Assmt 91-2 Highland Debt Service	3502 PFA 1999 A Debt Service
\$ --	\$ --	\$ 3,163	\$ 153,348	\$ --
203,261	4	--	--	422,954
<u>\$ 203,261</u>	<u>\$ 4</u>	<u>\$ 3,163</u>	<u>\$ 153,348</u>	<u>\$ 422,954</u>
\$ --	\$ --	\$ --	\$ --	\$ 24,030
--	--	3,163	--	--
--	--	3,163	--	24,030
203,261	4	--	153,348	398,924
203,261	4	--	153,348	398,924
<u>\$ 203,261</u>	<u>\$ 4</u>	<u>\$ 3,163</u>	<u>\$ 153,348</u>	<u>\$ 422,954</u>

CITY OF SELMA**COMBINING BALANCE SHEET****NONMAJOR DEBT SERVICE FUNDS**

JUNE 30, 2010

	351 Assmt 92-1 Dancer II Debt Service	352 Assmt 92-1 Dancer III Debt Service	353 Assmt 91-2 Watermain Debt Service
Assets:			
Cash and investments	\$ 63,828	\$ 36,596	\$ 73,312
Cash with fiscal agent	--	--	--
Total Assets	<u>\$ 63,828</u>	<u>\$ 36,596</u>	<u>\$ 73,312</u>
Liabilities:			
Cash deficit	\$ --	\$ --	\$ --
Accounts payable	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:			
Reserved fund balances:			
Reserved for debt service	63,828	36,596	73,312
Total fund balances	<u>63,828</u>	<u>36,596</u>	<u>73,312</u>
Total Liabilities and Fund Balances	<u>\$ 63,828</u>	<u>\$ 36,596</u>	<u>\$ 73,312</u>

354 Assmt 91-2 Stillman Debt Service	355 Assmt 91-2 Peasoup Debt Service	356 Assmt 93-1 Briarwood/Vineyard Debt Service	357 Assmt Theater Debt Service
\$ --	\$ 172,223	\$ 95,143	\$ 64,913
--	--	--	--
\$ --	\$ 172,223	\$ 95,143	\$ 64,913
\$ 2,025	\$ --	\$ --	\$ --
--	--	--	--
2,025	--	--	--
(2,025)	172,223	95,143	64,913
(2,025)	172,223	95,143	64,913
\$ --	\$ 172,223	\$ 95,143	\$ 64,913

CITY OF SELMA

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

JUNE 30, 2010

	3602 PFA 2001 A Debt Service	3652 PFA 2004 A-B Debt Service	Total Nonmajor Debt Service Funds (See Exhibit C-1)
Assets:			
Cash and investments	\$ --	\$ 38,141	\$ 776,615
Cash with fiscal agent	66,921	251,500	944,651
Total Assets	<u>\$ 66,921</u>	<u>\$ 289,641</u>	<u>\$ 1,721,266</u>
Liabilities:			
Cash deficit	\$ --	\$ --	\$ 412,906
Accounts payable	3	--	3,166
Total Liabilities	<u>3</u>	<u>--</u>	<u>416,072</u>
Fund balances:			
Reserved fund balances:			
Reserved for debt service	66,918	289,641	1,305,194
Total fund balances	<u>66,918</u>	<u>289,641</u>	<u>1,305,194</u>
Total Liabilities and Fund Balances	<u>\$ 66,921</u>	<u>\$ 289,641</u>	<u>\$ 1,721,266</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	3071 RDA Theater Debt Service	3091 RDA Industrial Park Debt Service	3152 PFA 1993 C Debt Service	3201 RDA-Low Income Hsng. Debt Service
Revenues:				
Revenue for use of money & property	\$ (110)	\$ 73,911	\$ 11	\$ 5,639
Assessment payment	59,200	--	--	--
Miscellaneous	--	--	--	--
Total revenues	<u>59,090</u>	<u>73,911</u>	<u>11</u>	<u>5,639</u>
Expenditures:				
General government	--	--	--	--
Debt service:				
Principal	25,000	40,000	--	15,000
Interest and fiscal charges	14,090	163,668	--	57,475
Total expenditures	<u>39,090</u>	<u>203,668</u>	<u>--</u>	<u>72,475</u>
Excess (deficiency) of revenues over (under) expendit	20,000	(129,757)	11	(66,836)
Other financing sources (uses):				
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	20,000	(129,757)	11	(66,836)
Fund balances/equity, July 1	(20,715)	(256,379)	--	142,784
Fund balances/equity, June 30	<u>\$ (715)</u>	<u>\$ (386,136)</u>	<u>\$ 11</u>	<u>\$ 75,948</u>

3202 1994 Debt Service	3302 PFA 1994 B-C Debt Service	350 Assmt 91-2 Highland Debt Service	3502 PFA 1999 A Debt Service	351 Assmt 92-1 Dancer II Debt Service
\$ 90,159	\$ --	\$ 422	\$ 25,831	\$ 217
143,875	--	118,829	481,745	23,540
--	--	--	--	--
234,034	--	119,251	507,576	23,757
8,200	--	--	--	--
45,000	--	44,000	245,000	10,000
98,875	--	70,189	274,825	15,700
152,075	--	114,189	519,825	25,700
81,959	--	5,062	(12,249)	(1,943)
--	--	--	--	--
81,959	--	5,062	(12,249)	(1,943)
121,302	4	148,286	411,173	65,771
\$ 203,261	\$ 4	\$ 153,348	\$ 398,924	\$ 63,828

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	352 Assmt 92-1 Dancer III Debt Service	353 Assmt 91-2 Watermain Debt Service	354 Assmt 91-2 Stillman Debt Service
Revenues:			
Revenue for use of money & property	\$ 113	\$ 251	\$ (49)
Assessment payment	22,749	23,473	27,957
Miscellaneous	--	--	--
Total revenues	<u>22,862</u>	<u>23,724</u>	<u>27,908</u>
Expenditures:			
General government	--	--	--
Debt service:			
Principal	10,000	5,000	11,000
Interest and fiscal charges	14,688	14,473	15,672
Total expenditures	<u>24,688</u>	<u>19,473</u>	<u>26,672</u>
Excess (deficiency) of revenues over (under) expenditures	(1,826)	4,251	1,236
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,826)	4,251	1,236
Fund balances/equity, July 1	38,422	69,061	(3,261)
Fund balances/equity, June 30	<u>\$ 36,596</u>	<u>\$ 73,312</u>	<u>\$ (2,025)</u>

355 Assmt 91-2 Peasoup Debt Service	3552 PFA 1999 COP Debt Service	356 Assmt 93-1 Briarwood/Vineyard Debt Service	357 Assmt Theater Debt Service
\$ 388	\$ --	\$ 303	\$ 201
195,189	68,452	49,469	31,741
--	--	--	--
195,577	68,452	49,772	31,942
--	--	--	--
72,000	290,000	20,000	20,000
117,720	33,272	29,420	11,885
189,720	323,272	49,420	31,885
5,857	(254,820)	352	57
--	--	--	--
5,857	(254,820)	352	57
166,366	254,820	94,791	64,856
\$ 172,223	\$ --	\$ 95,143	\$ 64,913

CITY OF SELMA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	3602 PFA 2001 A Debt Service	3652 PFA 2004 A-B Debt Service	Total Nonmajor Debt Service Funds (See Exhibit C-2)
Revenues:			
Revenue for use of money & property	\$ --	\$ --	\$ 197,287
Assessment payment	546,625	223,441	2,016,285
Miscellaneous	3,150	--	3,150
Total revenues	<u>549,775</u>	<u>223,441</u>	<u>2,216,722</u>
Expenditures:			
General government	3,150	--	11,350
Debt service:			
Principal	415,000	145,000	1,412,000
Interest and fiscal charges	131,625	78,941	1,142,518
Total expenditures	<u>549,775</u>	<u>223,941</u>	<u>2,565,868</u>
Excess (deficiency) of revenues over (under) expenditur	--	(500)	(349,146)
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	(500)	(349,146)
Fund balances/equity, July 1	66,918	290,141	1,654,340
Fund balances/equity, June 30	<u>\$ 66,918</u>	<u>\$ 289,641</u>	<u>\$ 1,305,194</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	110	111	402	4021
	Reserve	Equipment Replacement	Development Impact Police Facility	RDA Courthouse Capital Project
Assets:				
Cash and investments	\$ 690	\$ 109,892	\$ 105,518	\$ 264,225
Accounts receivables	--	--	--	--
Due from other funds	225,000	--	--	--
Total Assets	<u>\$ 225,690</u>	<u>\$ 109,892</u>	<u>\$ 105,518</u>	<u>\$ 264,225</u>
Liabilities:				
Cash deficit	\$ --	\$ --	\$ --	\$ --
Accounts payable	--	--	--	--
Due to other funds	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:				
Reserved fund balances:				
Reserved for capital projects	--	--	105,518	264,225
Unreserved, reported in nonmajor:				
Capital projects funds	225,690	109,892	--	--
Total fund balances	<u>225,690</u>	<u>109,892</u>	<u>105,518</u>	<u>264,225</u>
Total Liabilities and Fund Balances	<u>\$ 225,690</u>	<u>\$ 109,892</u>	<u>\$ 105,518</u>	<u>\$ 264,225</u>

403 Development Impact Fire Facility	404 Developmental Impact City Facilities	405 Developmental Impact Storm Drain	406 Developmental Impact Sewer	407 Impact Fees Parks and Recreation
\$ 193,724	\$ 351,631	\$ --	\$ 726,343	\$ 314,640
--	--	--	--	--
--	200,000	--	100,000	174,125
\$ 193,724	\$ 551,631	\$ --	\$ 826,343	\$ 488,765
\$ --	\$ --	\$ 285,982	\$ --	\$ --
--	--	--	--	789
--	--	--	--	--
--	--	285,982	--	789
193,724	551,631	(285,982)	826,343	487,976
--	--	--	--	--
193,724	551,631	(285,982)	826,343	487,976
\$ 193,724	\$ 551,631	\$ --	\$ 826,343	\$ 488,765

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	408 Long Range Planning Fee	409 Development Impact Public Use Facilities	4121 RDA Industrial Park Capital Project	432 Construction 97-2 Theater
Assets:				
Cash and investments	\$ --	\$ 59,652	\$ --	\$ 70
Accounts receivables	--	--	--	--
Due from other funds	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 59,652</u>	<u>\$ --</u>	<u>\$ 70</u>
Liabilities:				
Cash deficit	\$ 281,298	\$ --	\$ 202,594	\$ --
Accounts payable	1,057	--	--	--
Due to other funds	--	--	--	--
Total Liabilities	<u>282,355</u>	<u>--</u>	<u>202,594</u>	<u>--</u>
Fund balances:				
Reserved fund balances:				
Reserved for capital projects	(282,355)	59,652	(202,594)	70
Unreserved, reported in nonmajor:				
Capital projects funds	--	--	--	--
Total fund balances	<u>(282,355)</u>	<u>59,652</u>	<u>(202,594)</u>	<u>70</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 59,652</u>	<u>\$ --</u>	<u>\$ 70</u>

435 City Hall Construction	441 Northeast Plan Project	443 South Selma Specific Plan Project	446 Amberwood Project	447 Tutelian Project
\$ 19,764	\$ 80,287	\$ --	\$ 41,103	\$ --
--	--	163,068	--	--
--	--	--	--	--
<u>\$ 19,764</u>	<u>\$ 80,287</u>	<u>\$ 163,068</u>	<u>\$ 41,103</u>	<u>\$ --</u>
\$ --	\$ --	\$ 78,235	\$ --	\$ 1,633
--	--	--	--	--
--	450,000	--	--	--
--	<u>450,000</u>	<u>78,235</u>	--	<u>1,633</u>
19,764	(369,713)	84,833	41,103	(1,633)
--	--	--	--	--
<u>19,764</u>	<u>(369,713)</u>	<u>84,833</u>	<u>41,103</u>	<u>(1,633)</u>
<u>\$ 19,764</u>	<u>\$ 80,287</u>	<u>\$ 163,068</u>	<u>\$ 41,103</u>	<u>\$ --</u>

CITY OF SELMA

COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2010

	448 Selma Crossing Project	449 Brandywine Project	452 WalMart EIR	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
Assets:				
Cash and investments	\$ 28,217	\$ 1,437	\$ 128,704	\$ 2,425,897
Accounts receivables	--	--	--	163,068
Due from other funds	--	--	--	699,125
Total Assets	<u>\$ 28,217</u>	<u>\$ 1,437</u>	<u>\$ 128,704</u>	<u>\$ 3,288,090</u>
Liabilities:				
Cash deficit	\$ --	\$ --	\$ --	\$ 849,742
Accounts payable	--	--	--	1,846
Due to other funds	--	--	--	450,000
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,301,588</u>
Fund balances:				
Reserved fund balances:				
Reserved for capital projects	28,217	1,437	128,704	1,650,920
Unreserved, reported in nonmajor:				
Capital projects funds	--	--	--	335,582
Total fund balances	<u>28,217</u>	<u>1,437</u>	<u>128,704</u>	<u>1,986,502</u>
Total Liabilities and Fund Balances	<u>\$ 28,217</u>	<u>\$ 1,437</u>	<u>\$ 128,704</u>	<u>\$ 3,288,090</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	110	111	402	4021
	Reserve	Equipment Replacement	Development Impact Police Facility	RDA Courthouse Capital Project
Revenues:				
Charges for services	\$ --	\$ --	\$ 67,181	\$ --
Revenue for use of money & property	(70)	439	277	--
Miscellaneous	--	20,000	--	--
Total revenues	(70)	20,439	67,458	--
Expenditures:				
Community Development	--	--	--	--
Capital outlay	--	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total expenditures	--	--	--	--
Excess (deficiency) of revenues over (under) expenditure:	(70)	20,439	67,458	--
Other financing sources (uses):				
Operating transfers in	(453,000)	(22,000)	--	--
Total other financing sources (uses)	(453,000)	(22,000)	--	--
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(453,070)	(1,561)	67,458	--
Fund balances/equity, July 1	678,760	111,453	38,060	264,225
Fund balances/equity, June 30	\$ 225,690	\$ 109,892	\$ 105,518	\$ 264,225

403 Development Impact Fire Facility	404 Developmental Impact City Facilities	405 Developmental Impact Storm Drain	406 Developmental Impact Sewer	407 Impact Fees Parks and Recreation
\$ 44,478	\$ 116,101	\$ 48,639	\$ 90,003	\$ 61,598
662	1,151	(2,443)	2,644	1,930
--	--	--	--	--
45,140	117,252	46,196	92,647	63,528
--	--	--	--	--
--	10,996	--	--	8,977
--	--	--	--	5,600
--	--	--	--	2,829
--	10,996	--	--	17,406
45,140	106,256	46,196	92,647	46,122
--	--	--	--	--
--	--	--	--	--
45,140	106,256	46,196	92,647	46,122
148,584	445,375	(332,178)	733,696	441,854
\$ 193,724	\$ 551,631	\$ (285,982)	\$ 826,343	\$ 487,976

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	408	409	4121	432
	Long Range Planning Fee	Development Impact Public Use Facilities	RDA Industrial Park Capital Project	Construction 97-2 Theater
Revenues:				
Charges for services	\$ 15,514	\$ 57,420	\$ --	\$ --
Revenue for use of money & property	(963)	131	--	--
Miscellaneous	--	--	--	--
Total revenues	<u>14,551</u>	<u>57,551</u>	<u>--</u>	<u>--</u>
Expenditures:				
Community Development	75,687	--	--	--
Capital outlay	--	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total expenditures	<u>75,687</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditure:	(61,136)	57,551	--	--
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	(61,136)	57,551	--	--
Fund balances/equity, July 1	(221,219)	2,101	(202,594)	70
Fund balances/equity, June 30	<u>\$ (282,355)</u>	<u>\$ 59,652</u>	<u>\$ (202,594)</u>	<u>\$ 70</u>

435 City Hall Construction	441 Northeast Plan Project	443 South Selma Specific Plan Project	446 Amberwood Project	447 Tutelian Project
\$ --	\$ --	\$ --	\$ --	\$ --
--	312	(205)	75	(2)
--	--	--	100,000	--
--	312	(205)	100,075	(2)
--	--	30,000	59,250	1,800
--	--	--	--	--
--	--	--	--	--
--	--	30,000	59,250	1,800
--	312	(30,205)	40,825	(1,802)
--	--	--	--	--
--	--	--	--	--
--	312	(30,205)	40,825	(1,802)
19,764	(370,025)	115,038	278	169
\$ 19,764	\$ (369,713)	\$ 84,833	\$ 41,103	\$ (1,633)

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	448 Selma Crossing Project	449 Brandywine Project	452 WalMart EIR	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenues:				
Charges for services	\$ --	\$ --	\$ --	\$ 500,934
Revenue for use of money & property	111	5	500	4,554
Miscellaneous	--	--	--	120,000
Total revenues	111	5	500	625,488
Expenditures:				
Community Development	680	--	--	167,417
Capital outlay	--	--	--	19,973
Debt service:				
Principal	--	--	--	5,600
Interest and fiscal charges	--	--	--	2,829
Total expenditures	680	--	--	195,819
Excess (deficiency) of revenues over (under) expenditures	(569)	5	500	429,669
Other financing sources (uses):				
Operating transfers in	--	--	--	(475,000)
Total other financing sources (uses)	--	--	--	(475,000)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(569)	5	500	(45,331)
Fund balances/equity, July 1	28,786	1,432	128,204	2,031,833
Fund balances/equity, June 30	\$ 28,217	\$ 1,437	\$ 128,704	\$ 1,986,502

CITY OF SELMA

COMBINING STATEMENT OF NET ASSETS

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2010

	Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit A-7)
	Pioneer Village	Transit Service	Cultural Arts	
Assets:				
Cash and investments	\$ 195,165	\$ --	\$ 7,884	\$ 203,049
Fixed assets (net, where applicable, of accumulated depreciation)	6,912	--	--	6,912
Total Assets	<u>\$ 202,077</u>	<u>\$ --</u>	<u>\$ 7,884</u>	<u>\$ 209,961</u>
Liabilities:				
Accounts payable	\$ 9,441	\$ 7	\$ 180	\$ 9,628
Due to other funds	--	--	40,000	40,000
Total Liabilities	<u>9,441</u>	<u>7</u>	<u>40,180</u>	<u>49,628</u>
Net Assets:				
Unrestricted	192,636	(7)	(32,296)	160,333
Total net assets	<u>192,636</u>	<u>(7)</u>	<u>(32,296)</u>	<u>160,333</u>
Total Liabilities and Fund Balances	<u>\$ 202,077</u>	<u>\$ --</u>	<u>\$ 7,884</u>	<u>\$ 209,961</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit A-8)
	Pioneer Village	Transit Service	Cultural Arts	
Operating Revenues:				
Charges for services	\$ 8,117	\$ --	\$ 1,614	\$ 9,731
Intergovernmental	--	80	--	80
Revenue for use of money & property	25,800	47	1,073	26,920
Miscellaneous	33,375	--	3,900	37,275
Total Operating Revenues	67,292	127	6,587	74,006
Operating Expenses:				
Personal services - salaries and wages	--	4,320	204	4,524
Personal services - employee benefits	--	4,517	17	4,534
Purchased professional and technical services	40,793	(2,479)	10,723	49,037
Other internal services	18,096	92	9,726	27,914
Depreciation	768	--	--	768
Total Operating Expenses	59,657	6,450	20,670	86,777
Operating Income (Loss)	7,635	(6,323)	(14,083)	(12,771)
Transfers:				
Interfund operating transfers in	--	--	--	--
Interfund operating transfers out	--	225,207	--	225,207
Total transfers	--	225,207	--	225,207
Net income	7,635	218,884	(14,083)	212,436
Retained earnings/fund balances, July 1	185,001	(218,891)	(18,213)	(52,103)
Retained earnings/fund balances, June 30	\$ 192,636	\$ (7)	\$ (32,296)	\$ 160,333

CITY OF SELMA**COMBINING STATEMENT OF NET ASSETS****INTERNAL SERVICE FUNDS**

JUNE 30, 2010

	700	701
	Insurance	Fleet Management
Assets:		
Cash and investments	\$ 50,844	\$ 13,863
Accounts receivables	--	--
Due from other agencies	--	14
Deposits	147,120	--
Inventories	--	--
Total Assets	<u>\$ 197,964</u>	<u>\$ 13,877</u>
Liabilities:		
Accounts payable	\$ --	\$ 25,568
Accrued wages/benefits	--	2,401
Total Liabilities	<u>--</u>	<u>27,969</u>
Net Assets:		
Unrestricted	197,964	(14,092)
Total net assets	<u>197,964</u>	<u>(14,092)</u>
Total Liabilities and Fund Balances	<u>\$ 197,964</u>	<u>\$ 13,877</u>

702	703	704	Total Internal Service Funds (See Exhibit A-7)
Building & Utility	General Overhead	Information Processing	
\$ 11,448	\$ 2,021	\$ 7,420	\$ 85,596
166	190	--	356
--	--	--	.14
--	--	--	147,120
--	220	--	220
<u>\$ 11,614</u>	<u>\$ 2,431</u>	<u>\$ 7,420</u>	<u>\$ 233,306</u>
\$ 2,400	\$ 160	\$ --	\$ 28,128
1,909	878	2,087	7,275
<u>4,309</u>	<u>1,038</u>	<u>2,087</u>	<u>35,403</u>
7,305	1,393	5,333	197,903
<u>7,305</u>	<u>1,393</u>	<u>5,333</u>	<u>197,903</u>
<u>\$ 11,614</u>	<u>\$ 2,431</u>	<u>\$ 7,420</u>	<u>\$ 233,306</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	700	701
	Insurance	Fleet Management
Operating Revenues:		
Charges for services	\$ 1,981,704	\$ 477,080
Miscellaneous	17,901	20,434
Total Operating Revenues	<u>1,999,605</u>	<u>497,514</u>
Operating Expenses:		
Personal services - salaries and wages	--	41,307
Personal services - employee benefits	--	26,849
Purchased professional and technical services	--	116,117
Other internal services	1,764,794	305,715
Capital outlay-Interest charges	--	24,005
Total Operating Expenses	<u>1,764,794</u>	<u>513,993</u>
Operating Income (Loss)	<u>234,811</u>	<u>(16,479)</u>
Transfers:		
Interfund operating transfers in	--	--
Interfund operating transfers out	--	--
Net income	234,811	(16,479)
Retained earnings/fund balances, July 1	(36,847)	2,387
Retained earnings/fund balances, June 30	<u>\$ 197,964</u>	<u>\$ (14,092)</u>

702	703	704	Total Internal Service Funds (See Exhibit A-8)
Building & Utility	General Overhead	Information Processing	
\$ 660,333	\$ 155,808	\$ 215,795	\$ 3,490,720
--	2	--	38,337
660,333	155,810	215,795	3,529,057
30,311	15,410	43,211	130,239
15,490	8,396	18,009	68,744
1,077	33,102	112,561	262,857
602,965	30,893	34,727	2,739,094
2,550	71,400	6,800	104,755
652,393	159,201	215,308	3,305,689
7,940	(3,391)	487	223,368
--	--	--	--
--	--	--	--
7,940	(3,391)	487	223,368
(635)	4,784	4,846	(25,465)
\$ 7,305	\$ 1,393	\$ 5,333	\$ 197,903

CITY OF SELMA**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS**

JUNE 30, 2010

	800 Finance Clearing	802 Community Services Clearing	803 Planning Clearing	804 Public Works Clearing
Assets:				
Cash and investments	\$ (2,831)	\$ --	\$ 31,131	\$ 18,246
Total Assets	<u>\$ (2,831)</u>	<u>\$ --</u>	<u>\$ 31,131</u>	<u>\$ 18,246</u>
Liabilities:				
Cash deficit	\$ --	\$ 100	\$ --	\$ --
Accounts payable	(2,831)	(100)	31,131	18,246
Total Liabilities	<u>(2,831)</u>	<u>--</u>	<u>31,131</u>	<u>18,246</u>
Net Assets:				
Total net assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

805 Senior Citizens Clearing	806 Police Dept Clearing	815 Asset Seizure Clearing	836 Graffiti Reward Fund	Total Agency Funds (See Exhibit A-10)
\$ 32,213	\$ 10,838	\$ 980	\$ 700	\$ 91,277
\$ 32,213	\$ 10,838	\$ 980	\$ 700	\$ 91,277
\$ --	\$ --	\$ --	\$ --	\$ 100
32,213	10,838	980	700	91,177
32,213	10,838	980	700	91,277
\$ --	\$ --	\$ --	\$ --	\$ --

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.

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December 31, 2010

Independent Auditor's Report

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

Honorable Members of the City Council
of the City of Selma
Selma, California

Honorable Members of the City Council:

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Selma, California (City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements and have issued my report thereon dated December 31, 2010. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the City's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Honorable Members of the City Council
of the City of Selma
Selma, California
Page 2

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

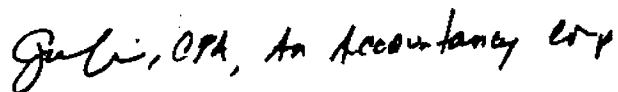
Compliance and Other Matters

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

I noted certain matters that I reported to management of the City in a separate letter dated December 31, 2010.

This report is intended solely for the information and use of management, City Council, others within the entity, 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,



Gary I. Istanbulian, CPA
An Accountancy Corporation

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December 31, 2010

Independent Auditor's Report

Report on Compliance with Requirements
Applicable to each Major Program and on Internal Control
Over Compliance in Accordance With OMB Circular A-133

Honorable Members of the City Council
of the City of Selma
Selma, California

Honorable Members of the City Council:

Compliance

I have audited the compliance of City of Selma, California (City), 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, 2010. The City'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's management. My responsibility is to express an opinion on the City's compliance based on my audit.

I conducted my 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 I 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 the City's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the City's compliance with those requirements.

In my opinion, the City 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, 2010.

Honorable Members of the City Council
of the City of
Selma
Selma, California
Page 2

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the City's internal control

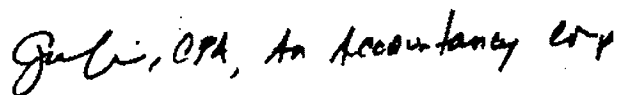
over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of City's internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the City Council, others within the entity, 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,



Gary I. Istanbulian, CPA
An Accountancy Corporation

CITY OF SELMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2010

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies 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:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies 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? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.500	TEA 21 -Selma Branch Canal
20.500	TEA 21 - Wright St - Arrants to Dinuba
20.500	TEA 21 - Floral Ave - McCall to Dockery
14.254	CDBG - Alleys & Sidewalks
14.540	CDBG - Nebraska/Bauder
14.254	CDBG - Various Street Reconstruction
66.458	U.S. ARRA Federal Funds - Water Resources Control Board

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

Auditee qualified as low-risk auditee? 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, 2010****EXHIBIT D-1**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Program:			
Safe Routes to Schools *	20.205	--	\$ 128,644
Total U.S. Department of Transportation			128,644
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
Direct Program:			
Health Cities Grant	Unavailable	--	16,426
Total U.S. Department of Housing & Urban Development			16,426
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Program:			
FEMA Fire Grant	85.554	--	19,443
Total U.S. Department of Homeland Security			19,443
U. S. ENVIRONMENTAL PROTECTION AGENCY			
Direct Program:			
U.S. AARA Federal Funds	66.458	--	561,899
Total U. S. Environmental Protection Agency			561,899
U. S. DEPARTMENT OF TRANSPORTATION			
Direct Program:			
TEA 21 *	20.205	--	804,570
Total U. S. Department of Transportation			804,570
U. S. DEPARTMENT OF JUSTICE			
Direct Programs:			
Ed Byrnes Grant	16.738	--	30,509
Supplemental Law Enforcement Services Fund	16.592	--	110,651
Office of Justice Programs	16.592	--	824
COPS Hiring Recovery Program	16.592	--	67,957
Total Direct Programs			209,941
Total U. S. Department of Justice			209,941
U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
Direct Program:			
Community Development Block Grant	14.219	--	397,996
Total U. S. Department of Housing & Urban Development			397,996
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Programs:			
FMAAA-Title IIIB *	93.044	--	4,049
FMAAA-Title IIIC-1 *	93.045	--	7,893
Total Direct Programs			11,942
Total U. S. Department of Health and Human Services			11,942
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,150,861

* 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, 2010

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.