

CITY OF SELMA

**FINANCIAL STATEMENT
WITH
INDEPENDENT AUDITORS' REPORT**

YEAR ENDED JUNE 30, 2011

CITY OF SELMA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

Introductory Section

City of Selma
Annual Financial Report
For The Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
 FINANCIAL SECTION		
Independent Auditor's Report on Financial Statements.....	1	
Management's Discussion and Analysis (Required Supplementary Information).....	3	
 <u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	9	A-1
Statement of Activities.....	10	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	11	A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	13	A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	14	A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	16	A-6
Statement of Net Assets - Proprietary Funds.....	17	A-7
Statement of Revenues, Expenses, and Changes in		
Fund Net Assets - Proprietary Funds.....	19	A-8
Statement of Cash Flows - Proprietary Funds.....	21	A-9
Statement of Fiduciary Net Assets - Fiduciary Funds.....	23	A-10
Notes to the Financial Statements	24	
 <u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	43	B-1
Street Maintenance Fund.....	44	B-2
Schedule of Funding Progress - Pension Plan.....	45	
 <u>Combining Statements as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	46	C-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	47	C-2
 Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	48	C-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	56	C-4
 Debt Service Funds:		
Combining Balance Sheet - Nonmajor Debt Service Funds.....	64	C-5

City of Selma
Annual Financial Report
For The Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds.....	69	C-6
Capital Projects Funds:		
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	73	C-7
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	79	C-8
Enterprise Funds:		
Combining Statement of Net Assets - Nonmajor Enterprise Funds.....	85	C-9
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Nonmajor Enterprise Funds.....	86	C-10
Internal Service Funds:		
Combining Statement of Net Assets.....	87	C-11
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets.....	89	C-12
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	91	C-13
SINGLE AUDIT SECTION		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	93	
Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major Program and on Internal Control over Compliance In Accordance With OMB Circular A-133.....	95	
Schedule of Findings and Questioned Costs	97	
Schedule of Expenditures of Federal Awards	99	D-1
Notes to the Schedule of Expenditures of Federal Awards.....	100	

Financial Section



Sampson, Sampson and Partners, LLP
Certified Public Accountants

3148 Willow Ave., Suite 102
Clovis, California 93612-4739
(559) 291-0277 • FAX (559) 291-6411

April 19, 2012

Honorable City Council of
The City of Selma
Selma, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Selma as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Selma's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Selma as of June 30, 2011, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2012, on our consideration of the City of Selma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 our audit.

City of Selma
April 19, 2012
Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis identified as Required Supplementary Information in the table of contents 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Selma's financial statements as a whole. The combining 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 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Sampson, Sampson and Partners LLP

CITY OF SELMA

Management's Discussion and Analysis

June 30, 2011

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, 2011. 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 \$46.3 million.

The City's General Fund ended the year with a fund deficiency of \$987,227, a decrease of \$511,553 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, 2011

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, Street Maintenance Fund, and the Developmental Impact Streets & Traffic 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 and the Street Maintenance Fund. Budgetary comparison statements have been provided for the General Fund and the Street Maintenance Fund to demonstrate compliance to their budgets.

Proprietary funds. The City has two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions represented as business-type activities in the government-wide financial statements. The City utilized enterprise funds to account for those activities that are supported primarily by user charges to external users, 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

CITY OF SELMA

Management's Discussion and Analysis June 30, 2011

statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Government-wide Financial Analysis

Below is a table showing the City's net assets for the fiscal year ended June 30, 2011, with comparative data for the fiscal year ended June 30, 2010.

City of Selma's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 8,138,847	\$ 7,888,931	\$ 1,183,841	\$ 1,209,060	\$ 9,322,688	\$ 9,097,991
Capital and long-term assets	58,357,687	59,692,618	390,670	435,983	58,748,357	60,128,601
Total assets	\$ 66,496,534	\$ 67,581,549	\$ 1,574,511	\$ 1,645,043	\$ 68,071,045	\$ 69,226,592
Long-term liabilities outstanding	\$ 17,162,705	\$ 16,291,743	\$ 183,535	\$ 297,143	\$ 17,346,240	\$ 16,588,886
Other liabilities	2,949,156	5,744,701	99,919	44,942	3,049,075	5,789,643
Total liabilities	20,111,861	22,036,444	283,454	342,085	20,395,315	22,378,529
Net assets:	\$ 46,384,673	\$ 45,545,105	\$ 1,291,057	\$ 1,302,958	\$ 47,675,730	\$ 46,848,063
Investment in capital assets, net of related debt	\$ 43,911,315	\$ 45,538,427	\$ 337,145	\$ 291,835	\$ 44,248,460	\$ 45,830,262
Restricted	6,550,309	5,324,934	-	-	6,550,309	5,324,934
Unrestricted	(4,076,951)	(5,318,256)	953,912	1,011,123	(3,123,039)	(4,307,133)
Total net assets	\$ 46,384,673	\$ 45,545,105	\$ 1,291,057	\$ 1,302,958	\$ 47,675,730	\$ 46,848,063

As of June 30, 2011 the City's government-wide total assets exceeded liabilities (net assets) by \$46.8 million. Governmental activities finished the year with a positive net asset balance of \$46.4 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. Approximately 35% 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, 2011

Restricted net assets amount to \$6.5 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 Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 1,022,986	\$ 1,468,789	\$ 2,979,625	\$ 3,115,276	\$ 4,002,611	\$ 4,584,065
Operating grants and contributions	34,190	35,661	2,919	6,900	37,109	42,561
General revenues:						
Taxes	8,338,800	8,155,604	-	-	8,338,800	8,155,604
Licenses and permits	189,714	180,514	-	-	189,714	180,514
Intergovernmental charges	3,694,466	3,076,938	-	-	3,694,466	3,076,938
Fines	87,138	120,212	-	-	87,138	120,212
Franchise fees	704,187	675,607	-	-	704,187	675,607
Revenue for the use of property	32,836	136,166	2,812	2,568	35,648	138,734
Miscellaneous	418,368	284,620	1,602	32,164	419,970	316,784
Transfers	-	(136,187)	-	136,188	-	1
Total revenues	14,522,685	13,997,924	2,986,958	3,293,096	17,509,643	17,291,020
Expenses:						
General government	1,516,452	976,952			1,516,452	976,952
Public safety	5,612,873	6,215,521			5,612,873	6,215,521
Public Works	1,715,852	1,400,952			1,715,852	1,400,952
Community development	2,037,145	1,891,143			2,037,145	1,891,143
Cultural and recreation	227,297	369,135			227,297	369,135
Capital Outlay	980,608	2,665,143			980,608	2,665,143
Debt Service	1,481,591	321,278			1,481,591	321,278
Ambulance			1,805,259	1,766,176	1,805,259	1,766,176
RDA Selma Manufacturing Complex			-	59,657	-	59,657
Pioneer Village			50,242	6,450	50,242	6,450
Garbage services			1,126,737	1,107,470	1,126,737	1,107,470
Cultural Arts			16,620	20,670	16,620	20,670
Total expense	13,571,818	13,840,124	2,998,858	2,960,423	16,570,676	16,800,547
Increase in net assets	950,867	157,800	(11,900)	332,673	938,967	490,473
Prior period adjustments	(111,299)	177,517	-	-	(111,299)	177,517
Net assets - beginning	45,545,105	45,209,788	1,302,957	1,188,355	46,848,062	46,180,072
Net assets - ending	\$ 46,384,673	\$ 45,545,105	\$ 1,291,057	\$ 1,521,028	\$ 47,675,730	\$ 46,848,063

CITY OF SELMA

Management's Discussion and Analysis
June 30, 2011

The Governmental revenues for the year were \$14.5 million. Taxes, which include property, sales and other taxes account for \$8.339 million or 57.4% of the City's governmental activities revenue. Total governmental expenses for the year were \$13.6 million. Public Safety, which includes police and fire, accounts for \$5.6 million or 41.5% of the total governmental activity expenses.

Financial Analysis of the City's Funds

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

Governmental funds. Not all of the City's governmental funds ended the year with positive fund balances. The ending fund balance for all funds is \$5.6 million, which is an increase of \$2.2 million, when compared to the prior year.

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

General Fund Budgetary Highlights expropriations

Throughout the fiscal year it was not considered necessary to adjust the original 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		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land	\$ 8,112,177	\$ 8,112,177	\$ -	\$ -	\$ 8,112,177	\$ 8,112,177
Construction in progress	1,793,954	794,533	-	-	1,793,954	794,533
Building and improvements	4,438,609	4,170,313	263,152	263,152	4,701,761	4,433,465
Machinery and equipment	7,606,354	7,561,810	782,102	782,102	8,388,456	8,343,912
Road network	90,164,276	90,164,276	-	-	90,164,276	90,164,276
Total	\$ 112,115,370	\$ 110,803,109	\$ 1,045,254	\$ 1,045,254	\$ 113,160,624	\$ 111,848,363

CITY OF SELMA**Management's Discussion and Analysis**

June 30, 2011

Long-term Debt. The City's long-term debt as of June 30, 2011 was \$17 million with governmental activities accounting for most debt.

City of Selma
Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Special assessment debt with governmental commitment	\$ 4,175,000	\$ 5,115,000	\$ -	\$ -	\$ 4,175,000	\$ 5,115,000
Tax allocation bonds	3,600,000	3,270,000	-	-	3,600,000	3,270,000
Capital leases	896,320	1,224,314	93,164	137,236	989,484	1,361,550
Lease revenue bonds	3,225,000	3,270,000	-	-	3,225,000	3,270,000
Certificates of participation	-	-	-	-	-	-
Revenue bonds	5,310,000	3,955,000	-	-	5,310,000	3,955,000
Contracts payable	119,218	172,362	-	-	119,218	172,362
		\$				
Total	\$ 17,325,538	17,006,676	\$ 93,164	\$ 137,236	\$ 17,418,702	\$ 17,143,912

Economic Factors

The City's main revenue sources are property taxes and sales taxes. These revenue sources, along with the slowdown in building activity, and had a detrimental impact on the city's ability to deliver services to its residents.

Studies provided by the city sales tax consultants indicate that sales tax revenues have begun to rebound and will continue to do so for the next three years of the forecast.

Residential building activity has increased subsequent to June 30, 2011, and is anticipated that trend will continue through 2013 and beyond.

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, 2011

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 3,968,123	\$ 665,417	\$ 4,633,540
Cash with fiscal agent	1,325,668	--	1,325,668
Accounts receivables	1,266,539	967,249	2,233,788
Internal balances	40,000	(40,000)	--
Due from other agencies	1,486,075	--	1,486,075
Deposits	42,211	--	42,211
Inventories	8,221	254	8,475
Prepaid items	2,010	--	2,010
Allowance for bad debt	--	(409,079)	(409,079)
Fixed assets (net, where applicable, of accumulated depreciation)	53,431,723	390,670	53,822,393
Notes receivable	4,925,964	--	4,925,964
Total Assets	66,496,534	1,574,511	68,071,045
Liabilities:			
Accounts payable	1,083,427	18,155	1,101,582
Accrued wages/benefits	279,782	36,039	315,821
Due to other agencies	745,861	--	745,861
Noncurrent liabilities:	--	--	--
Due within one year	840,086	45,725	885,811
Due in more than one year	17,162,705	183,535	17,346,240
Total Liabilities	20,111,861	283,454	20,395,315
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	43,911,315	337,145	44,248,460
Restricted For:			
Federal and State Programs	845,077	--	845,077
Debt Service	(58,328)	--	(58,328)
Capital Projects	3,681,110	--	3,681,110
Low-income housing	2,082,450	--	2,082,450
Unrestricted	(4,076,951)	953,912	(3,123,039)
Total Net Assets	\$ 46,384,673	\$ 1,291,057	\$ 47,675,730

The accompanying notes are an integral part of this statement.

CITY OF SELMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

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	\$ 1,492,327	\$ 224,630	\$ --	\$ (1,267,697)		\$ (1,267,697)
Public Safety	5,612,873	112,568	10,190	(5,490,115)		(5,490,115)
Public Works	1,715,852	449,542	--	(1,266,310)		(1,266,310)
Community Development	2,037,145	9,338	23,575	(2,004,232)		(2,004,232)
Recreation	227,297	26,248	425	(200,624)		(200,624)
Intergovernmental charges	24,125	--	--	(24,125)		(24,125)
Capital outlay	980,608	--	--	(980,608)		(980,608)
Debt service:	1,481,591	--	--	(1,481,591)		(1,481,591)
Total expenditures	<u>13,571,818</u>	<u>822,326</u>	<u>34,190</u>	<u>(12,715,302)</u>		<u>(12,715,302)</u>
Business-type Activities:						
Ambulance Service	1,805,259	1,809,451	--	--	\$ 4,192	4,192
Pioneer Village	50,242	32,806	2,125	--	(15,311)	(15,311)
Garbage Service	1,126,737	1,122,711	--	--	(4,026)	(4,026)
Cultural Arts	16,620	--	794	--	(15,826)	(15,826)
Total Business-type Activities	<u>2,998,858</u>	<u>2,964,968</u>	<u>2,919</u>	<u>--</u>	<u>(30,971)</u>	<u>(30,971)</u>
Total Primary Government	<u>\$ 16,570,676</u>	<u>\$ 3,787,294</u>	<u>\$ 37,109</u>	<u>(12,715,302)</u>	<u>(30,971)</u>	<u>(12,746,273)</u>
General Revenues:						
Taxes				8,338,800	--	8,338,800
Licenses and permits				189,714	--	189,714
Intergovernmental				3,694,466	--	3,694,466
Charges for services				200,660	14,657	215,317
Fines				87,138	--	87,138
Franchise fees				704,187	--	704,187
Revenue for use of money & property				32,836	2,812	35,648
Assessment Payments				49,000	--	49,000
Miscellaneous				369,368	1,602	370,970
Transfers				--	--	--
Total General Revenues				<u>13,666,169</u>	<u>19,071</u>	<u>13,685,240</u>
Change in Net Assets				<u>950,867</u>	<u>(11,900)</u>	<u>938,967</u>
Net Assets - Beginning				45,545,105	1,302,957	46,848,062
Prior Period Adjustment				(111,299)	--	(111,299)
Net Assets - Ending				<u>\$ 46,384,673</u>	<u>\$ 1,291,057</u>	<u>\$ 47,675,730</u>

The accompanying notes are an integral part of this statement.

CITY OF SELMA**BALANCE SHEET - GOVERNMENTAL FUNDS**

JUNE 30, 2011

	General Fund	Street Maintenance Fund	RDA General Debt Service
Assets:			
Cash and investments	\$ 484,601	\$ --	\$ --
Cash with fiscal agent	--	339,437	360,000
Accounts receivables	95,339	1,840	851,964
Due from other funds	92,407	665,000	--
Due from other agencies	82,940	--	200,186
Inventories	1,554	6,447	--
Prepaid items	2,010	--	--
Total Assets	\$ 758,851	\$ 1,012,724	\$ 1,412,150
Liabilities:			
Accounts payable	\$ 72,696	\$ 5,622	\$ 851,964
Accrued wages/benefits	183,382	59,841	--
Due to other funds	1,490,000	1,233,777	894,868
Due to other agencies	--	--	565,173
Total Liabilities	1,746,078	1,299,240	2,312,005
Fund balances:			
Assigned, reported in:			
Debt service funds	--	--	(899,855)
Low-income housing funds	--	--	--
Capital projects funds	--	--	--
Federal and state programs	--	(286,516)	--
Unassigned	(987,227)	--	--
Total fund balances	(987,227)	(286,516)	(899,855)
Total Liabilities and Fund Balances	\$ 758,851	\$ 1,012,724	\$ 1,412,150

The accompanying notes are an integral part of this statement.

PFA 2001 A Debt Service	Developmental Impact Streets & Traffic	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 46,564	\$ 3,126,657	\$ 3,657,822
--	--	626,231	1,325,668
--	--	163,068	1,112,211
--	1,400,000	4,241,848	6,399,255
--	--	1,202,879	1,486,005
--	--	--	8,001
--	--	--	2,010
<u>\$ --</u>	<u>\$ 1,446,564</u>	<u>\$ 9,360,683</u>	<u>\$ 13,990,972</u>
\$ 3	\$ --	\$ 121,669	\$ 1,051,954
--	--	27,597	270,820
--	--	2,740,610	6,359,255
--	--	180,688	745,861
<u>3</u>	<u>--</u>	<u>3,070,564</u>	<u>8,427,890</u>
(3)	--	841,530	(58,328)
--	--	2,082,450	2,082,450
--	1,446,564	2,234,546	3,681,110
--	--	1,131,593	845,077
--	--	--	(987,227)
<u>(3)</u>	<u>1,446,564</u>	<u>6,290,119</u>	<u>5,563,082</u>
<u>\$ --</u>	<u>\$ 1,446,564</u>	<u>\$ 9,360,683</u>	<u>\$ 13,990,972</u>

CITY OF SELMA
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011**

Total fund balances - governmental funds balance sheet	\$ 5,563,082
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.	53,585,966
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	312,452
Payables for bond principal which are not due in the current period are not reported in the funds.	(16,310,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(896,319)
Payables for notes which are not due in the current period are not reported in the funds.	(119,218)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(677,254)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	851,965
Assessments receivable unavailable to pay for current period expenditures are deferred in the funds.	4,074,000
Rounding difference	(1)
Net assets of governmental activities - Statement of Net Assets	<u>\$ 46,384,673</u>

The accompanying notes are an integral part of this statement.

CITY OF SELMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Street Maintenance Fund	RDA General Debt Service
Revenue:			
Taxes	\$ 5,759,920	\$ --	\$ 1,111,166
Licenses and permits	280,422	2,080	--
Intergovernmental	87,875	--	--
Charges for services	270,856	164,056	--
Fines	6,070	--	--
Franchise fees	704,187	--	--
Revenue for use of money & property	16,797	(4,331)	(4,025)
Assessment payment	--	--	--
Miscellaneous	158,840	277,878	46,688
Total revenues	<u>7,284,967</u>	<u>439,683</u>	<u>1,153,829</u>
Expenditures:			
General government	1,304,099	--	--
Public Safety	4,897,118	--	--
Public Works	211,518	1,339,512	--
Community Development	376,099	24,623	949,418
Recreation	205,992	--	--
Intergovernmental charges	--	--	--
Capital outlay	234	--	--
Debt service:			
Principal	71,138	--	--
Interest and fiscal charges	210,565	320,767	--
Total expenditures	<u>7,276,763</u>	<u>1,684,902</u>	<u>949,418</u>
Excess (deficiency) of revenues over (under) expenditures	8,204	(1,245,219)	204,411
Other financing sources (uses):			
Operating transfers in	503,349	1,442,460	--
Operating transfers out	--	(3,637,564)	(3,120,501)
Proceeds from bonds	--	4,125,000	3,600,000
Total other financing sources (uses)	<u>503,349</u>	<u>1,929,896</u>	<u>479,499</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	511,553	684,677	683,910
Fund balances/equity, July 1	(1,498,842)	(971,193)	(1,583,765)
Prior period adjustment	62	--	--
Fund balances/equity, June 30	<u>\$ (987,227)</u>	<u>\$ (286,516)</u>	<u>\$ (899,855)</u>

The accompanying notes are an integral part of this statement.

PFA 2001 A Debt Service	Developmental Impact Streets & Traffic	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 1,467,714	\$ 8,338,800
--	--	--	282,502
--	--	3,618,425	3,706,300
--	64,058	392,465	891,435
--	--	87,138	93,208
--	--	--	704,187
--	2,265	91,932	102,638
--	--	1,227,725	1,227,725
--	--	689,895	1,173,301
--	66,323	7,575,294	16,520,096
--	--	302,774	1,606,873
--	--	728,701	5,625,819
--	--	164,822	1,715,852
--	--	687,005	2,037,145
--	--	190,511	396,503
--	--	24,125	24,125
--	--	1,762,895	1,763,129
5,115,000	--	2,320,000	7,506,138
119,643	--	695,616	1,346,591
5,234,643	--	6,876,449	22,022,175
(5,234,643)	66,323	698,845	(5,502,079)
5,167,722	--	1,544,829	8,658,360
--	--	(1,900,295)	(8,658,360)
--	--	--	7,725,000
5,167,722	--	(355,466)	7,725,000
(66,921)	66,323	343,379	2,222,921
66,918	1,380,241	5,978,101	3,371,460
--	--	(31,361)	(31,299)
\$ (3)	\$ 1,446,564	\$ 6,290,119	\$ 5,563,082

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, 2011

Net change in fund balances - total governmental funds	\$ 2,222,921
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,238,504
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,262,514)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(93,677)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	45
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	7,140,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	672,138
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	(369,000)
The net revenue (expense) of internal service funds is reported with governmental activities.	114,549
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	12,901
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(7,725,000)
Change in net assets of governmental activities - Statement of Activities	\$ <u>950,867</u>

The accompanying notes are an integral part of this statement.

CITY OF SELMA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Enterprise Fund	Enterprise Fund
	Ambulance Service	Garbage Service
Assets:		
Cash and investments	\$ 458,053	\$ 16,633
Accounts receivables	967,249	--
Due from other agencies	--	--
Deposits	--	--
Inventories	254	--
Allowance for bad debts	(409,079)	--
Fixed assets (net, where applicable, of accumulated depreciation)	384,584	--
Total Assets	\$ 1,401,061	\$ 16,633
Liabilities:		
Accounts payable	\$ 7,920	\$ --
Accrued wages/benefits	172,135	--
Due to other funds	--	--
Bonds payable	45,725	--
Leases payable	47,439	--
Total Liabilities	273,219	--
Net Assets:		
Unrestricted	1,127,842	16,633
Total net assets	1,127,842	16,633
Total Liabilities and Fund Balances	\$ 1,401,061	\$ 16,633

The accompanying notes are an integral part of this statement.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 190,731	\$ 665,417	\$ 310,301
--	967,249	85
--	--	70
--	--	42,211
--	254	220
--	(409,079)	--
6,086	390,670	--
<u>\$ 196,817</u>	<u>\$ 1,614,511</u>	<u>\$ 352,887</u>
\$ 10,235	\$ 18,155	\$ 31,473
--	172,135	8,962
40,000	40,000	--
--	45,725	--
--	47,439	--
<u>50,235</u>	<u>323,454</u>	<u>40,435</u>
146,582	1,291,057	312,452
<u>146,582</u>	<u>1,291,057</u>	<u>312,452</u>
<u>\$ 196,817</u>	<u>\$ 1,614,511</u>	<u>\$ 352,887</u>

CITY OF SELMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	Enterprise Fund	Enterprise Fund
	Ambulance Service	Garbage Service
Operating Revenues:		
Taxes	\$ --	\$ 1,122,711
Charges for services	1,809,451	--
Revenue for use of money & property	1,121	(540)
Miscellaneous	1,102	--
Total Operating Revenues	<u>1,811,674</u>	<u>1,122,171</u>
Operating Expenses:		
Personal services - salaries and wages	945,719	--
Personal services - employee benefits	463,438	--
Purchased professional and technical services	98,344	1,126,737
Other internal services	240,238	--
Depreciation	44,487	--
Capital outlay-Interest charges	13,033	--
Total Operating Expenses	<u>1,805,259</u>	<u>1,126,737</u>
Operating Income (Loss)	<u>6,415</u>	<u>(4,566)</u>
Transfers:		
Interfund operating transfers in	--	--
Interfund operating transfers out	--	--
Net income	6,415	(4,566)
Retained earnings/fund balances, July 1	1,121,427	21,199
Retained earnings/fund balances, June 30	<u>\$ 1,127,842</u>	<u>\$ 16,633</u>

The accompanying notes are an integral part of this statement.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ --	\$ 1,122,711	\$ --
14,657	1,824,108	3,445,740
30,834	31,415	--
7,622	8,724	170,376
<u>53,113</u>	<u>2,986,958</u>	<u>3,616,116</u>
--	945,719	142,379
--	463,438	89,475
37,045	1,262,126	221,168
28,991	269,229	2,964,326
826	45,313	--
--	13,033	84,219
<u>66,862</u>	<u>2,998,858</u>	<u>3,501,567</u>
<u>(13,749)</u>	<u>(11,900)</u>	<u>114,549</u>
--	--	--
--	--	--
(13,749)	(11,900)	114,549
160,331	1,302,957	197,903
<u>\$ 146,582</u>	<u>\$ 1,291,057</u>	<u>\$ 312,452</u>

CITY OF SELMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Enterprise Funds			
	Ambulance Service	Garbage Service	Other Funds	Totals
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 1,970,278	\$ 1,122,259	\$ 53,113	\$ 3,145,650
Cash Payments to Employees for Services	(1,426,010)	--	--	(1,426,010)
Cash Payments to Other Suppliers for Goods and Services	(349,928)	(1,126,737)	(65,431)	(1,542,096)
Net Cash Provided (Used) by Operating Activities	194,340	(4,478)	(12,318)	177,544
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Issuance of Long-term Debt	--	--	--	--
Principal and Interest Paid	(44,072)	--	--	(44,072)
Acquisition or Construction of Capital Assets	--	--	--	--
Proceeds from Sale of Capital Assets	--	--	--	--
Contributed Capital	--	--	--	--
Net Cash Provided (Used) for Capital & Related Financing Activities	(44,072)	--	--	(44,072)
Net Increase (Decrease) in Cash and Cash Equivalents	150,268	(4,478)	(12,318)	133,472
Cash and Cash Equivalents at Beginning of Year	307,785	21,111	203,049	531,945
Cash and Cash Equivalents at End of Year	\$ 458,053	\$ 16,633	\$ 190,731	\$ 665,417
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 6,415	\$ (4,566)	\$ (13,749)	\$ (11,900)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	44,487	--	824	45,311
Provision for Uncollectible Accounts	--	--	--	--
Change in Assets and Liabilities:				
Decrease (Increase) in Receivables	158,604	88	--	158,692
Decrease (Increase) in Inventories	--	--	--	--
Decrease (Increase) in Prepaid Expenses	--	--	--	--
Increase (Decrease) in Accrued Wages Payable	(16,853)	--	607	(16,246)
Increase (Decrease) in Interfund Payables	--	--	--	--
Increase (Decrease) in Due to Other Governments	--	--	--	--
Increase (Decrease) in Accrued Expenses	1,687	--	--	1,687
Total Adjustments	187,925	88	1,431	189,444
Net Cash Provided (Used) by Operating Activities	\$ 194,340	\$ (4,478)	\$ (12,318)	\$ 177,544

The accompanying notes are an integral part of this statement.

EXHIBIT A-9

Internal Service Funds
3,616,331
(230,167)
(3,161,459)
<u>224,705</u>
--
--
--
--
--
<u>--</u>
<u>--</u>
224,705
85,596
<u>310,301</u>
<u><u>310,301</u></u>
114,549
--
--
215
--
104,909
--
--
--
5,032
<u>110,156</u>
<u>224,705</u>
<u><u>224,705</u></u>

CITY OF SELMA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Agency Funds
Assets:	
Cash and investments	\$ 81,516
Total Assets	<u>\$ 81,516</u>
Liabilities:	
Accounts payable	\$ 81,516
Total Liabilities	<u>81,516</u>
Net Assets:	
Total net assets	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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

The Authority's specific and primary purpose is to provide financial assistance to the City of Selma and other agencies by acquiring qualified obligations which were issued for the acquisition, construction, and improvement of public facilities and property. The Agency was formed in order to maintain and revitalize the Selma redevelopment project area.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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 have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other 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:

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.

Capital Project Funds: These are 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.

Garbage Fund. This is the fund that accounts for the transactions between the City and Selma Disposal, who provides the commercial and residential garbage collection for the City.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

In addition, the City reports the following fund types:

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

Agency Funds: These funds are used to report 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 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.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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.

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.

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, 2011

g. 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.

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the City Council. Committed amounts cannot be used for any other purpose unless the City Council removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the City Council. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the City intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the City Council or by an official or body to which the City Council delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

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:

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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

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

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

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
General Fund	\$ (987,227)	Retain future excess revenues
Street Maintenance fund	(286,516)	Retain future excess revenues
RDA General debt service	(899,855)	Retain future excess revenues
RDA Industrial park debt service	(517,739)	Retain future excess revenues
RDA Industrial park capital project	(202,594)	Retain future excess revenues
Traffic Safety	(12,584)	Retain future excess revenues
Redevelopment Administration	(8,593)	Retain future excess revenues
Redevelopment Housing Administration	(1,656)	Retain future excess revenues
Landscape and Lighting Assessment	(17,237)	Retain future excess revenues
T21 Project Grant	(109)	Retain future excess revenues
FEMA Grant	(15,943)	Retain future excess revenues
Traffic Grant	(15,237)	Retain future excess revenues
ABC Grant	(2,236)	Retain future excess revenues
GRIP Grant	(774)	Retain future excess revenues
ADA Calmmet Grant	(155)	Retain future excess revenues
Federal Grants	(115,131)	Retain future excess revenues
Federal Grants Fund	(21,410)	Retain future excess revenues
PFA 2001 Debt Service Fund	(3)	Retain future excess revenues
Assessment 91-2 Stillman DS	(4,948)	Retain future excess revenues
Development Impact Storm Drain	(276,751)	Retain future excess revenues
Long Range Planning	(303,801)	Retain future excess revenues
Northeast Plan Project	(369,488)	Retain future excess revenues
Tutelian Project	(1,638)	Retain future excess revenues
Selma Crossing Project	(154,243)	Retain future excess revenues
Transit Fund	(8)	Retain future excess revenues
Cultural Arts Enterpirse Fund	(37,813)	Retain future excess revenues
Fleet Management Fund	(15,684)	Retain future excess revenues
	<u>\$ (4,269,373)</u>	

C. Deposits and Investments

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 4,633,540
Restricted cash and investments with fiscal agents	1,325,668
Fiduciary funds:	
Cash and investments	<u>81,516</u>
Total cash and investments	<u>\$ 6,040,724</u>

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Cash and investments as of June 30, 2011 consists of the following:

Cash on hand	\$	700
Deposits with financial institutions		1,648,483
Investments		<u>4,391,541</u>
Total cash and investments	\$	<u>6,040,724</u>

A. Investment Authorized by the California Government Code and the Cities Investment Policy

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	\$40 million
US Treasury Obligations	N/A	None	None
US Government Agency Issues	N/A	None	None
Insured Passbook on Demand Deposits with Banks and Savings and Loans	N/A	None	\$100,000
Certificates of Deposit	1 year	None	\$100,000
Bankers Acceptances	N/A	None	None
Commercial Paper	N/A	None	None
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None

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

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

B. Investment Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	\$40 million
US Treasury Obligations	N/A	None	None
US Government Agency Issues	N/A	None	None
Insured Passbook on Demand Deposits with Banks and Savings and Loans	N/A	None	None
Certificates of Deposit	1 year	None	None
Bankers Acceptances	1 year	None	None
Commercial Paper	N/A	None	None
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Investment Agreements	N/A	None	None

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

C. Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Fair Value	12 Months or Less	Longer Than 60 Months
State Investment Pool	\$ 3,065,360	\$ 3,065,360	
Held by Bond Trustee:			
Money Market Funds	917,931	917,931	
Investment Agreement	408,250		408,250
	<u>\$ 4,391,541</u>	<u>\$ 3,983,291</u>	<u>\$ 408,250</u>

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

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

E. Disclosures Relating to Credit Risk

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

Investment Type	Amount	Ratings as of Fiscal Year End		
		Minimum Legal Rating	Not Rated	AAAm
State Investment Pool	\$ 3,065,360	N/A	\$ 3,065,360	
Held by Bond Trustee:				
Money Market Funds	917,931	AAm		917,931
Investment Agreement	408,250	N/A	408,250	
	<u>\$ 4,391,541</u>		<u>\$ 3,473,610</u>	<u>917,931</u>

F. Concentration of Credit Risk

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

G. Custodial Credit Risk

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

As of June 30, 2011, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in an uncollateralized accounts. In addition, as of June 30, 2011, no investments were held by the same broker dealer (counterparty) that was used by the City of Selma to purchase the securities.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

I. Investment in State Investment Pool

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

D. Notes receivable

The Agency had the following receivables outstanding at June 30, 2011:

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.	196,293
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%	314,745
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%	95,176
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.	70,738
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.	161,707
	<u>\$ 851,964</u>

E. Bonds receivable

The Authority has entered into bond and lease agreements with the following at June 30, 2011:

City of Mt Shasta Loan Refunding	\$ 80,000
	<u>\$ 80,000</u>

Future Commitments to the Authority follow:

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

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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	\$ 978,000
Assessment District No. 1992-1 Improvement Bonds - Dancer II	220,000
Assessment District No. 1992-1 Supplemental Improvement Bonds - Dancer III	205,000
Assessment District No. 1992-1 Third Supplemental Improvement Bonds - Pea Soup Andersen	1,609,000
Assessment District No. 1993-1 Improvement Bonds - Vineyard	410,000
Assessment District No. 1991-2 Supplemental Improvement Bonds - Stillman	216,000
Assessment District No. 1991-2 Supplemental Improvement Bonds - Watermain	206,000
Assessment District No. 1997-1 - Theater	150,000
	<u>\$ 3,994,000</u>

G. Capital Assets

Capital asset activity for the year ended June 30, 2011, 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	794,533	999,421	--	1,793,954
Total capital assets not being depreciated	<u>8,906,710</u>	<u>999,421</u>	<u>--</u>	<u>9,906,131</u>
Capital assets being depreciated:				
Roads and other infrastructure	90,164,276	--	--	90,164,276
Buildings and improvements	4,170,313	268,296	--	4,438,609
Equipment	7,561,810	44,544	--	7,606,354
Total capital assets being depreciated	<u>101,896,399</u>	<u>312,840</u>	<u>--</u>	<u>102,209,239</u>
Less accumulated depreciation for:				
Roads and other infrastructure	(50,068,045)	(1,772,243)	--	(51,840,288)
Buildings and improvements	(2,707,575)	(103,451)	--	(2,811,026)
Equipment	(3,645,513)	(386,820)	--	(4,032,333)
Total accumulated depreciation	<u>(56,421,133)</u>	<u>(2,262,514)</u>	<u>--</u>	<u>(58,683,647)</u>
Total capital assets being depreciated, net	<u>45,475,266</u>	<u>(1,949,674)</u>	<u>--</u>	<u>43,525,592</u>
Governmental activities capital assets, net	<u>\$ 54,381,976</u>	<u>\$ (950,253)</u>	<u>\$ --</u>	<u>\$ 53,431,723</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	263,152	--	--	263,152
Equipment	782,102	--	--	782,102
Total capital assets being depreciated	<u>1,045,254</u>	<u>--</u>	<u>--</u>	<u>1,045,254</u>
Less accumulated depreciation for:				
Buildings and improvements	(256,298)	(826)	--	(257,124)
Equipment	(353,023)	(44,487)	--	(397,510)
Total accumulated depreciation	<u>(609,321)</u>	<u>(45,313)</u>	<u>--</u>	<u>(654,634)</u>
Total capital assets being depreciated, net	<u>435,933</u>	<u>(45,313)</u>	<u>--</u>	<u>390,620</u>
Business-type activities capital assets, net	<u>\$ 435,933</u>	<u>\$ (45,313)</u>	<u>\$ --</u>	<u>\$ 390,620</u>

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Depreciation was charged to functions as follows:

General Government	\$	142,359
Public Protection:		
Fire Protection		89,883
Police		153,076
Public Ways and Facilities, Including		
Depreciation of General Infrastructure Assets		1,877,196
Pioneer Village		826
Ambulance Service		44,487
	\$	<u>2,307,827</u>

H. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2011, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 96,443	Short-term loans
Streets Fund	Other Governmental Funds	138,840	For transfer of federal receipts
Development Impact Fund	Northeast Specific Plan Fund	450,000	Capital projects expenditures
Other Governmental Funds	General Fund	1,490,000	Short-term loans
Other Governmental Funds	Streets Fund	1,233,777	Short-term loans
Other Governmental Funds	Other Governmental Funds	2,966,099	Short-term loans
Parks & Rec Impact Fund	Prop. 40 Parks Grant	24,125	Short-term loans
	Total	\$ <u>6,399,284</u>	

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, 2011, consisted of the following:

Transfers From	Transfers To	Amount	Reason
Other Governmental Funds	Street Maintenance Fund	\$ 1,442,460	Supplement other funds sources
Other Governmental Funds	General fund	457,835	Reimburse expenditures
Street Fund	General fund	45,514	Reimburse expenditures
RDA General Debt Service	PFA 2001 Debt Service	3,120,501	Payoff Bonds
Street Maintenance Fund	PFA 2001 Debt Service	2,047,221	Payoff Bonds
Street Maintenance Fund	Other Governmental Funds	1,544,829	Supplement other funds sources
	Total	\$ <u>8,658,360</u>	

I. Short-Term Debt Activity

The City accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

J. Long-Term Liabilities

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, 2011, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Revenue bonds-Authority	\$ 12,440,000	\$ --	\$ 7,080,000	\$ 5,360,000	410,000
Bonds Payable-Agency	3,270,000	3,600,000	45,000	6,825,000	45,000
Revenue bonds-City	--	4,125,000	--	4,125,000	--
Notes	172,362	--	53,144	119,218	57,093
Capital leases	1,224,314	--	327,994	896,320	327,993
Compensated absences *	690,155	28,996	--	719,151	--
Total governmental activities	\$ 17,796,831	\$ 7,753,996	\$ 7,506,138	\$ 18,044,689	\$ 840,086
Business-type activities:					
Capital leases	\$ 137,236	\$ --	\$ 44,072	\$ 93,164	\$ 45,725
Compensated absences *	159,908	--	23,812	136,096	--
Total business-type activities	\$ 297,144	\$ --	\$ 67,884	\$ 229,260	\$ 45,725

A summary of changes in bonds payable of the Authority for the year ended June 30, 2011 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2010	Issued	Retired	Outstanding June 30, 2011
1994	4% - 7.25%	\$ 11,570,000	\$ 1,405,000	\$ --	\$ 220,000	\$ 1,185,000
1999-A	4.5% - 5.85%	8,110,000	4,435,000	--	260,000	4,175,000
2001-A	variable	6,850,000	5,115,000	--	5,115,000	--
2004-A	variable	2,515,000	1,485,000	--	1,485,000	--
		\$ 29,045,000	\$ 12,440,000	\$ --	\$ 7,080,000	\$ 5,360,000

A summary of changes in bonds payable of the Agency for the year ended June 30, 2011 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2010	Issued	Retired	Outstanding June 30, 2011
2010A	Various	\$ 3,600,000	\$ --	\$ 3,600,000	\$ --	\$ 3,600,000
Industrial Park	7.25%	3,561,890	3,270,000	--	45,000	3,225,000
		\$ 7,161,890	\$ 3,270,000	\$ 3,600,000	\$ 45,000	\$ 6,825,000

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

A summary of changes in Revenue Bonds of the City for the year ended June 30, 2011 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2010	Issued	Retired	Outstanding June 30, 2011
2010A	Various	\$ 4,125,000	\$ --	\$ 4,125,000	\$ --	\$ 4,125,000
		<u>\$ 4,125,000</u>	<u>\$ --</u>	<u>\$ 4,125,000</u>	<u>\$ --</u>	<u>\$ 4,125,000</u>

1. 1994 Revenue Bonds.

On March 15, 1994, the Selma Public Financing Authority issued \$1,814,000 of Revenue Bonds to finance improvements for the City Hall of Selma and refunding of the City of Mount Shasta Assessment District No. 1989-1 Bond. The bonds have an interest rate of 5.55% to 7.00% and mature on September 15, 2023. Bonds are payable annually at various amounts. The principal balance outstanding at June 30, 2011 is 1,185,000.

2. 1999A Assessment Revenue Bonds.

On September 2, 1999, the Selma Public Financing Authority issued \$8,165,000 of Assessment Revenue Bonds bearing interest at 4.40% to 6.15% payable semi-annually on March 2 and September 2 commencing March 2, 2000. The bonds mature annually at various amounts through September 2, 2023. The bonds are payable solely from revenues received by the Authority from the City with respect to the local obligations. The bond proceeds were used to refund certain outstanding Authority obligations, for funding a reserve account for the bonds and for paying the costs of issuance of the bonds. The principal balance outstanding at June 30, 2011 is \$4,175,000.

3. 2010A Tax Allocation Bonds

On August 12, 2010, the Selma Redevelopment Agency issued \$3,600,000 Tax Allocation Bonds bearing interest at 2.875% to 5.75% payable semi-annually on March 1 and September 1 commencing March 1, 2011. The bonds mature annually at various amounts through September 1, 2023 and are subject to optimal redemptions prior to maturity, in whole or in part, on September 1, 2017. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues). The bond proceeds were used to refund certain outstanding Agency obligations, for funding a reserve account for the bonds and for paying the cost of issuance of the bonds.

The bonds are being issued to refund the Agency's previously issued 2001 Sublease Agreement between the Agency and the City in the amount of \$1,890,000 and the 2004 Series A Refunding Bonds in the amount of \$480,000. As a result the Agency's 2001A and 2004A Revenue Bonds are considered to be defeased and the liability for those bonds had been removed from the long-term liabilities of the governmental activities.

The aggregate debt service payments of the new debt is \$876,183 more than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the present value of the old debt and new debt payments) of approximately \$936,868.

4. Industrial Park Improvement Bonds.

On February 1, 2001, the USDA issued \$3,561,890 of Industrial Park Limited Obligation Improvement Bonds and subsequently loaned the proceeds to the Selma Redevelopment Agency bearing interest of 5% payable semi-annually on March 2 and September 2. The principal amount is payable annually at various amounts through September 2, 2040. The proceeds were used to finance projects in the City's Industrial Park. The principal balance outstanding at June 30, 2011 is \$3,225,000.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

5. 2010 Lease Revenue Refunding bonds.

On August 5, 2010 the Selma Public Financing Authority issued \$4,125,000 of Lease Revenue Bonds to provide funds to refinance a portion of the Authority's outstanding 2001 Variable Rate Demand Refunding Revenue Bonds, Series A, a portion of the Authority's outstanding 2004 Series A Refunding Bonds, fund a reserve fund for the Series 2010 Bonds, and to pay the costs incurred in connection with the costs of issuance.

The City has covenanted under the lease agreement to make all lease payments and to include all such payments in its annual budgets. The debt obligation is being recorded on the City's financial statements and thus not listed as part of the Public Financing Authority Long-Term Debt.

All of the Authority's obligations with respect to the Refunded Bonds (2001A and 2004A) have been fully discharged upon the issuance of the Series 2010 Bonds.

2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2011 are as follows:

Year Ending June 30,	Authority Governmental Activities		
	Principal	Interest	Total
2012	\$ 410,000	\$ 338,378	\$ 748,378
2013	355,000	207,805	562,805
2014	365,000	290,770	655,770
2015	415,000	265,821	680,821
2016	385,000	237,445	622,445
2017-2021	2,140,000	809,210	2,949,210
2022-2026	1,290,000	120,903	1,410,903
Totals	<u>\$ 5,360,000</u>	<u>\$ 2,270,332</u>	<u>\$ 7,630,332</u>

Year Ending June 30,	Agency Governmental Activities		
	Principal	Interest	Total
2012	\$ 45,000	\$ 336,563	\$ 381,563
2013	50,000	334,187	384,187
2014	285,000	392,118	677,118
2015	300,001	375,872	675,873
2016	305,000	358,464	663,464
2017-2021	1,754,999	1,485,903	3,240,902
2022-2026	1,865,000	832,657	2,697,657
2027-2031	550,000	488,750	1,038,750
2032-2036'	695,000	334,375	1,029,375
2037-2041	975,000	134,625	1,109,625
Totals	<u>\$ 6,825,000</u>	<u>\$ 5,073,514</u>	<u>\$ 11,898,514</u>

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Year Ending June 30,	City Governmental Activities		
	Principal	Interest	Total
2012	\$ --	\$ 278,238	\$ 278,238
2013	60,000	278,238	338,238
2014	60,000	276,362	336,362
2015	65,000	274,038	339,038
2016	65,000	271,112	336,112
2017-2021	395,000	1,293,751	1,688,751
2022-2026	535,000	1,147,650	1,682,650
2027-2031	750,000	932,750	1,682,750
2032-2036'	1,055,000	630,350	1,685,350
2037-2041	1,140,000	206,500	1,346,500
Totals	<u>\$ 4,125,000</u>	<u>\$ 5,588,989</u>	<u>\$ 9,713,989</u>

3. Notes Payable

The outstanding notes payable of the City of Selma at June 30, 2011 are as follows:

Selma Health Care District	\$ 39,089
Wal-Mart	80,129
	<u>\$ 119,218</u>

Debt Service Requirements

Debt service requirements on notes payable of the City at June 30, 2011, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
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	<u>\$ 119,218</u>	<u>\$ 17,093</u>	<u>\$ 136,311</u>

4. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of June 30, 2011, as follows:

	Governmental Activities	Business-Type Activities
Year Ending June 30:		
2012	\$ 269,919	\$ 49,218
2013	227,865	49,218
2014	188,658	--
2015	57,865	--
2016	289,327	--
Total Minimum Rentals	1,033,634	98,436
Less: amount representing interest	(137,316)	(5,272)
Principal amount	<u>\$ 896,318</u>	<u>\$ 93,164</u>

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

5. Compensated Absences:

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

K. Risk Management

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

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each 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 \$29,000,000. The CSJVRMA participates in an excess pool which provides workers' compensation coverage from \$500,000 to \$5,000,000 and purchases excess reinsurance above \$5,000,000 to the statutory limit.

The CSJVRMA is a consortium of fifty-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.

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

	As of and for the Year Ended June 30, 2011
Total Assets	\$ 69,444,059
Total Liabilities	\$ 55,945,081
Total Net Assets	13,498,978
Total Liabilities and Net Assets	\$ 69,444,059
Total Revenues for the Year	\$ 27,941,713
Total Expenses for the Year	26,326,659
Change in Net Assets	\$ 1,615,054

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

L. Pension Plan

1. 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.

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. The City employer is required to contribute for fiscal year 2010-2011 at an actuarially determined rate; the current rate is 15.715% for miscellaneous employees, and 15.051% 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 2010-2011, the City's annual pension cost of \$1,069,549 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2008 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, 2011 was 19 years for miscellaneous employees and 15 years for safety employees.

Three year trend information for PERS:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2009	\$ 1,296,660	\$ 100%	\$ --
June 30, 2010	1,091,119	100%	--
June 30, 2011	1,069,549	100%	--

Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the plan was 79% funded for non-safety employees and 84.5% funded for safety employees. The actuarial accrued liability for benefits was \$2.3 billion for non-safety, \$469.5 million for safety employees, and the actuarial value of assets was \$1.8 billion for non-safety employees and \$397 million for safety employees, resulting in an unfunded actuarial accrued liability (UAAL) of \$482 million for non-safety employees and \$73 million for safety employees. The covered payroll (annual payroll of active employees covered by the plan) was \$434 million for non-safety members and \$62 million for safety members, and the ratio of UAAL to the covered payroll was 111.1% and 117.6% respectively.

The schedule of funding progress as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

M. 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

No reportable litigation was pending against the City at June 30, 2011.

N. Post Retirement Benefits

The City allows its retirees who retire under provisions of a regular service retirement and who have stated years of service the opportunity to continue enrollment in the City's health insurance program until age 65. The retirees have the same choice of insurance plans as those of current employees. The retirees pay the full cost of the insurance premiums without cost to the City.

O. Subsequent Events

Subsequent events were evaluated through April 19, 2012, which is the date the financial statements were available to be issued.

Selma Redevelopment Agency:

In January 2011, the Governor announced his intent to eliminate redevelopment agencies as a way to help balance the State budget. The Legislature later inacted, and the Governor signed, ABx1 26 (dissolution of redevelopment agencies) and ABx1 27 (allowing redevelopment agencies to continue with voluntary payments to the State). These bills took effect on June 29, 2011.

Many believe these bills violated a number of provisions in the California Constitution, including the recently enacted Proposition 22, so the California League of Cities and the California Redevelopment Association filed suit in the California Supreme Court challenging the constitutionality of these bills. On August 11, 2011, the Supreme Court agreed to take the case and issued partial stays of both AB1x 26 and ABx1 27.

On December 29, 2011, the California Supreme Court announced its ruling to uphold ABx1 26, but overturned and invalidated ABx1 27, essentially dissolving all redevelopment agencies in California on February 1, 2012.

P. Prior Period Adjustments

Certain errors resulting in an understatement of previously reported assets were discovered during the current year. Accordingly, adjustments totaling \$111,299 were made for the following:

1) Balance on bonds payable were understated	\$	80,000
2) Expenses related to the prior year were paid in the current year		31,299
	\$	<u>111,299</u>

A corresponding entry was made to reduce previously reported net assets by \$111,299.

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, 2011

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 5,583,660	\$ 5,583,660	\$ 5,759,920	\$ 176,260
Licenses and permits	307,545	307,545	280,422	(27,123)
Intergovernmental	--	--	87,875	87,875
Charges for services	395,618	395,618	270,856	(124,762)
Fines	11,900	11,900	6,070	(5,830)
Franchise fees	673,000	673,000	704,187	31,187
Revenue for use of money & property	16,620	16,620	16,797	177
Miscellaneous	80,430	80,430	158,840	78,410
Total revenues	<u>7,068,773</u>	<u>7,068,773</u>	<u>7,284,967</u>	<u>216,194</u>
Expenditures:				
General government	1,116,732	1,116,732	1,304,099	(187,367)
Public Safety	4,889,095	4,889,095	4,897,118	(8,023)
Public Works	392,575	392,575	211,518	181,057
Community Development	193,462	193,462	376,099	(182,637)
Recreation	290,618	290,618	205,992	84,626
Capital outlay	--	--	234	(234)
Debt service:				
Principal	226,513	226,513	71,138	155,375
Interest and fiscal charges	317,611	317,611	210,565	107,046
Total expenditures	<u>7,426,606</u>	<u>7,426,606</u>	<u>7,276,763</u>	<u>149,843</u>
Excess (deficiency) of revenues over (under) expenditures	(357,833)	(357,833)	8,204	366,037
Other financing sources (uses):				
Operating transfers in	400,000	400,000	503,349	103,349
Total other financing sources (uses)	<u>400,000</u>	<u>400,000</u>	<u>503,349</u>	<u>103,349</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	42,167	42,167	511,553	469,386
Fund balances/equity, July 1	(1,498,842)	(1,498,842)	(1,498,842)	--
Prior period adjustment	--	--	62	62
Fund balances/equity, June 30	<u>\$ (1,456,675)</u>	<u>\$ (1,456,675)</u>	<u>\$ (987,227)</u>	<u>\$ 469,448</u>

CITY OF SELMA
STREET MAINTENANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Licenses and permits	\$ 1,800	\$ 1,800	\$ 2,080	\$ 280
Charges for services	120,000	120,000	164,056	44,056
Revenue for use of money & property	--	--	(4,331)	(4,331)
Miscellaneous	--	--	277,878	277,878
Total revenues	<u>121,800</u>	<u>121,800</u>	<u>439,683</u>	<u>317,883</u>
Expenditures:				
Public Works	918,639	918,639	1,339,512	(420,873)
Community Development	--	--	24,623	(24,623)
Debt service:				
Interest and fiscal charges	300,268	300,268	320,767	(20,499)
Total expenditures	<u>1,218,907</u>	<u>1,218,907</u>	<u>1,684,902</u>	<u>(465,995)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,097,107)	(1,097,107)	(1,245,219)	(148,112)
Other financing sources (uses):				
Operating transfers in	1,095,500	1,095,500	1,442,460	346,960
Operating transfers out	--	--	(3,637,564)	(3,637,564)
Proceeds from bonds	--	--	4,125,000	4,125,000
Total other financing sources (uses)	<u>1,095,500</u>	<u>1,095,500</u>	<u>1,929,896</u>	<u>834,396</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,607)	(1,607)	684,677	686,284
Fund balances/equity, July 1	(971,193)	(971,193)	(971,193)	--
Fund balances/equity, June 30	<u>\$ (972,800)</u>	<u>\$ (972,800)</u>	<u>\$ (286,516)</u>	<u>\$ 686,284</u>

CITY OF SELMA**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF FUNDING PROGRESS****PERS INFORMATION****YEAR ENDED JUNE 30, 2011**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-2008						
Miscellaneous	\$ 1,529,548,799	\$ 1,823,366,479	\$ 293,817,680	83.9%	\$ 414,589,514	70.9%
Safety	438,674,996	5,042,295,839	4,603,620,843	8.7%	77,903,428	5909.4%
6-30-2009						
Miscellaneous	1,674,260,302	2,140,438,884	466,178,582	78.2%	440,071,499	105.9%
Safety	368,645,673	440,333,381	71,687,708	83.7%	60,158,108	119.2%
6-30-2010						
Miscellaneous	1,815,671,616	2,297,871,345	482,199,729	79.0%	434,023,381	111.1%
Safety	396,740,091	469,525,634	72,785,543	84.5%	61,878,177	117.6%

*Pooled as of July 1, 2003 with similar agencies throughout the state, pursuant to state law

Combining Statements 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, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
Assets:				
Cash and investments	\$ 1,259,712	\$ 741,149	\$ 1,125,796	\$ 3,126,657
Cash with fiscal agent	--	626,231	--	626,231
Accounts receivables	--	--	163,068	163,068
Due from other funds	--	--	4,241,848	4,241,848
Due from other agencies	767,617	--	435,262	1,202,879
Total Assets	<u>\$ 2,027,329</u>	<u>\$ 1,367,380</u>	<u>\$ 5,965,974</u>	<u>\$ 9,360,683</u>
Liabilities:				
Accounts payable	\$ 117,574	\$ 3,163	\$ 932	\$ 121,669
Accrued wages/benefits	27,597	--	--	27,597
Due to other funds	581,379	522,687	1,636,544	2,740,610
Due to other agencies	169,186	--	11,502	180,688
Total Liabilities	<u>895,736</u>	<u>525,850</u>	<u>1,648,978</u>	<u>3,070,564</u>
Fund balances:				
Assigned, reported in:				
Debt service funds	--	841,530	--	841,530
Low-income housing funds	--	--	2,082,450	2,082,450
Capital projects funds	--	--	2,234,546	2,234,546
Federal and state programs	1,131,593	--	--	1,131,593
Total fund balances	<u>1,131,593</u>	<u>841,530</u>	<u>4,316,996</u>	<u>6,290,119</u>
Total Liabilities and Fund Balances	<u>\$ 2,027,329</u>	<u>\$ 1,367,380</u>	<u>\$ 5,965,974</u>	<u>\$ 9,360,683</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
Taxes	\$ 1,189,934	\$ --	\$ 277,780	\$ 1,467,714
Intergovernmental	3,618,425	--	--	3,618,425
Charges for services	190,064	--	202,401	392,465
Fines	87,138	--	--	87,138
Revenue for use of money & property	3,296	79,375	9,261	91,932
Assessment payment	--	1,226,645	1,080	1,227,725
Miscellaneous	229,053	--	460,842	689,895
Total revenues	<u>5,317,910</u>	<u>1,306,020</u>	<u>951,364</u>	<u>7,575,294</u>
Expenditures:				
General government	50,239	252,535	--	302,774
Public Safety	728,701	--	--	728,701
Public Works	164,759	--	63	164,822
Community Development	206,265	--	480,740	687,005
Recreation	21,305	--	169,206	190,511
Intergovernmental charges	--	--	24,125	24,125
Capital outlay	1,762,895	--	--	1,762,895
Debt service:				
Principal	--	2,290,000	30,000	2,320,000
Interest and fiscal charges	--	681,263	14,353	695,616
Total expenditures	<u>2,934,164</u>	<u>3,223,798</u>	<u>718,487</u>	<u>6,876,449</u>
Excess (deficiency) of revenues over (under) expenditur	2,383,746	(1,917,778)	232,877	698,845
Other financing sources (uses):				
Operating transfers in	23,796	1,521,033	--	1,544,829
Operating transfers out	(1,900,295)	--	--	(1,900,295)
Total other financing sources (uses)	<u>(1,876,499)</u>	<u>1,521,033</u>	<u>--</u>	<u>(355,466)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	507,247	(396,745)	232,877	343,379
Fund balances/equity, July 1	655,707	1,238,275	4,084,119	5,978,101
Prior period adjustment	(31,361)	--	--	(31,361)
Fund balances/equity, June 30	<u>\$ 1,131,593</u>	<u>\$ 841,530</u>	<u>\$ 4,316,996</u>	<u>\$ 6,290,119</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	201	202	204	205
	Traffic Safety	Redevelopment Administration	Public Safety	Redevelopment Housing Administration
Assets:				
Cash and investments	\$ 1,380	\$ 39,035	\$ (271)	\$ --
Due from other agencies	5,936	129,911	4,697	11,502
Total Assets	<u>\$ 7,316</u>	<u>\$ 168,946</u>	<u>\$ 4,426</u>	<u>\$ 11,502</u>
Liabilities:				
Accounts payable	\$ --	\$ 1,500	\$ --	\$ --
Accrued wages/benefits	--	6,853	--	1,656
Due to other funds	19,900	--	2,543	11,502
Due to other agencies	--	169,186	--	--
Total Liabilities	<u>19,900</u>	<u>177,539</u>	<u>2,543</u>	<u>13,158</u>
Fund balances:				
Assigned, reported in:				
Federal and state programs	(12,584)	(8,593)	1,883	(1,656)
Total fund balances	<u>(12,584)</u>	<u>(8,593)</u>	<u>1,883</u>	<u>(1,656)</u>
Total Liabilities and Fund Balances	<u>\$ 7,316</u>	<u>\$ 168,946</u>	<u>\$ 4,426</u>	<u>\$ 11,502</u>

207 Traffic Congestion Relief Grant	209 AB 1913 Grant	211 Street Gas Tax	214 Street Measure "C"	215 Proposition 1B Fund
\$ 469,193	\$ 33,866	\$ --	\$ 305,850	\$ 309,013
--	11,358	36,645	37,828	--
<u>\$ 469,193</u>	<u>\$ 45,224</u>	<u>\$ 36,645</u>	<u>\$ 343,678</u>	<u>\$ 309,013</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	2,672	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>2,672</u>	<u>--</u>	<u>--</u>	<u>--</u>
469,193	42,552	36,645	343,678	309,013
<u>469,193</u>	<u>42,552</u>	<u>36,645</u>	<u>343,678</u>	<u>309,013</u>
<u>\$ 469,193</u>	<u>\$ 45,224</u>	<u>\$ 36,645</u>	<u>\$ 343,678</u>	<u>\$ 309,013</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	216 Street HUTA Fund	220 Landscape and Lighting Assessment	228 Abandoned Vehicle Abatement	232 Recycling Grant
Assets:				
Cash and investments	\$ --	\$ --	\$ 24,504	\$ 28,854
Due from other agencies	34,490	--	--	--
Total Assets	\$ 34,490	\$ --	\$ 24,504	\$ 28,854
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Accrued wages/benefits	--	4,304	--	--
Due to other funds	--	12,933	--	--
Due to other agencies	--	--	--	--
Total Liabilities	--	17,237	--	--
Fund balances:				
Assigned, reported in:				
Federal and state programs	34,490	(17,237)	24,504	28,854
Total fund balances	34,490	(17,237)	24,504	28,854
Total Liabilities and Fund Balances	\$ 34,490	\$ --	\$ 24,504	\$ 28,854

233	234	236	238	239
Safe Routes to Schools Grant	Weed & Seed Grant	Healthy Cities Grant	T-21 Project Grant	FEMA Grant
\$ 43	\$ 944	\$ 213	\$ --	\$ --
--	--	--	--	--
<u>\$ 43</u>	<u>\$ 944</u>	<u>\$ 213</u>	<u>\$ --</u>	<u>\$ --</u>
\$ --	\$ 944	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	109	15,943
--	--	--	--	--
<u>--</u>	<u>944</u>	<u>--</u>	<u>109</u>	<u>15,943</u>
43	--	213	(109)	(15,943)
<u>43</u>	<u>--</u>	<u>213</u>	<u>(109)</u>	<u>(15,943)</u>
<u>\$ 43</u>	<u>\$ 944</u>	<u>\$ 213</u>	<u>\$ --</u>	<u>\$ --</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	242	244	247	248
	Traffic Grant	ABC Grant	Homeland Security Fire Grant	Small Business Support Center
Assets:				
Cash and investments	\$ --	\$ --	\$ 15,542	\$ 700
Due from other agencies	4,474	--	--	--
Total Assets	\$ 4,474	\$ --	\$ 15,542	\$ 700
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Accrued wages/benefits	--	--	--	--
Due to other funds	19,711	2,236	--	--
Due to other agencies	--	--	--	--
Total Liabilities	19,711	2,236	--	--
Fund balances:				
Assigned, reported in:				
Federal and state programs	(15,237)	(2,236)	15,542	700
Total fund balances	(15,237)	(2,236)	15,542	700
Total Liabilities and Fund Balances	\$ 4,474	\$ --	\$ 15,542	\$ 700

252 DOJ Brynes Grant	254 Grip Grant	257 ADA Calmmet Grant	260 Foreclosed Homes Project	262 Sports Hall of Fame
\$ 2,690	\$ --	\$ --	\$ 27,056	\$ 173
--	15,908	--	--	--
<u>\$ 2,690</u>	<u>\$ 15,908</u>	<u>\$ --</u>	<u>\$ 27,056</u>	<u>\$ 173</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	16,682	155	--	--
--	--	--	--	--
<u>--</u>	<u>16,682</u>	<u>155</u>	<u>--</u>	<u>--</u>
2,690	(774)	(155)	27,056	173
<u>2,690</u>	<u>(774)</u>	<u>(155)</u>	<u>27,056</u>	<u>173</u>
<u>\$ 2,690</u>	<u>\$ 15,908</u>	<u>\$ --</u>	<u>\$ 27,056</u>	<u>\$ 173</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	263 State Asset Forfeiture Fund	265 Federal Grants Fund
Assets:		
Cash and investments	\$ 927	\$ --
Due from other agencies	--	430,418
Total Assets	<u>\$ 927</u>	<u>\$ 430,418</u>
Liabilities:		
Accounts payable	\$ --	\$ 115,130
Accrued wages/benefits	--	--
Due to other funds	--	430,419
Due to other agencies	--	--
Total Liabilities	<u>--</u>	<u>545,549</u>
Fund balances:		
Assigned, reported in:		
Federal and state programs	927	(115,131)
Total fund balances	<u>927</u>	<u>(115,131)</u>
Total Liabilities and Fund Balances	<u>\$ 927</u>	<u>\$ 430,418</u>

266 Federal Grants Fund	295 Citizen's Tax Initiative	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ --	\$ --	\$ 1,259,712
--	44,450	767,617
<u>\$ --</u>	<u>\$ 44,450</u>	<u>\$ 2,027,329</u>
\$ --	\$ --	\$ 117,574
6,439	5,673	27,597
14,971	34,275	581,379
--	--	169,186
<u>21,410</u>	<u>39,948</u>	<u>895,736</u>
(21,410)	4,502	1,131,593
<u>(21,410)</u>	<u>4,502</u>	<u>1,131,593</u>
<u>\$ --</u>	<u>\$ 44,450</u>	<u>\$ 2,027,329</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	201	202	204	205
	Traffic Safety	Redevelopment Administration	Public Safety	Redevelopment Housing Administration
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	36,211	--
Charges for services	--	--	--	--
Fines	87,138	--	--	--
Revenue for use of money & property	--	(624)	--	(57)
Miscellaneous	--	184,911	--	43,329
Total revenues	<u>87,138</u>	<u>184,287</u>	<u>36,211</u>	<u>43,272</u>
Expenditures:				
General government	--	50,049	--	--
Public Safety	--	--	--	--
Public Works	--	--	--	--
Community Development	--	142,417	--	43,802
Recreation	--	--	--	--
Capital outlay	--	--	--	--
Total expenditures	<u>--</u>	<u>192,466</u>	<u>--</u>	<u>43,802</u>
Excess (deficiency) of revenues over (under) expenditu	87,138	(8,179)	36,211	(530)
Other financing sources (uses):				
Operating transfers in	--	--	--	--
Operating transfers out	(87,138)	--	(36,211)	--
Total other financing sources (uses)	<u>(87,138)</u>	<u>--</u>	<u>(36,211)</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	(8,179)	--	(530)
Fund balances/equity, July 1	(12,584)	(414)	1,883	(1,126)
Prior period adjustment	--	--	--	--
Fund balances/equity, June 30	<u><u>\$ (12,584)</u></u>	<u><u>\$ (8,593)</u></u>	<u><u>\$ 1,883</u></u>	<u><u>\$ (1,656)</u></u>

207 Traffic Congestion Relief Grant	209 AB 1913 Grant	211 Street Gas Tax	213 Street LTF	214 Street Measure "C"
\$ --	\$ --	\$ --	\$ --	\$ --
--	100,043	354,296	364,296	451,224
--	--	--	--	--
--	--	--	--	--
1,303	1,237	158	183	607
--	--	--	--	200
<u>1,303</u>	<u>101,280</u>	<u>354,454</u>	<u>364,479</u>	<u>452,031</u>
--	--	--	--	--
--	76,859	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	28,000	--	--	--
<u>--</u>	<u>104,859</u>	<u>--</u>	<u>--</u>	<u>--</u>
1,303	(3,579)	354,454	364,479	452,031
--	--	--	--	--
--	--	(355,081)	(364,479)	(139,932)
<u>--</u>	<u>--</u>	<u>(355,081)</u>	<u>(364,479)</u>	<u>(139,932)</u>
1,303	(3,579)	(627)	--	312,099
467,890	46,131	37,272	--	31,579
--	--	--	--	--
<u>\$ 469,193</u>	<u>\$ 42,552</u>	<u>\$ 36,645</u>	<u>\$ --</u>	<u>\$ 343,678</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	215 Proposition 1B Fund	216 Street HUTA Fund	220 Landscape and Lighting Assessment	228 Abandoned Vehicle Abatement
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	319,321	221,879	--	--
Charges for services	--	--	172,622	--
Fines	--	--	--	--
Revenue for use of money & property	--	65	--	68
Miscellaneous	--	--	--	--
Total revenues	<u>319,321</u>	<u>221,944</u>	<u>172,622</u>	<u>68</u>
Expenditures:				
General government	--	--	--	--
Public Safety	--	--	--	--
Public Works	--	--	164,759	--
Community Development	54	--	--	--
Recreation	--	--	--	--
Capital outlay	26,131	--	--	--
Total expenditures	<u>26,185</u>	<u>--</u>	<u>164,759</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditu	293,136	221,944	7,863	68
Other financing sources (uses):				
Operating transfers in	15,877	--	--	--
Operating transfers out	--	(187,454)	--	--
Total other financing sources (uses)	<u>15,877</u>	<u>(187,454)</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	309,013	34,490	7,863	68
Fund balances/equity, July 1	--	--	(25,100)	24,436
Prior period adjustment	--	--	--	--
Fund balances/equity, June 30	<u>\$ 309,013</u>	<u>\$ 34,490</u>	<u>\$ (17,237)</u>	<u>\$ 24,504</u>

230	232	233	236	238
CDBG Grant	Recycling Grant	Safe Routes to Schools Grant	Healthy Cities Grant	T-21 Project Grant
\$ --	\$ --	\$ --	\$ --	\$ --
263,627	--	6,150	--	--
--	--	--	--	--
--	--	--	--	--
--	81	45	2	132
--	--	--	--	--
<u>263,627</u>	<u>81</u>	<u>6,195</u>	<u>2</u>	<u>132</u>
--	190	--	--	--
--	--	--	--	--
--	--	--	--	--
350	--	--	--	--
--	--	--	3,609	--
262,146	--	6,150	--	--
<u>262,496</u>	<u>190</u>	<u>6,150</u>	<u>3,609</u>	<u>--</u>
1,131	(109)	45	(3,607)	132
7,844	--	--	--	--
--	--	--	--	--
<u>7,844</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
8,975	(109)	45	(3,607)	132
759	28,963	(2)	3,820	18,487
(9,734)	--	--	--	(18,728)
<u>\$ --</u>	<u>\$ 28,854</u>	<u>\$ 43</u>	<u>\$ 213</u>	<u>\$ (109)</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	239	242	244	247
	FEMA Grant	Traffic Grant	ABC Grant	Homeland Security Fire Grant
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	73,110	58,924	--	27,592
Charges for services	--	--	--	--
Fines	--	--	--	--
Revenue for use of money & property	(4)	--	--	--
Miscellaneous	--	--	--	--
Total revenues	<u>73,106</u>	<u>58,924</u>	<u>--</u>	<u>27,592</u>
Expenditures:				
General government	--	--	--	--
Public Safety	89,049	71,262	2,236	--
Public Works	--	--	--	--
Community Development	--	--	--	--
Recreation	--	--	--	--
Capital outlay	--	--	--	12,050
Total expenditures	<u>89,049</u>	<u>71,262</u>	<u>2,236</u>	<u>12,050</u>
Excess (deficiency) of revenues over (under) expenditu	(15,943)	(12,338)	(2,236)	15,542
Other financing sources (uses):				
Operating transfers in	--	--	--	--
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(15,943)	(12,338)	(2,236)	15,542
Fund balances/equity, July 1	--	--	--	--
Prior period adjustment	--	(2,899)	--	--
Fund balances/equity, June 30	<u>\$ (15,943)</u>	<u>\$ (15,237)</u>	<u>\$ (2,236)</u>	<u>\$ 15,542</u>

248 Small Business Support Center	252 DOJ Brynes Grant	254 Grip Grant	257 ADA Calmmet Grant	260 Foreclosed Homes Project
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	49,667	10,000	--
--	--	--	--	15,600
--	--	--	--	--
--	33	--	--	64
--	--	88	--	525
<u>--</u>	<u>33</u>	<u>49,755</u>	<u>10,000</u>	<u>16,189</u>
--	--	--	--	--
--	16,018	33,137	10,155	--
--	--	--	--	--
--	--	--	--	7,400
--	--	15,816	--	--
--	4,494	--	--	--
<u>--</u>	<u>20,512</u>	<u>48,953</u>	<u>10,155</u>	<u>7,400</u>
--	(20,479)	802	(155)	8,789
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	(20,479)	802	(155)	8,789
700	23,169	(1,576)	--	18,267
--	--	--	--	--
<u>\$ 700</u>	<u>\$ 2,690</u>	<u>\$ (774)</u>	<u>\$ (155)</u>	<u>\$ 27,056</u>

CITY OF SELMA**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	262	263
	Sports Hall of Fame	State Asset Forfeiture Fund
Revenue:		
Taxes	\$ --	\$ --
Intergovernmental	--	--
Charges for services	1,842	--
Fines	--	--
Revenue for use of money & property	1	2
Miscellaneous	--	--
Total revenues	<u>1,843</u>	<u>2</u>
Expenditures:		
General government	--	--
Public Safety	--	--
Public Works	--	--
Community Development	--	--
Recreation	1,880	--
Capital outlay	--	--
Total expenditures	<u>1,880</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(37)	2
Other financing sources (uses):		
Operating transfers in	--	--
Operating transfers out	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(37)	2
Fund balances/equity, July 1	210	925
Prior period adjustment	--	--
Fund balances/equity, June 30	<u>\$ 173</u>	<u>\$ 927</u>

265 Federal Grants Fund	266 Federal Grants Fund	295 Citizen's Tax Initiative	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ 1,189,934	\$ 1,189,934
1,156,456	125,629	--	3,618,425
--	--	--	190,064
--	--	--	87,138
--	--	--	3,296
--	--	--	229,053
<u>1,156,456</u>	<u>125,629</u>	<u>1,189,934</u>	<u>5,317,910</u>
--	--	--	50,239
--	141,880	288,105	728,701
--	--	--	164,759
12,242	--	--	206,265
--	--	--	21,305
1,253,235	--	170,689	1,762,895
<u>1,265,477</u>	<u>141,880</u>	<u>458,794</u>	<u>2,934,164</u>
(109,021)	(16,251)	731,140	2,383,746
75	--	--	23,796
--	--	(730,000)	(1,900,295)
<u>75</u>	<u>--</u>	<u>(730,000)</u>	<u>(1,876,499)</u>
(108,946)	(16,251)	1,140	507,247
(6,185)	(5,159)	3,362	655,707
--	--	--	(31,361)
<u>\$ (115,131)</u>	<u>\$ (21,410)</u>	<u>\$ 4,502</u>	<u>\$ 1,131,593</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2011

	3071 RDA Theatre 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	\$ 53,092	\$ --	\$ --	\$ 9,331
Cash with fiscal agent	--	--	11	--
Total Assets	<u><u>\$ 53,092</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 11</u></u>	<u><u>\$ 9,331</u></u>
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	517,739	--	--
Total Liabilities	<u><u>--</u></u>	<u><u>517,739</u></u>	<u><u>--</u></u>	<u><u>--</u></u>
Fund balances:				
Assigned, reported in:				
Debt service funds	53,092	(517,739)	11	9,331
Total fund balances	<u><u>53,092</u></u>	<u><u>(517,739)</u></u>	<u><u>11</u></u>	<u><u>9,331</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 53,092</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 11</u></u>	<u><u>\$ 9,331</u></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 Reassessr Debt Service
\$ --	\$ --	\$ 3,163	\$ 149,546	\$ 17,744
203,261	4	--	--	422,955
<u>\$ 203,261</u>	<u>\$ 4</u>	<u>\$ 3,163</u>	<u>\$ 149,546</u>	<u>\$ 440,699</u>
\$ --	\$ --	\$ 3,163	\$ --	\$ --
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>3,163</u>	<u>--</u>	<u>--</u>
203,261	4	--	149,546	440,699
<u>203,261</u>	<u>4</u>	<u>--</u>	<u>149,546</u>	<u>440,699</u>
<u>\$ 203,261</u>	<u>\$ 4</u>	<u>\$ 3,163</u>	<u>\$ 149,546</u>	<u>\$ 440,699</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2011

	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	\$ 63,855	\$ 36,808	\$ 77,193
Cash with fiscal agent	--	--	--
Total Assets	<u>\$ 63,855</u>	<u>\$ 36,808</u>	<u>\$ 77,193</u>
Liabilities:			
Accounts payable	\$ --	\$ --	\$ --
Due to other funds	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:			
Assigned, reported in:			
Debt service funds	63,855	36,808	77,193
Total fund balances	<u>63,855</u>	<u>36,808</u>	<u>77,193</u>
Total Liabilities and Fund Balances	<u>\$ 63,855</u>	<u>\$ 36,808</u>	<u>\$ 77,193</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
\$ --	\$ 151,870	\$ 78,903	\$ 61,303
--	--	--	--
\$ --	\$ 151,870	\$ 78,903	\$ 61,303
<hr/>			
\$ --	\$ --	\$ --	\$ --
4,948	--	--	--
4,948	--	--	--
<hr/>			
(4,948)	151,870	78,903	61,303
(4,948)	151,870	78,903	61,303
<hr/>			
\$ --	\$ 151,870	\$ 78,903	\$ 61,303
<hr/>			

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2011

	3652 PFA 2004 A-B Debt Service	3702 2010 Debt Service Fund	Total Nonmajor Debt Service Funds (See Exhibit C-1)
Assets:			
Cash and investments	\$ 38,141	\$ 200	\$ 741,149
Cash with fiscal agent	--	--	626,231
Total Assets	<u>\$ 38,141</u>	<u>\$ 200</u>	<u>\$ 1,367,380</u>
Liabilities:			
Accounts payable	\$ --	\$ --	\$ 3,163
Due to other funds	--	--	522,687
Total Liabilities	<u>--</u>	<u>--</u>	<u>525,850</u>
Fund balances:			
Assigned, reported in:			
Debt service funds	38,141	200	841,530
Total fund balances	<u>38,141</u>	<u>200</u>	<u>841,530</u>
Total Liabilities and Fund Balances	<u>\$ 38,141</u>	<u>\$ 200</u>	<u>\$ 1,367,380</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	3071 RDA Theatre Debt Service	3091 RDA Industrial Park Debt Service	3152 PFA 1993 C Debt Service	3201 RDA-Low Income Hsng. Debt Service
Revenue:				
Revenue for use of money & property	\$ 84	\$ 73,915	\$ --	\$ 4,208
Assessment payment	55,550	--	--	--
Total revenues	<u>55,634</u>	<u>73,915</u>	<u>--</u>	<u>4,208</u>
Expenditures:				
General government	--	--	--	--
Debt service:				
Principal	--	45,000	--	15,000
Interest and fiscal charges	1,826	160,518	--	55,825
Total expenditures	<u>1,826</u>	<u>205,518</u>	<u>--</u>	<u>70,825</u>
Excess (deficiency) of revenues over (under) expenditu	53,808	(131,603)	--	(66,617)
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	53,808	(131,603)	--	(66,617)
Fund balances/equity, July 1	(716)	(386,136)	11	75,948
Fund balances/equity, June 30	<u>\$ 53,092</u>	<u>\$ (517,739)</u>	<u>\$ 11</u>	<u>\$ 9,331</u>

3202 1994 Debt Service	3302 PFA 1994 B-C Debt Service	350 Assmt 91-2 Highland Debt Service	3502 PFA 1999 A Reassessment Debt Service	351 Assmt 92-1 Dancer II Debt Service
\$ --	\$ --	\$ 273	\$ --	\$ 146
140,425	--	125,384	536,704	27,499
<u>140,425</u>	<u>--</u>	<u>125,657</u>	<u>536,704</u>	<u>27,645</u>
--	--	--	--	--
125,000	--	61,760	360,000	12,450
15,425	--	67,699	134,930	15,168
<u>140,425</u>	<u>--</u>	<u>129,459</u>	<u>494,930</u>	<u>27,618</u>
--	--	(3,802)	41,774	27
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	(3,802)	41,774	27
203,261	4	153,348	398,925	63,828
<u>\$ 203,261</u>	<u>\$ 4</u>	<u>\$ 149,546</u>	<u>\$ 440,699</u>	<u>\$ 63,855</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR DEBT SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	352 Assmt 92-1 Dancer III Debt Service	353 Assmt 91-2 Watermain Debt Service	354 Assmt 91-2 Stillman Debt Service	355 Assmt 91-2 Peasoup Debt Service
Revenue:				
Revenue for use of money & property	\$ 71	\$ 187	\$ (46)	\$ 217
Assessment payment	26,747	27,798	28,096	189,934
Total revenues	<u>26,818</u>	<u>27,985</u>	<u>28,050</u>	<u>190,151</u>
Expenditures:				
General government	--	--	--	--
Debt service:				
Principal	12,450	9,960	15,940	99,110
Interest and fiscal charges	14,156	14,143	15,033	111,395
Total expenditures	<u>26,606</u>	<u>24,103</u>	<u>30,973</u>	<u>210,505</u>
Excess (deficiency) of revenues over (under) expenditu	212	3,882	(2,923)	(20,354)
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	212	3,882	(2,923)	(20,354)
Fund balances/equity, July 1	36,596	73,311	(2,025)	172,224
Fund balances/equity, June 30	<u>\$ 36,808</u>	<u>\$ 77,193</u>	<u>\$ (4,948)</u>	<u>\$ 151,870</u>

356 Assmt 93-1 Briarwood/Vineyard Debt Service	357 Assmt Theater Debt Service	3652 PFA 2004 A-B Debt Service	3702 2010 Debt Service Fund	Total Nonmajor Debt Service Funds (See Exhibit C-2)
\$ 186	\$ 134	\$ --	\$ --	\$ 79,375
36,831	30,441	1,036	200	1,226,645
<u>37,017</u>	<u>30,575</u>	<u>1,036</u>	<u>200</u>	<u>1,306,020</u>
--	--	252,535	--	252,535
24,900	23,430	1,485,000	--	2,290,000
28,357	10,754	36,034	--	681,263
<u>53,257</u>	<u>34,184</u>	<u>1,773,569</u>	<u>--</u>	<u>3,223,798</u>
(16,240)	(3,609)	(1,772,533)	200	(1,917,778)
--	--	1,521,033	--	1,521,033
<u>--</u>	<u>--</u>	<u>1,521,033</u>	<u>--</u>	<u>1,521,033</u>
(16,240)	(3,609)	(251,500)	200	(396,745)
95,143	64,912	289,641	--	1,238,275
<u>\$ 78,903</u>	<u>\$ 61,303</u>	<u>\$ 38,141</u>	<u>\$ 200</u>	<u>\$ 841,530</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	110	111	402	4021
	Reserve	Equipment Replacement	Development Impact Police Facility	RDA Courthouse Capital Project
Assets:				
Cash and investments	\$ 692	\$ 35,683	\$ 12,364	\$ 264,225
Accounts receivables	--	--	--	--
Due from other funds	225,000	100,000	100,000	--
Due from other agencies	--	--	--	--
Total Assets	\$ 225,692	\$ 135,683	\$ 112,364	\$ 264,225
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Due to other agencies	--	--	--	--
Total Liabilities	--	--	--	--
Fund balances:				
Assigned, reported in:				
Low-income housing funds	--	--	--	--
Capital projects funds	225,692	135,683	112,364	264,225
Total fund balances	225,692	135,683	112,364	264,225
Total Liabilities and Fund Balances	\$ 225,692	\$ 135,683	\$ 112,364	\$ 264,225

403 Development Impact Fire Facility	404 Developmental Impact City Facilities	4041 RDA Housing Project Capital Project	405 Developmental Impact Storm Drain	406 Developmental Impact Sewer
\$ 1,017	\$ 167,677	\$ 266,917	\$ --	\$ 41,679
--	--	--	--	--
200,000	400,000	880,264	--	800,000
--	--	--	--	--
<u>\$ 201,017</u>	<u>\$ 567,677</u>	<u>\$ 1,147,181</u>	<u>\$ --</u>	<u>\$ 841,679</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	276,751	--
--	--	11,502	--	--
<u>--</u>	<u>--</u>	<u>11,502</u>	<u>276,751</u>	<u>--</u>
--	--	1,135,679	--	--
201,017	567,677	--	(276,751)	841,679
<u>201,017</u>	<u>567,677</u>	<u>1,135,679</u>	<u>(276,751)</u>	<u>841,679</u>
<u>\$ 201,017</u>	<u>\$ 567,677</u>	<u>\$ 1,147,181</u>	<u>\$ --</u>	<u>\$ 841,679</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	407 Developmental Impact Parks and Recreation	408 Long Range Planning Fee	409 Development Impac Public Use Facilities	4121 RDA Industrial Park Capital Project
Assets:				
Cash and investments	\$ 14,432	\$ --	\$ 60,518	\$ --
Accounts receivables	--	--	--	--
Due from other funds	450,000	--	--	--
Due from other agencies	--	--	--	--
Total Assets	\$ 464,432	\$ --	\$ 60,518	\$ --
Liabilities:				
Accounts payable	\$ 789	\$ 123	\$ --	\$ --
Due to other funds	--	303,678	--	202,594
Due to other agencies	--	--	--	--
Total Liabilities	789	303,801	--	202,594
Fund balances:				
Assigned, reported in:				
Low-income housing funds	--	--	--	--
Capital projects funds	463,643	(303,801)	60,518	(202,594)
Total fund balances	463,643	(303,801)	60,518	(202,594)
Total Liabilities and Fund Balances	\$ 464,432	\$ --	\$ 60,518	\$ --

4151 RDA Housing Bond Capital Project	432 Construction 97-2 Theater	435 City Hall Construction	441 Northeast Plan Project	443 South Selma Specific Plan Project
\$ 211,834	\$ 70	\$ 3,764	\$ 4,865	\$ --
--	--	--	--	163,068
734,937	--	16,000	75,647	--
--	--	--	--	--
<u>\$ 946,771</u>	<u>\$ 70</u>	<u>\$ 19,764</u>	<u>\$ 80,512</u>	<u>\$ 163,068</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	450,000	78,454
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>450,000</u>	<u>78,454</u>
946,771	--	--	--	--
--	70	19,764	(369,488)	84,614
<u>946,771</u>	<u>70</u>	<u>19,764</u>	<u>(369,488)</u>	<u>84,614</u>
<u>\$ 946,771</u>	<u>\$ 70</u>	<u>\$ 19,764</u>	<u>\$ 80,512</u>	<u>\$ 163,068</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	446 Amberwood Project	447 Tutelian Project	448 Selma Crossing Project
Assets:			
Cash and investments	\$ 26,535	\$ --	\$ --
Accounts receivables	--	--	--
Due from other funds	--	--	--
Due from other agencies	--	--	--
Total Assets	\$ 26,535	\$ --	\$ --
Liabilities:			
Accounts payable	\$ --	\$ --	\$ --
Due to other funds	--	1,638	154,243
Due to other agencies	--	--	--
Total Liabilities	--	1,638	154,243
Fund balances:			
Assigned, reported in:			
Low-income housing funds	--	--	--
Capital projects funds	26,535	(1,638)	(154,243)
Total fund balances	26,535	(1,638)	(154,243)
Total Liabilities and Fund Balances	\$ 26,535	\$ --	\$ --

449 Brandywine Project	452 WalMart EIR	453 Caltrans Mitigation Fund	454 Cultural Arts Construction Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
\$ 1,441	\$ 9,064	\$ 3,019	\$ --	\$ 1,125,796
--	--	--	--	163,068
--	120,000	140,000	--	4,241,848
--	--	--	435,262	435,262
<u>\$ 1,441</u>	<u>\$ 129,064</u>	<u>\$ 143,019</u>	<u>\$ 435,262</u>	<u>\$ 5,965,974</u>
\$ --	\$ --	\$ --	\$ 20	\$ 932
--	--	--	169,186	1,636,544
--	--	--	--	11,502
<u>--</u>	<u>--</u>	<u>--</u>	<u>169,206</u>	<u>1,648,978</u>
--	--	--	--	2,082,450
1,441	129,064	143,019	266,056	2,234,546
<u>1,441</u>	<u>129,064</u>	<u>143,019</u>	<u>266,056</u>	<u>4,316,996</u>
<u>\$ 1,441</u>	<u>\$ 129,064</u>	<u>\$ 143,019</u>	<u>\$ 435,262</u>	<u>\$ 5,965,974</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	110	111	402	4021
	Reserve	Equipment Replacement	Development Impact Police Facility	RDA Courthouse Capital Project
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ --
Charges for services	--	--	6,538	--
Revenue for use of money & property	2	331	308	--
Assessment payment	--	--	--	--
Miscellaneous	--	25,460	--	--
Total revenues	<u>2</u>	<u>25,791</u>	<u>6,846</u>	<u>--</u>
Expenditures:				
Public Works	--	--	--	--
Community Development	--	--	--	--
Recreation	--	--	--	--
Intergovernmental charges	--	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditure	2	25,791	6,846	--
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	2	25,791	6,846	--
Fund balances/equity, July 1	225,690	109,892	105,518	264,225
Fund balances/equity, June 30	<u>\$ 225,692</u>	<u>\$ 135,683</u>	<u>\$ 112,364</u>	<u>\$ 264,225</u>

403 Development Impact Fire Facility	404 Developmental Impact City Facilities	4041 RDA Housing Project Capital Project	405 Developmental Impact Storm Drain	406 Developmental Impact Sewer
\$ --	\$ --	\$ 277,780	\$ --	\$ --
6,739	15,434	--	10,017	13,277
554	1,012	5,051	(786)	2,059
--	--	1,080	--	--
--	--	120	--	--
<u>7,293</u>	<u>16,446</u>	<u>284,031</u>	<u>9,231</u>	<u>15,336</u>
--	--	--	--	--
--	400	255,870	--	--
--	--	--	--	--
--	--	--	--	--
--	--	30,000	--	--
--	--	13,329	--	--
<u>--</u>	<u>400</u>	<u>299,199</u>	<u>--</u>	<u>--</u>
7,293	16,046	(15,168)	9,231	15,336
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
7,293	16,046	(15,168)	9,231	15,336
193,724	551,631	1,150,847	(285,982)	826,343
<u>\$ 201,017</u>	<u>\$ 567,677</u>	<u>\$ 1,135,679</u>	<u>\$ (276,751)</u>	<u>\$ 841,679</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	407 Developmental Impact Parks and Recreation	408 Long Range Planning Fee	409 Development Impac Public Use Facilities	4121 RDA Industrial Park Capital Project
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ --
Charges for services	--	6,778	699	--
Revenue for use of money & property	879	(835)	168	--
Assessment payment	--	--	--	--
Miscellaneous	--	--	--	--
Total revenues	<u>879</u>	<u>5,943</u>	<u>867</u>	<u>--</u>
Expenditures:				
Public Works	63	--	--	--
Community Development	--	27,389	--	--
Recreation	--	--	--	--
Intergovernmental charges	24,125	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and fiscal charges	1,024	--	--	--
Total expenditures	<u>25,212</u>	<u>27,389</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditu	(24,333)	(21,446)	867	--
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	(24,333)	(21,446)	867	--
Fund balances/equity, July 1	487,976	(282,355)	59,651	(202,594)
Fund balances/equity, June 30	<u>\$ 463,643</u>	<u>\$ (303,801)</u>	<u>\$ 60,518</u>	<u>\$ (202,594)</u>

4151 RDA Housing Bond Capital Project	432 Construction 97-2 Theater	435 City Hall Construction	441 Northeast Plan Project	443 South Selma Specific Plan Project
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	225	(219)
--	--	--	--	--
--	--	--	--	--
--	--	--	225	(219)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	225	(219)
--	--	--	--	--
--	--	--	225	(219)
946,771	70	19,764	(369,713)	84,833
\$ 946,771	\$ 70	\$ 19,764	\$ (369,488)	\$ 84,614

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	446	447	448
	Amberwood Project	Tutelian Project	Selma Crossing Project
Revenue:			
Taxes	\$ --	\$ --	\$ --
Charges for services	--	--	--
Revenue for use of money & property	86	(5)	(33)
Assessment payment	--	--	--
Miscellaneous	--	--	--
Total revenues	<u>86</u>	<u>(5)</u>	<u>(33)</u>
Expenditures:			
Public Works	--	--	--
Community Development	14,654	--	182,427
Recreation	--	--	--
Intergovernmental charges	--	--	--
Debt service:			
Principal	--	--	--
Interest and fiscal charges	--	--	--
Total expenditures	<u>14,654</u>	<u>--</u>	<u>182,427</u>
Excess (deficiency) of revenues over (under) expenditures	(14,568)	(5)	(182,460)
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	(14,568)	(5)	(182,460)
Fund balances/equity, July 1	41,103	(1,633)	28,217
Fund balances/equity, June 30	<u>\$ 26,535</u>	<u>\$ (1,638)</u>	<u>\$ (154,243)</u>

449 Brandywine Project	452 WalMart EIR	453 Caltrans Mitigation Fund	454 Cultural Arts Construction Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
\$ --	\$ --	\$ --	\$ --	\$ 277,780
--	--	142,919	--	202,401
4	360	100	--	9,261
--	--	--	--	1,080
--	--	--	435,262	460,842
<u>4</u>	<u>360</u>	<u>143,019</u>	<u>435,262</u>	<u>951,364</u>
--	--	--	--	63
--	--	--	--	480,740
--	--	--	169,206	169,206
--	--	--	--	24,125
--	--	--	--	30,000
--	--	--	--	14,353
<u>--</u>	<u>--</u>	<u>--</u>	<u>169,206</u>	<u>718,487</u>
4	360	143,019	266,056	232,877
--	--	--	--	--
4	360	143,019	266,056	232,877
1,437	128,704	--	--	4,084,119
<u>\$ 1,441</u>	<u>\$ 129,064</u>	<u>\$ 143,019</u>	<u>\$ 266,056</u>	<u>\$ 4,316,996</u>

CITY OF SELMA

COMBINING STATEMENT OF NET ASSETS

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2011

	Enterprise Fund	Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit A-7)
	Pioneer Village	Transit Service	Cultural Arts	
Assets:				
Cash and investments	\$ 188,364	\$ --	\$ 2,367	\$ 190,731
Fixed assets (net, where applicable, of accumulated depreciation)	6,086	--	--	6,086
Total Assets	<u>\$ 194,450</u>	<u>\$ --</u>	<u>\$ 2,367</u>	<u>\$ 196,817</u>
Liabilities:				
Accounts payable	\$ 10,047	\$ 8	\$ 180	\$ 10,235
Due to other funds	--	--	40,000	40,000
Total Liabilities	<u>10,047</u>	<u>8</u>	<u>40,180</u>	<u>50,235</u>
Net Assets:				
Unrestricted	184,403	(8)	(37,813)	146,582
Total net assets	<u>184,403</u>	<u>(8)</u>	<u>(37,813)</u>	<u>146,582</u>
Total Liabilities and Fund Balances	<u>\$ 194,450</u>	<u>\$ --</u>	<u>\$ 2,367</u>	<u>\$ 196,817</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	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	\$ 6,000	\$ --	\$ 8,657	\$ 14,657
Revenue for use of money & property	29,181	--	1,653	30,834
Miscellaneous	6,828	--	794	7,622
Total Operating Revenues	<u>42,009</u>	<u>--</u>	<u>11,104</u>	<u>53,113</u>
Operating Expenses:				
Purchased professional and technical services	28,017	--	9,028	37,045
Other internal services	21,399	--	7,592	28,991
Depreciation	826	--	--	826
Total Operating Expenses	<u>50,242</u>	<u>--</u>	<u>16,620</u>	<u>66,862</u>
Operating Income (Loss)	<u>(8,233)</u>	<u>--</u>	<u>(5,516)</u>	<u>(13,749)</u>
Transfers:				
Interfund operating transfers in	--	--	--	--
Interfund operating transfers out	--	--	--	--
Net income	(8,233)	--	(5,516)	(13,749)
Retained earnings/fund balances, July 1	192,636	(8)	(32,297)	160,331
Retained earnings/fund balances, June 30	<u>\$ 184,403</u>	<u>\$ (8)</u>	<u>\$ (37,813)</u>	<u>\$ 146,582</u>

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

JUNE 30, 2011

	700	701
	Insurance	Fleet Management
Assets:		
Cash and investments	\$ 274,728	\$ 7,710
Accounts receivables	--	--
Due from other agencies	--	70
Deposits	42,211	--
Inventories	--	--
Total Assets	<u>\$ 316,939</u>	<u>\$ 7,780</u>
Liabilities:		
Accounts payable	\$ --	\$ 20,772
Accrued wages/benefits	--	2,692
Total Liabilities	<u>--</u>	<u>23,464</u>
Net Assets:		
Unrestricted	316,939	(15,684)
Total net assets	<u>316,939</u>	<u>(15,684)</u>
Total Liabilities and Fund Balances	<u>\$ 316,939</u>	<u>\$ 7,780</u>

702	703	704	Total Internal Service Funds (See Exhibit A-7)
Building & Utility	General Overhead	Information Processing	
\$ 9,391	\$ 2,794	\$ 15,678	\$ 310,301
85	--	--	85
--	--	--	70
--	--	--	42,211
--	220	--	220
<u>\$ 9,476</u>	<u>\$ 3,014</u>	<u>\$ 15,678</u>	<u>\$ 352,887</u>
\$ 3,595	\$ 380	\$ 6,726	\$ 31,473
2,145	1,279	2,846	8,962
<u>5,740</u>	<u>1,659</u>	<u>9,572</u>	<u>40,435</u>
3,736	1,355	6,106	312,452
<u>3,736</u>	<u>1,355</u>	<u>6,106</u>	<u>312,452</u>
<u>\$ 9,476</u>	<u>\$ 3,014</u>	<u>\$ 15,678</u>	<u>\$ 352,887</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	700	701
	Insurance	Fleet Management
Operating Revenues:		
Charges for services	\$ 1,893,917	\$ 486,769
Miscellaneous	158,691	11,685
Total Operating Revenues	<u>2,052,608</u>	<u>498,454</u>
Operating Expenses:		
Personal services - salaries and wages	--	41,299
Personal services - employee benefits	--	29,039
Purchased professional and technical services	--	92,165
Other internal services	1,933,633	332,274
Capital outlay-Interest charges	--	5,269
Total Operating Expenses	<u>1,933,633</u>	<u>500,046</u>
Operating Income (Loss)	<u>118,975</u>	<u>(1,592)</u>
Transfers:		
Interfund operating transfers in	--	--
Interfund operating transfers out	--	--
Net income	118,975	(1,592)
Retained earnings/fund balances, July 1	197,964	(14,092)
Retained earnings/fund balances, June 30	<u>\$ 316,939</u>	<u>\$ (15,684)</u>

702	703	704	Total Internal Service Funds (See Exhibit A-8)
Building & Utility	General Overhead	Information Processing	
\$ 688,738	\$ 165,717	\$ 210,599	\$ 3,445,740
--	--	--	170,376
<u>688,738</u>	<u>165,717</u>	<u>210,599</u>	<u>3,616,116</u>
33,125	18,850	49,105	142,379
21,698	14,376	24,362	89,475
1,324	24,690	102,989	221,168
633,610	38,239	26,570	2,964,326
2,550	69,600	6,800	84,219
<u>692,307</u>	<u>165,755</u>	<u>209,826</u>	<u>3,501,567</u>
(3,569)	(38)	773	114,549
--	--	--	--
--	--	--	--
(3,569)	(38)	773	114,549
7,305	1,393	5,333	197,903
<u>\$ 3,736</u>	<u>\$ 1,355</u>	<u>\$ 6,106</u>	<u>\$ 312,452</u>

CITY OF SELMA**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS****JUNE 30, 2011**

	803 Planning Clearing	804 Public Works Clearing	805 Senior Citizens Clearing
Assets:			
Cash and investments	\$ 13,970	\$ 18,246	\$ 35,157
Total Assets	<u>\$ 13,970</u>	<u>\$ 18,246</u>	<u>\$ 35,157</u>
Liabilities:			
Accounts payable	\$ 13,970	\$ 18,246	\$ 35,157
Total Liabilities	<u>13,970</u>	<u>18,246</u>	<u>35,157</u>
Net Assets:			
Total net assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

806 Police Dept Clearing	815 Asset Seizure Clearing	836 Graffiti Reward Fund	Total Agency Funds (See Exhibit A-10)
\$ 10,952	\$ 2,491	\$ 700	\$ 81,516
<u>\$ 10,952</u>	<u>\$ 2,491</u>	<u>\$ 700</u>	<u>\$ 81,516</u>
\$ 10,952	\$ 2,491	\$ 700	\$ 81,516
<u>10,952</u>	<u>2,491</u>	<u>700</u>	<u>81,516</u>
\$ --	\$ --	\$ --	\$ --

SINGLE AUDIT SECTION

SINGLE AUDIT SECTION



Sampson, Sampson and Partners, LLP
Certified Public Accountants

3148 Willow Ave., Suite 102
Clovis, California 93612-4739
(559) 291-0277 • FAX (559) 291-6411

April 19, 2012

Honorable City Council
City of Selma
Selma, California

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*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Selma as of and for the year ended June 30, 2011, which collectively comprise the City of Selma's basic financial statements and have issued our report thereon dated April 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

City of Selma
April 19, 2012
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Selma's financial statements are free of material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Selma, in a separate letter dated April 19, 2012.

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

Sampson, Sampson and Partners, LLP



Sampson, Sampson and Partners, LLP
Certified Public Accountants

3148 Willow Ave., Suite 102
Clovis, California 93612-4739
(559) 291-0277 • FAX (559) 291-6411

April 19, 2012

Honorable City Council
City of Selma
Selma, California

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited City of Selma's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Selma's major federal programs for the year ended June 30, 2011. City of Selma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Selma's management. Our responsibility is to express an opinion on city of Selma's compliance based on our audit.

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

In our opinion, City of Selma complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

City of Selma
April 19, 2012
Page 2

Internal Control Over Compliance

Management of City of Selma 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 our audit, we considered City of Selma's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our 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, we do not express an opinion on the effectiveness of City of Selma'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.

Our 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. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

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

Sampson, Sampson and Partners, LLP

CITY OF SELMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Part I. 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:

CFDA Number(s)

Name of Federal Program or Cluster

66.458
14.218

Capitalization Grants for Clean Water-State Revolving Fund
Community Development Block Grants / Entitlement Grants

CITY OF SELMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Dollar threshold used to distinguish between
type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 Yes X No

Part II. Financial Statement Findings Section

Significant Deficiencies, Material Weaknesses and Instances of Noncompliance Related to the
Financial Statements:

NONE

Part III. Federal Award Findings and Questioned Costs Section

Significant Deficiencies, Material Weaknesses and Instances of Noncompliance Related to the
Financial Statements:

NONE

CITY OF SELMA**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011****EXHIBIT D-1**

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Program:			
US Marshall Service Joint Fugitive Apprehension	16.737	D97-10-0395	\$ 1,942
Total U.S. Department of Justice			<u>1,942</u>
U. S. ENVIRONMENTAL PROTECTION AGENCY			
Passed Through State Water Resources Control Board:			
ARRA-Capitalization Grants for Clean Water State Revolving Funds	66.458	09-845.550	159,808
Passed Through State Water Resources Control Board::			
Capitalization Grants for Clean Water State Revolving Funds	66.458	09-845.550	978,297
Total U. S. Environmental Protection Agency			<u>1,138,105</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Passed Through California DOT (CALTRANS):			
Safe Routes to Schools *	20.205	STPL 5096 (027)	6,883
Passed Through California Office of Traffic Safety:			
Minor Decoy Grant *	20.600	10-MST22	2,236
Sobriety Checkpoints *	20.600	SC 10402	45,176
Avoid the 21 *	20.600	unavailable	22,647
Total Passed Through California Office of Traffic Safety			<u>70,059</u>
Total U. S. Department of Transportation			<u>76,942</u>
U. S. DEPARTMENT OF JUSTICE			
Direct Programs:			
COPS Hiring Recovery Program	16.710	2009-RKWX0101	168,581
Ed Byrnes Memorial Grant	16.738	SB-B9-0686	125,667
Total Direct Programs			<u>294,248</u>
Total U. S. Department of Justice			<u>294,248</u>
U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
Direct Programs:			
Community Development Block Grant *	14.218	09-651	221,391
Community Development Block Grant *	14.218	11-031	42,281
Total Direct Programs			<u>263,672</u>
Total U. S. Department of Housing & Urban Development			<u>263,672</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Fresno/Madera Area Agency on Aging:			
FMAAA-Title IIIB *	93.044	97-0200	425
FMAAA-Title IIIC-1 *	93.045	97-0201	11,240
Total Passed Through Fresno/Madera Area Agency on Aging			<u>11,665</u>
Total U. S. Department of Health and Human Services			<u>11,665</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,786,574</u>

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

The accompanying notes are an integral part of this schedule.

CITY OF SELMA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011

1. REPORTING ENTITY

The financial reporting entity consists of (a) the primary government, City of Selma, California (the "City"), (b) organizations for which the primary government is financially accountable, including the Selma Redevelopment Agency, and Selma Financing Authority, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Funds received under the various grant programs have been recorded within governmental fund types of the City. The City utilizes the modified accrual method of accounting for the governmental fund type. The accompanying Schedule of Expenditures of Federal Awards ("Schedule") has been prepared on the modified accrual basis of accounting.

Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the State of California or County of Fresno is included in the Schedule.

The Schedule was presented only from the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.