



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

CITY OF STOCKTON, CALIFORNIA

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

**Prepared and Issued by
The Administrative Services Department**

**JOHN HINSON
Administrative Services Officer**

CITY OF STOCKTON

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CITY OF STOCKTON

ADMINISTRATIVE SERVICES

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December 5, 2001

Honorable Mayor, City Council
City Manager and Citizens of the
City of Stockton, California

In accordance with the provisions of Section 1910, Article XIX of the City Charter, we hereby submit the Comprehensive Annual Financial Report of the City of Stockton, California for the fiscal year ended June 30, 2001. The Finance Division of the Administrative Services Department prepared this report. The Department encompasses the Finance Division, Purchasing, Management Information Services and Central Building Maintenance.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical.

The **Introductory Section** contains information about the organizational structure of the City, accounting system, budgetary controls, and fund structure. Included in this section is a transmittal letter (which provides unaudited summarized data reflecting the City's financial condition), financial presentation awards, and the government's organizational chart and list of principal officials.

The **Financial Section** gives an overview of the City's entire financial operations. Included in this section are the general purpose financial statements and the combining individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. These statements and schedules pertain to the operations which, in totality, make up the reporting entity of the City.

The **Statistical Section** includes unaudited selected financial and demographic information, generally presented on a multi-year basis. This information is of general interest to those potential bond investors and our citizens.

GOVERNMENTAL STRUCTURE AND THE REPORTING ENTITY

The City of Stockton was founded in June of 1849 and received its first special legislative Charter from the State Legislature in 1851. Stockton's first local Charter was approved by the voters and ratified by the State Legislature in 1889, and the City operated under a commission form of government until 1922. In November of 1922, a completely new Charter was ratified by a majority of the electors to change to the city manager-council form of government, which was approved by the State Legislature in January of 1923.

The City Charter has been amended 101 times since it was originally approved in 1922. In November of 2000, the citizens of Stockton passed Measure U which again amended the City Charter. The main components of Measure U redefine the role and responsibilities of the Mayor, retains the role of the City Manager as the chief administrative officer, changes the budget process, details the scope of assignments that can be given the City Auditor, and brings the Public Information Officer under the direction of the Mayor.

On April 9, 2001, Mark Lewis, Esq. took over responsibilities as the City Manager. In his short tenure as City Manager, Mark Lewis has already implemented five Action Teams to tackle high priority issues confronting the City. The Action Teams are: Community Health Action Team (CHAT), Neighborhood Action Team (NAT), Downtown Action Team (DAT), Budget Efficiency Action Team (BEAT), and the Youth & Education Action Team (YEAT).

The goal of CHAT is to evaluate and clean up problem locations in the City. NAT's goal is to evaluate existing neighborhood programs targeted at at-risk youth and continue to expand those programs. DAT's main purpose, which is also a major City Council priority, is to revitalize the downtown area. The goal of BEAT is to identify additional sources of revenue and examine how services are delivered to the public. Finally, YEAT will engage the youth of Stockton citywide on an age group basis.

The financial reporting entity, the City of Stockton (City), includes all funds and account groups of the primary government as well as all of its component units. The funds, account groups, and component units included in the Comprehensive Annual Financial Report (CAFR) are those for which the primary government is financially accountable.

Blended component units are legally separate entities that, in substance, are part of the primary government's operations and are included as part of the primary government for financial reporting purposes. Accordingly, the Redevelopment Agency is reported as part of the Special Revenue Funds, Capital Projects Funds, and General Long-Term Debt Account Group. Stockton Public Financing Authority is reported as part of the Capital Projects Funds, Debt Service Funds, and General Long-Term Debt Account Group.

The City provides the full range of municipal services contemplated by the statute or charter, including those functions delegated to cities under state law. These include public safety (police, fire, paramedics and building), sanitation (solid waste disposal, sanitary wastewater and stormwater utility), water utility, community development, cultural and recreational activities, library services, parks, and general administrative services.

In conformity with provisions of U.S. Office of Management and Budget's Circular A-133, the City of Stockton is required to prepare an annual single audit report. Information relating to this single audit (including a Schedule of Expenditures of Federal Awards, the independent auditor's report on internal controls, report on compliance with applicable laws and regulations, and a schedule of findings and recommendations) are included in a separately prepared and printed single audit report.

ECONOMIC CONDITIONS AND OUTLOOK

Economic Trends

The real estate market continues to be affected by the migration of Bay Area citizens seeking affordable housing to outlying valley towns. Property values continued to rise during the last half of 2000 and the first few months of 2001 before leveling in June. Building permits, which were up 17% in 2000, rose another 1% representing a total of 7,749 permits issued in 2001. Lower interest rates and relatively low real estate costs have continued to boost the housing market. The median house price increased 4.8% during fiscal year 2001 as opposed to a 6% decrease in the San Francisco Bay Area.

Stockton is an inland deep-water port. Stockton began as a shipping and "gold" town, but when artificial irrigation developed in the area, Stockton became part of the State's richest agricultural industry. With an excellent navigable channel, a metropolitan airport, and three interstate railroads, the City is a major shipping point for many of the agricultural products in Northern California. The rich soil and mild temperatures provide a strong agricultural base from within the City.

Jobs/Labor Market

The City of Stockton makes up 44% of the population of San Joaquin County and 42.1% of the available work force. The unemployment rate held steady over fiscal year 2001 fluctuating between 8.8% and 9.4%. Stockton is a fast developing center for manufacturing, warehousing, and distribution. By location, Stockton is attracting the call centers and administrative center operations for major Bay Area financial and development operations. This rapid growth will continue to be fueled by young, first time and middle income home buyers, by corporate relocations, and an influx of new business.

MAJOR INITIATIVES

For fiscal year 2000-2001, the City continued to focus on its most important goals and objectives of crime prevention and reduction, developing social, economic, and cultural opportunities for all, including youth, revitalizing the Downtown and Waterfront, continuing opportunities for economic growth, and exercising fiscal responsibility, while providing needed services.

Parks and Recreation

The City of Stockton's Parks and Recreation Department contributes greatly to Stockton's quality of life. Over 60 parks and a dozen landscape districts provide a variety of open spaces and urban greenbelts. Stockton's mild climate and location in the midst of the Central Valley farmlands, Delta wetlands, and Sierra skyline make it a delightful locale for many recreational opportunities.

The Stockton Parks and Recreation Department supports City Council initiatives for youth by providing award-winning day camps for children on school breaks and 44 after school recreation and enrichments programs that provide a safe, stimulating environment for students who might otherwise be home alone. Six community centers offer a variety of programming for everyone from youth to seniors. With Parks and Recreation support, the Youth Advisory Commission and community center teen clubs have initiated an interactive relationship with the City Council and host an annual Mayor's Youth Conference.

Stockton's multitude of recreational activities is not limited to the Delta waterways, parks, and sports complexes. Though the City's youth and adult intramural sports leagues play throughout the entire year with hundreds of teams, the department also facilitates a variety of special events. Multicultural festivals, teen concerts and family fun augment traditional holiday events and an annual Concert in the Park series.

Library and Literacy

The Stockton-San Joaquin County Public Library operates a family literacy program that provides literacy tutoring and reading enhancement services to people of all ages. Programs include one-on-one tutoring for English-speaking adults, the Reach Out and Read program, which is a pediatrician-based early literacy program that takes place during well-baby/well-child visits, and Families Reading Together, which teaches parents the importance of reading stories to their children. The newest program is Training Wheels, which is a mobile unit that brings storytimes, parent education, books, and educational resources to sites throughout the County.

Public Safety

The Police Department continues to focus on "Youth and Family" programs by expanding the "Safe Youth" component of the "Safe Stockton Plan". This year the Police Department added to the existing projects by assigning staff to the Neighborhood Service Center, revising the Youth Academy project, and expanding the Academy for Criminal Justice, a high school program offered at Bear Creek High School.

The Police Department strongly supports “Downtown Redevelopment”, and Downtown crime prevention efforts through the creation of the Community Health Action Team (CHAT). Additionally, the Police Department’s Investigations Bureau moved into the newly constructed Stewart/Eberhardt Building in January 2001.

Despite continued crime reduction efforts citywide, the number of offenses reported to Police rose for the first time in six years. Stockton experienced a 1.9% increase in serious crime last year, a trend that was seen statewide, where the increase was 3.5%

City Events

The population of Stockton reflects the influence of many cultures; waves of immigrants continue to redefine the diverse opportunities with dozens of events taking place each week. From Summer Concert Series, to Farmers Markets, annual festivals, concerts and events, film festivals, celebrations and shows, the City provides a range of activities for every lifestyle. The City supports the fine arts through a civic center, concert hall, as well as symphony, ballet, and chorale groups. Other major events include: girl’s fast pitch tournament, karate championship, golf tournaments, a national wakeboard competition, The Asparagus Festival, Harvest Festival, bass tournaments, Special Olympics and Mudville Nine (a professional baseball club), as well as the Summer Training Camp for the San Francisco 49er’s Football Team.

All-America City

In 1999, Stockton was designated an All American City by the National Civic League. Stockton received this award for collaborative accomplishments in the community: creating new jobs, reducing crime, positively impacting the physical environment, and revitalizing the Downtown area. The City of Stockton continues to be recognized for its ability to use the diverse talents and skills of its citizens to identify, confront, and creatively solve current urban issues.

Redevelopment in Downtown

Downtown Stockton is the heart of the city and county activities, the financial district and exists as the main cultural center. Downtown redevelopment and revitalization is one of the main objectives of the City Council. With the support of Council, downtown is coming back to life through a myriad of redevelopment projects currently underway. Through private and public business partnerships, approximately 15 different economic incentives are offered to support economic development and growth, from building permit fee reduction to loan opportunities and grants to alleviate code violations.

The City completed construction of the Stewart/Eberhardt Essential Services Building and adjoining parking garage this past year. This building houses several Police divisions, Neighborhood Services, and the City’s Training Center. The City is ready to commence demolition work for renovation of the historic Hotel Stockton, with construction anticipated to begin in the spring of 2002. Demolition is complete for an 18-screen cinema complex with retail space, and plans are underway for a new transit center, a Mercado district, renovation of the historic Fox Theatre, rehabilitation of Weber Avenue, and a new parking structure. The new Dean DeCarli Waterfront Square was completed in June, across the

street from and complementing the Weber Point Events Center. The Stockton Gateway Development project, at the main freeway exit into downtown Stockton, was also completed this past summer, featuring a co-branded Union 76 service station and a McDonalds Restaurant. Additional projects, including a proposed restaurant, office tower, hotel and arena/meeting center on the north and south shores of the Stockton Channel, are in various stages of planning.

Weber Point Events Center

Two of California's major freeways converge at Downtown Stockton, making Weber Point Events Center a centrally located recreational area in the heart of the historic Waterfront. Since opening in 1999, the Events Center, which is the centerpiece of redevelopment, has become a very successful venue. The Weber Point Events Center includes a children's play area, an amphitheater, interactive water feature, main stage, and distinctive shade structure. Blues, R&B, jazz, rock, punk, hip-hop, and alternative music events, in addition to many non-music events, are booked frequently at this center.

Quality of Life

With a unique blend of neighborhoods, affordable housing, diverse recreational activities, strong educational opportunities, and diverse cultural energy, Stockton combines metropolitan and urban lifestyles without congestion, overcrowding, and the corresponding high cost of living.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis. Under this method of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance the expenditures of the fiscal period.

Expenditures, except for unmatured interest on long-term debt, are recorded in the accounting period in which the liability is incurred, if measurable. The accounting records for the City's proprietary funds (enterprise and internal service) and nonexpendable trust fund are maintained on the accrual basis. Transactions are recognized when they occur, regardless of the timing of related cash flows.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding:

1. the safeguards of assets against loss from unauthorized use or disposition, and
2. the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. the cost of a control should not exceed the benefits likely to be derived, and
2. the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition, the government maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annually appropriated budget approved by the government's governing body. Activities of the General Fund are included in the annually appropriated budget. Selected Capital Projects and Special Revenue Funds are also included in the annual budget. All unencumbered appropriations shall lapse at the end of the fiscal year. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by department within an individual fund. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are reported as reservation of fund balance. However, encumbrances are generally re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management. As with the financial section, all dollar amounts presented in the remainder of this letter are expressed in thousands.

GENERAL GOVERNMENTAL FUNCTIONS

The following schedule presents a summary of general governmental (General, Special Revenue, Debt Service and Capital Projects Funds, excludes Expendable Trust Fund) revenues for the fiscal year ended June 30, 2001, and the amount and percentage of increase and decrease in relation to prior year revenue.

General Governmental Revenue

<u>Source</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2000</u>	<u>Percent Increase (Decrease)</u>
Taxes				
Property	\$ 19,035	8.31 %	\$1,451	8.25 %
Utility	31,188	13.62	5,720	22.46
Sales and Use	36,323	15.86	4,601	14.50
Other	30,635	13.38	2,409	8.53
Licenses and Permits	3,758	1.64	425	12.75
Federal Grants and Subsidies	18,073	7.89	9,535	111.75
Intergovernmental	40,706	17.77	2,118	5.49
Charges for Services	26,557	11.60	513	1.97
Fines and Forfeitures	1,445	0.63	330	29.60
Use of Money and Property	1,416	0.62	(51)	(3.48)
*Investment Income				
Interest Income	9,042	3.95	2,645	41.35
Net (decrease) In fair market value	2,851	1.25	3,754	415.73
Refunds and Reimbursements	2,822	1.23	1,572	125.76
Miscellaneous	5,182	2.26	(1,725)	(24.99)
	<u>\$ 229,003</u>	<u>100.00 %</u>	<u>\$ 33,299</u>	<u>17.01 %</u>

*The recognition of net increase/decrease in fair value as an element of Investment Income, beginning in fiscal year 1998, is a result of the implementation of GASB 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". The City's practice is to hold all investments to maturity. Rarely would the city sell its investments before the maturity date.

Net assessed full cash value of all taxable property was \$10,097 and increased 16.97 percent over the preceding year.

Current year's secured tax collections were 100% of the tax levy. For the last ten years, the percent of current taxes collected to tax levy ranged from 88.49% to 100%, and due to the Teeter plan, the amount collected in relation to the secured property tax levy will continue to be at 100%.

The following schedule presents a summary of general governmental (General, Special Revenue, Debt Service and Capital Projects Funds, excludes Expendable Trust Fund) expenditures for the fiscal year ended June 30, 2001, and the percentage of increase and decrease in relation to prior year amounts.

General Governmental Expenditures

<u>Expenditures</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2000</u>	<u>Percent Increase (Decrease)</u>
Current:				
General Government	\$ 14,440	6.43%	\$ 1,312	9.99%
Public Safety	91,226	40.61	5,826	6.82
Public Works	12,721	5.66	538	4.42
Library	9,358	4.17	787	9.18
Parks and Recreation	11,898	5.30	1,437	13.74
Capital Outlay	65,957	29.35	16,007	32.05
Debt Service				
Principal retirement	7,085	3.15	1,887	36.30
Interest & Fiscal Charges	10,430	4.64	951	10.03
Current refunding	680	0.30	680	100.00
Repayment of advances to other funds	<u>867</u>	<u>0.39</u>	<u>493</u>	<u>131.82</u>
	<u>\$ 224,662</u>	<u>100.00%</u>	<u>\$ 29,918</u>	<u>15.36%</u>

Total expenditures increased by 15.36% or \$29,918. The increase in expenditures is due to increased cost of operations as well as the many Capital Improvement Projects the City has undertaken. These projects include, but are not limited to, Downtown Redevelopment, citywide street projects, and new housing developments.

GENERAL FUND BALANCE

Although the City experienced substantial revenue growth in fiscal year 2000/01, the most recent national events are having an adverse effect on the City's economic outlook. In response to this, management has established designations of unreserved fund balance to provide for known circumstances that are coming up in the next fiscal year. Of the \$7,046 fund balance increase, \$3,963 has been designated for employee termination pay and \$1,170 has been designated in anticipation of a revenue shortfall from uncollectible solid waste receivables. The remaining \$15,213 is designated for administrative contingencies and represents 6.77 percent of fiscal year 2000/01 total expenditures.

ENTERPRISE OPERATIONS

Fiscal year 2000/01 ended with a total net increase of \$32,384 in total fund equity, 11.43 percent more than last year. An increase in users accounts for most of the net increase, however, \$6,713 or 2.43% is due to the inclusion of the Central Parking District which was previously accounted for separately. Selected financial data for the current fiscal year are presented below

Enterprise Operations Summary

	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>	<u>Solid Waste</u>	<u>Golf Courses</u>	<u>Central Parking District</u>
Operating Revenue	\$ 14,391	\$ 28,093	\$ 4,226	\$ 3,623	\$ 2,151	\$ 1,788
Operating Income (loss)	1,730	5,514	(362)	(989)	2	277
Bonds and Other Long-Term Liabilities Payable From						
Operating Revenue	16,512	105,902	662	286	1,385	6,431
Net Book Value of Fixed Assets	55,168	229,987	33,153	3	2,173	12,543
Total Assets	81,197	313,320	41,476	4,669	2,853	14,089
Fund Equity	62,256	200,836	40,536	4,258	1,187	6,713

FIDUCIARY OPERATIONS

The City contributed (in thousands) to the Public Employees' Retirement System (PERS) \$10,154, (for employer and employees). The gross reportable payroll for employees covered by PERS was \$85,398. The 2000/01 combined employer-employee rates as a percentage of payroll are as follows:

	FY 6/30/01
Miscellaneous Members	7.000
Public Safety	
Police	18.579
Fire	18.579

The contribution rate will meet all ongoing costs and is fully funded for both miscellaneous and public safety employees. Two recent amendments to the public safety employees plan will include a 3% at age 50 formula that are expected to change the funded status of the plan.

DEBT ADMINISTRATION

The ratio of net general obligation bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. As of the end of fiscal year 2000/01, the City had no net general obligation bonded debt.

CASH MANAGEMENT

The City of Stockton operates its temporary pooled idle cash investments under the prudent man rule (Civil Code Section 2261, et seq.). The prudent man rule states, in essence, that "in investing . . . property for the benefit of another, a trustee shall exercise the judgment and care, under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs..."

This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California (Government Code Section 53600 et seq.).

Investments may be made in the following media:

- Securities of the U. S. Government, or its agencies
- Small Business Administration loans
- Certificates of deposit
- Negotiable certificates of deposit
- Bankers acceptances
- Commercial paper and medium term corporate notes
- Local Agency Investment Fund (State Pool) demand deposits
- Repurchase agreements (repos)
- Passbook savings account demand deposits
- Reverse repurchase agreements

Criteria for selecting investments and the order of priority are:

- **Safety** - safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only participates in investments that are considered very safe.
- **Liquidity** - refers to the ability to "cash in" at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality especially when the need for unexpected funds occurs occasionally.
- **Yield** - the potential dollar earnings an investment can provide, and sometimes is described as the rate of return.

Cash, temporarily idle and under the control of the City, was pooled and invested in demand and time certificates of deposit, money market accounts, obligations of the US Treasury including certificates of indebtedness for which the full faith and credit of the United States were pledged for the payment of principal and interest, state treasurer's investment pool and other forms of instruments authorized for cities by the State of California Government Code, Section 53600 et. seq. Interest earned from investments of pooled cash was \$15,232. \$1,408 was credited to the General Fund, and the balance was distributed to other funds on a monthly basis dependent upon average daily cash balances.

RISK MANAGEMENT

The City government is currently self-insured for health insurance, workers' compensation, general liability and unemployment insurance. Workers compensation is self-insured to \$250 with excess coverage to \$10,000. General liability is self-insured to \$1,000 with excess coverage to \$15,000. Various risk control techniques including employee accident prevention training have also been implemented.

All of the above self-insured plans are funded through an Internal Service Fund. The Internal Service Fund charges each user department a rate equivalent to an insurance premium. Rates and fund balances are actuarially verified each year.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit of all accounts of the City by a firm of Certified Public Accountants selected by the City Council. The accounting firm of Macias, Gini & Company LLP was selected. This is the first year of a five-year contract. In addition to meeting the requirements of the City Charter, the audit was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related Circular A-133. The auditor's report on the general purpose financial statements is included in the financial section of this report. The audit reports related specifically to the Single Audit are included in a separately published document.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Stockton for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Stockton has received a Certificate of Achievement for the last twelve consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

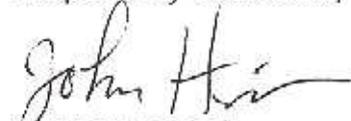
Additionally, the City of Stockton was awarded a Certificate of Outstanding Financial Reporting for the tenth consecutive year from the California Society of Municipal Finance Officers (CSMFO) for its CAFR for the fiscal year ended June 30, 2000. We believe our current report continues to conform to the Certificate of Outstanding Financial Reporting program requirements and we are submitting it to CSMFO.

Acknowledgments

The Accounting Unit and the entire Administrative Services Department takes great pride in the preparation of this report. The professional expertise and commitment of the entire Accounting Staff under the direction of Cathy Lucas, Accounting Manager, and Lynne Farrar, Supervising Accountant, continue to make this presentation possible. The Reprographics Section, under the supervision of Fred Dimas, Reprographics Supervisor, provides invaluable assistance in the printing and physical production of the CAFR.

We would also like to thank the Mayor, the members of the City Council and the City Manager for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



**JOHN HINSON
ADMINISTRATIVE SERVICES OFFICER**



**JANET SALVETTI
FINANCE OFFICER**

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**Certificate of
Achievement for
Excellence in Financial
Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Stockton, California for its comprehensive annual financial report for the fiscal year ended June 30, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local governments financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Stockton has received a Certificate of Achievement for the last eleven consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Stockton,
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Timothy A. Brown
President

Jeffrey L. Essler
Executive Director

*California Society of
Municipal Finance Officers*

Certificate of Award

Outstanding Financial Reporting 1999-2000

Presented to the

City of Stockton

*This certificate is issued in recognition of meeting professional standards and criteria in reporting
which reflect a high level of quality in the annual financial statements
and in the underlying accounting system from which the reports were prepared.*

February 26, 2001

Annice Robert

Chair, Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management



CITY OF STOCKTON CITY COUNCIL



GARY A. PODESTO
MAYOR



GLORIA C. NOMURA
VICE MAYOR
District 6



ANN JOHNSTON
COUNCILMEMBER
District 1



RICHARD F. NICKERSON, MD
COUNCILMEMBER
District 2



LESLIE BARANCO MARTIN
COUNCILMEMBER
District 3



LARRY RUHSTALLER
COUNCILMEMBER
District 4



GARY GIOVANETTI
COUNCILMEMBER
District 5



Stockton

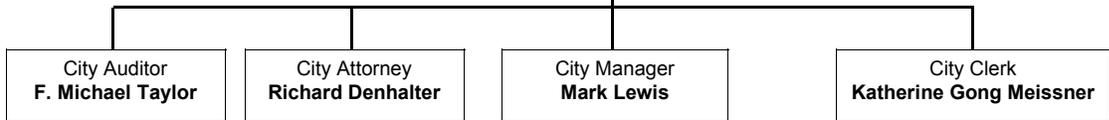
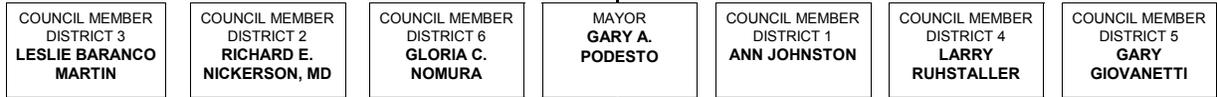


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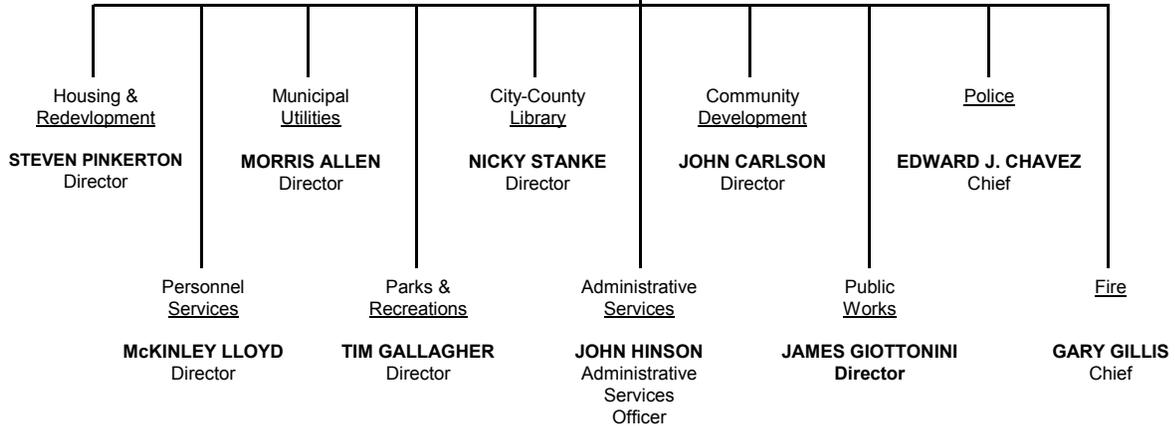
**CITY OF STOCKTON
 ORGANIZATION CHART / LIST OF PRINCIPAL OFFICIALS
 JUNE 30, 2001**

CITIZENS OF STOCKTON

CITY COUNCIL



Assistant City Manager
Gary C. Ingraham



FINANCIAL SECTION

Combined Statements

These General Purpose Financial Statements provide an overview of the financial position and the operating results of all fund types and account groups. They also serve as introduction to the more detailed statements and schedules that follow.

the various funds are grouped in the financial section of this report by fund type, consisting of Governmental Funds, Proprietary Funds and Fiduciary Funds in addition to two account groups, General Fixed Assets Account Group and the General Long-Term Debt Account Group.

FINANCIAL SECTION

COMBINED STATEMENTS

Governmental Fund Types

Governmental funds consist of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

Proprietary Fund Types

Proprietary funds consist of the Enterprise Funds and the Internal Service Funds.

Fiduciary Fund Types

Fiduciary funds consist of all Trust and Agency funds including the Nonexpendable Trust Fund, Expendable Trust Fund, and Agency Funds – Holiday Park and City as Agent.

Account Groups

The Account Groups consist of two account groups, the General Fixed Asset Account Group and the General Long-Term Debt Account Group.



Macias, Gini & Company LLP
Certified Public Accountants and
Management Consultants

Partners:

Kenneth A. Macias, Managing Partner
Ernest J. Gini
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Richard A. Green
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Sacramento, CA 95834-1922
916-928-4600
916-928-2755 FAX
www.maciasgini.com

City Council
City of Stockton, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general-purpose financial statements of the City of Stockton, California (City), as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general-purpose 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Stockton, California, as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the City adopted the provisions of the Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as of July 1, 2000.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 26, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

The statistical section listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion thereon.

Macias, Meiri & Company LLP

Certified Public Accountants

Sacramento, California
October 26, 2001

CITY OF STOCKTON

COMBINED BALANCE SHEET ALL FUND TYPES AND ACCOUNT GROUPS JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
ASSETS:				
Cash and temporary investments	\$ 11,777	\$ 16,761	\$ 15,018	\$ 76,285
Cash with fiscal agents	-	-	11,655	4,857
Receivables:				
Interest	476	199	-	1,088
Taxes and special assessments	3,813	165	3,951	338
Accounts and other receivables	11,643	114	198	2,125
Allowance for uncollectibles	(2,824)	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	1,464	-	-	19
Due from other governments	2,428	7,863	-	6,986
Due from other agencies	583	-	-	1,797
Inventory of supplies	330	-	-	-
Restricted assets:				
Cash and temporary investments	-	-	-	-
Cash and temporary investments with fiscal agents	-	-	-	-
Interest receivable	-	-	-	-
Deposits	-	-	-	38
Loans receivable	-	-	-	-
Advances to other funds	644	15,576	-	23,771
Advances to other agencies	38	-	-	-
Advances to property owners	-	35,599	-	406
Property held for resale	-	108	-	-
Net fixed assets	-	-	-	-
Deferred charges	-	-	-	-
OTHER DEBITS:				
Amounts available in the debt service funds	-	-	-	-
Amounts to be provided for retirement of long-term debt	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and other debits	<u>\$ 30,372</u>	<u>\$ 76,385</u>	<u>\$ 30,822</u>	<u>\$ 117,710</u>

The accompanying notes are an integral part of these general-purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	2001	2000
\$ 95,766	\$ 23,959	\$ 10,197	\$ -	\$ -	\$ 249,763	\$ 203,311
220	-	-	-	-	16,732	24,214
1,305	-	91	-	-	3,159	2,905
295	-	83	-	-	8,645	927
6,814	570	108	-	-	21,572	20,928
(2,148)	(374)	-	-	-	(5,346)	(2,461)
-	-	-	-	-	-	36
-	-	-	-	-	1,483	4,791
-	396	-	-	-	17,673	16,082
-	-	-	-	-	2,380	620
1,244	-	-	-	-	1,574	1,536
1,101	-	-	-	-	1,101	8,026
17,894	-	-	-	-	17,894	21,016
255	-	-	-	-	255	549
-	-	-	-	-	38	38
63	-	-	-	-	63	85
-	-	-	-	-	39,991	39,728
-	-	-	-	-	38	-
-	-	-	-	-	36,005	34,291
-	-	-	-	-	108	108
333,027	15,222	-	98,315	-	446,564	414,590
1,768	61	-	-	-	1,829	1,905
-	-	-	-	29,863	29,863	28,158
-	-	-	-	201,085	201,085	203,851
<u>\$ 457,604</u>	<u>\$ 39,834</u>	<u>\$ 10,479</u>	<u>\$ 98,315</u>	<u>\$ 230,948</u>	<u>\$ 1,092,469</u>	<u>\$ 1,025,234</u>

(continues)

CITY OF STOCKTON

COMBINED BALANCE SHEET ALL FUND TYPES AND ACCOUNT GROUPS (Continued) JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
Accounts payable	\$ 1,534	\$ 2,307	\$ 14	\$ 5,105
Accrued payroll and benefits	3,199	-	-	-
Due to other funds	-	1,112	-	371
Due to other governments	-	104	52	30
Due to other agencies	143	-	-	-
Deposits and other liabilities	66	2,361	-	60
Matured bonds and interest payable	-	-	8	-
Accrued interest	-	-	-	-
Long-term debt - current	-	-	-	-
Compensated absences - current	-	-	-	-
Self-insurance claims and judgments - current	-	-	-	-
Deferred revenue	2,640	3,207	885	449
Compensated absences - long-term	-	-	-	-
Advances from other funds	-	-	-	3,572
Advances from other governments	-	-	-	-
Certificates of participation	-	-	-	-
Bonds payable	-	-	-	-
Self-insurance claims and judgments - long-term	-	-	-	-
Landfill closure/postclosure	-	-	-	-
Total liabilities	<u>7,582</u>	<u>9,091</u>	<u>959</u>	<u>9,587</u>
EQUITY AND OTHER CREDITS:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings - unreserved	-	-	-	-
Fund balances (deficits):				
Reserved	2,444	63,855	29,863	111,592
Unreserved:				
Designated	20,346	4,497	-	-
Undesignated	-	(1,058)	-	(3,469)
Total equity and other credits	<u>22,790</u>	<u>67,294</u>	<u>29,863</u>	<u>108,123</u>
Total liabilities, equity and other credits	<u>\$ 30,372</u>	<u>\$ 76,385</u>	<u>\$ 30,822</u>	<u>\$ 117,710</u>

The accompanying notes are an integral part of these general-purpose financial statements.

<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	<u>Account Groups</u>		<u>Totals</u>	
<u>Enterprise</u>	<u>Internal Service</u>	<u>Fund Types</u>	<u>General</u>	<u>General</u>	<u>(Memorandum Only)</u>	
		<u>Trust and Agency</u>	<u>Fixed Assets</u>	<u>Long-Term Debt</u>	<u>2001</u>	<u>2000</u>
\$ 3,324	\$ 2,193	\$ 236	\$ -	\$ -	\$ 14,713	\$ 14,190
-	761	-	-	-	3,960	3,581
-	-	-	-	-	1,483	4,791
100	-	2,105	-	-	2,391	2,783
-	-	-	-	-	143	278
719	-	5,913	-	-	9,119	7,482
65	-	-	-	-	73	73
2,526	-	-	-	-	2,526	2,593
2,973	-	-	-	-	2,973	3,391
916	295	-	-	-	1,211	1,212
-	6,790	-	-	-	6,790	5,645
17	-	-	-	-	7,198	5,142
1,594	515	-	-	18,402	20,511	20,311
1,224	-	-	-	35,195	39,991	39,728
1,665	-	-	-	-	1,665	1,855
120,280	-	-	-	14,860	135,140	137,003
6,415	-	-	-	162,491	168,906	169,972
-	19,251	-	-	-	19,251	15,826
-	-	-	-	-	-	10,011
<u>141,818</u>	<u>29,805</u>	<u>8,254</u>	<u>-</u>	<u>230,948</u>	<u>438,044</u>	<u>445,867</u>
-	-	-	98,315	-	98,315	83,517
213,949	12,668	-	-	-	226,617	226,617
101,837	(2,639)	-	-	-	99,198	67,761
-	-	2,225	-	-	209,979	195,196
-	-	-	-	-	24,843	17,765
-	-	-	-	-	(4,527)	(11,489)
<u>315,786</u>	<u>10,029</u>	<u>2,225</u>	<u>98,315</u>	<u>-</u>	<u>654,425</u>	<u>579,367</u>
<u>\$ 457,604</u>	<u>\$ 39,834</u>	<u>\$ 10,479</u>	<u>\$ 98,315</u>	<u>\$ 230,948</u>	<u>\$ 1,092,469</u>	<u>\$ 1,025,234</u>

CITY OF STOCKTON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Governmental Fund Types				Fiduciary Fund Type Expendable Trust
	General	Special Revenue	Debt Service	Capital Projects	
REVENUES:					
Taxes:					
Property	\$ 17,238	\$ -	\$ -	\$ 1,797	\$ -
Utility	31,188	-	-	-	-
Sales and use	32,338	3,985	-	-	-
Other	14,584	235	15,796	20	-
Licenses and permits	3,758	-	-	-	-
Federal grants and subsidies	20	17,890	-	163	-
Intergovernmental	16,112	19,460	-	5,134	-
Charges for services	12,990	1,344	130	12,093	-
Fines and forfeitures	1,444	-	-	1	-
Use of money and property	709	238	-	469	-
Investment income:					
Interest income	1,408	1,006	1,404	5,224	27
Net increase (decrease) in fair value of investments	732	254	310	1,555	15
Refunds and reimbursements	1,873	28	-	921	-
Miscellaneous	4,754	3	89	336	702
Total revenues	139,148	44,443	17,729	27,713	744
EXPENDITURES:					
Current:					
General government	13,475	513	452	-	151
Public safety	89,487	1,739	-	-	82
Public works	12,096	625	-	-	-
Library	-	9,358	-	-	278
Parks and recreation	11,220	678	-	-	136
Capital outlay	-	19,399	-	46,558	-
Debt service:					
Principal retirement	-	-	7,085	-	-
Interest and fiscal charges	-	-	10,430	-	-
Current refunding	-	-	-	680	-
Repayment of advances from other funds	-	-	-	867	-
Total expenditures	126,278	32,312	17,967	48,105	647
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,870	12,131	(238)	(20,392)	97

The accompanying notes are an integral part of these general-purpose financial statements.

Totals	
(Memorandum Only)	
2001	2000
\$ 19,035	\$ 17,584
31,188	25,468
36,323	31,722
30,635	28,226
3,758	3,333
18,073	8,535
40,706	38,588
26,557	26,044
1,445	1,115
1,416	1,467
9,069	6,422
2,866	(908)
2,822	1,250
<u>5,884</u>	<u>7,521</u>
<u>229,777</u>	<u>196,367</u>
14,591	13,185
91,308	85,462
12,721	12,183
9,636	8,800
12,034	10,653
65,957	49,950
7,085	5,198
10,430	9,479
680	3,000
<u>867</u>	<u>374</u>
<u>225,309</u>	<u>198,284</u>
<u>4,468</u>	<u>(1,917)</u>

(continues)

CITY OF STOCKTON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued) ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Governmental Fund Types				Fiduciary
	General	Special Revenue	Debt Service	Capital Projects	Fund Type Expendable Trust
OTHER FINANCING SOURCES (USES):					
Operating transfers in	5,070	6,900	2,788	13,803	-
Operating transfers out	(11,065)	(12,119)	(845)	(3,594)	(20)
Operating transfers out to component unit	-	-	-	-	-
Sale of fixed assets	171	-	-	-	-
Proceeds of long-term debt	-	-	-	6,275	-
Proceeds of current refunding bonds	-	-	-	2,744	-
Payment to refunding bond escrow agent - current refunding	-	-	-	(1,879)	-
Total other financing sources (uses)	<u>(5,824)</u>	<u>(5,219)</u>	<u>1,943</u>	<u>17,349</u>	<u>(20)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	7,046	6,912	1,705	(3,043)	77
FUND BALANCES, BEGINNING OF YEAR	15,744	61,616	28,158	95,215	599
Residual equity transfers in	-	-	-	15,951	-
Residual equity transfers out	-	(1,234)	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ 22,790</u>	<u>\$ 67,294</u>	<u>\$ 29,863</u>	<u>\$ 108,123</u>	<u>\$ 676</u>

The accompanying notes are an integral part of these general-purpose financial statements.

Totals	
(Memorandum Only)	
2001	2000
28,561	20,609
(27,643)	(20,609)
-	(98)
171	104
6,275	16,945
2,744	11,610
<u>(1,879)</u>	<u>(10,320)</u>
<u>8,229</u>	<u>18,241</u>
12,697	16,324
201,332	185,383
15,951	-
<u>(1,234)</u>	<u>(375)</u>
<u><u>\$ 228,746</u></u>	<u><u>\$ 201,332</u></u>

CITY OF STOCKTON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL ON A BUDGETARY BASIS GENERAL AND ANNUALLY BUDGETED SPECIAL REVENUE AND CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

	General Fund			Annually Budgeted Special Revenue Funds		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes:						
Property	\$ 16,760	\$ 17,238	\$ 478	\$ -	\$ -	\$ -
Utility	25,880	31,188	5,308	-	-	-
Sales and use	28,590	32,338	3,748	2,666	3,985	1,319
Other	13,274	14,584	1,310	226	235	9
Licenses and permits	2,622	3,758	1,136	-	-	-
Federal grants and subsidies	57	20	(37)	5,496	2,606	(2,890)
Intergovernmental	14,795	16,112	1,317	31,649	16,981	(14,668)
Charges for services	11,050	12,990	1,940	1,246	1,163	(83)
Fines and forfeitures	935	1,444	509	-	-	-
Use of money and property	688	709	21	-	-	-
Investment income:						
Interest income	1,050	1,408	358	14	423	409
Net increase in fair value of investments	-	732	732	-	112	112
Refunds and reimbursements	561	1,873	1,312	20	28	8
Miscellaneous	6,244	4,754	(1,490)	-	2	2
Total revenues	<u>122,506</u>	<u>139,148</u>	<u>16,642</u>	<u>41,317</u>	<u>25,535</u>	<u>(15,782)</u>
EXPENDITURES:						
Current:						
General government	14,133	13,909	224	146	79	67
Public safety	89,728	89,654	74	78	74	4
Public works	12,432	12,429	3	1,148	643	505
Library	-	-	-	9,377	9,102	275
Parks and recreation	11,639	11,637	2	155	155	-
Capital outlay	4	3	1	40,734	14,278	26,456
Debt service:						
Repayment of advances from other funds	-	-	-	-	-	-
Total expenditures	<u>127,936</u>	<u>127,632</u>	<u>304</u>	<u>51,638</u>	<u>24,331</u>	<u>27,307</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,430)</u>	<u>11,516</u>	<u>16,946</u>	<u>(10,321)</u>	<u>1,204</u>	<u>11,525</u>

The accompanying notes are an integral part of these general-purpose financial statements.

Annually Budgeted Capital Projects Funds			Totals (Memorandum Only)		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 16,760	\$ 17,238	\$ 478
-	-	-	25,880	31,188	5,308
-	-	-	31,256	36,323	5,067
21	20	(1)	13,521	14,839	1,318
-	-	-	2,622	3,758	1,136
598	161	(437)	6,151	2,787	(3,364)
12,935	5,134	(7,801)	59,379	38,227	(21,152)
8,290	12,093	3,803	20,586	26,246	5,660
-	1	1	935	1,445	510
-	416	416	688	1,125	437
1,628	4,122	2,494	2,692	5,953	3,261
-	1,259	1,259	-	2,103	2,103
418	600	182	999	2,501	1,502
5	36	31	6,249	4,792	(1,457)
<u>23,895</u>	<u>23,842</u>	<u>(53)</u>	<u>187,718</u>	<u>188,525</u>	<u>807</u>
-	-	-	14,279	13,988	291
-	-	-	89,806	89,728	78
-	-	-	13,580	13,072	508
-	-	-	9,377	9,102	275
-	-	-	11,794	11,792	2
87,873	31,804	56,069	128,611	46,085	82,526
<u>1,137</u>	<u>783</u>	<u>354</u>	<u>1,137</u>	<u>783</u>	<u>354</u>
<u>89,010</u>	<u>32,587</u>	<u>56,423</u>	<u>268,584</u>	<u>184,550</u>	<u>84,034</u>
<u>(65,115)</u>	<u>(8,745)</u>	<u>56,370</u>	<u>(80,866)</u>	<u>3,975</u>	<u>84,841</u>

(continues)

CITY OF STOCKTON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL ON A BUDGETARY BASIS GENERAL AND ANNUALLY BUDGETED SPECIAL REVENUE AND CAPITAL PROJECTS FUNDS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

	General Fund			Annually Budgeted Special Revenue Funds		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES):						
Operating transfers in	5,115	5,070	(45)	5,522	5,522	-
Operating transfers out	(11,109)	(11,065)	44	(4,394)	(4,385)	9
Sale of fixed assets	-	171	171	-	-	-
Total other financing sources (uses)	<u>(5,994)</u>	<u>(5,824)</u>	<u>170</u>	<u>1,128</u>	<u>1,137</u>	<u>9</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)	(11,424)	5,692	17,116	(9,193)	2,341	11,534
BASIS ADJUSTMENT:						
Encumbrances	<u>-</u>	<u>1,354</u>	<u>1,354</u>	<u>-</u>	<u>672</u>	<u>672</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(11,424)	7,046	18,470	(9,193)	3,013	12,206
FUND BALANCES, BEGINNING OF YEAR	15,744	15,744	-	10,504	10,504	-
Residual equity transfers in	-	-	-	-	-	-
Residual equity transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(201)</u>	<u>-</u>	<u>201</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,320</u>	<u>\$ 22,790</u>	<u>\$ 18,470</u>	<u>\$ 1,110</u>	<u>\$ 13,517</u>	<u>\$ 12,407</u>

The accompanying notes are an integral part of these general-purpose financial statements.

Annually Budgeted Capital Projects Funds			Totals (Memorandum Only)		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
4,775	4,775	-	15,412	15,367	(45)
(629)	(623)	6	(16,132)	(16,073)	59
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171</u>	<u>171</u>
<u>4,146</u>	<u>4,152</u>	<u>6</u>	<u>(720)</u>	<u>(535)</u>	<u>185</u>
(60,969)	(4,593)	56,376	(81,586)	3,440	85,026
<u>-</u>	<u>978</u>	<u>978</u>	<u>-</u>	<u>3,004</u>	<u>3,004</u>
(60,969)	(3,615)	57,354	(81,586)	6,444	88,030
78,256	78,256	-	104,504	104,504	-
15,951	15,951	-	15,951	15,951	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(201)</u>	<u>-</u>	<u>201</u>
<u>\$ 33,238</u>	<u>\$ 90,592</u>	<u>\$ 57,354</u>	<u>\$ 38,668</u>	<u>\$ 126,899</u>	<u>\$ 88,231</u>

CITY OF STOCKTON

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY - ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Fund Type Nonexpendable Trust	(Memorandum Only)	
				2001	2000
OPERATING REVENUES:					
Charges for services	\$ 52,733	\$ 48,845	\$ -	\$ 101,578	\$ 86,106
Miscellaneous	1,539	-	-	1,539	1,001
Total operating revenues	54,272	48,845	-	103,117	87,107
OPERATING EXPENSES:					
Operation and maintenance	28,015	45,527	1,015	74,557	62,872
General and administrative	9,467	4,030	-	13,497	11,948
Depreciation and amortization	6,953	3,506	-	10,459	10,895
Purchased water	3,665	-	-	3,665	3,189
Total operating expenses	48,100	53,063	1,015	102,178	88,904
OPERATING INCOME (LOSS)	6,172	(4,218)	(1,015)	939	(1,797)
NONOPERATING REVENUES (EXPENSES):					
Taxes	601	-	-	601	600
Federal grants and subsidies	3	777	-	780	1,467
Intergovernmental	1	17	-	18	159
Loans and mortgage interest	34	-	-	34	43
Investment income:					
Interest income	5,951	423	92	6,466	6,997
Net increase (decrease) in fair value of investments	1,988	181	32	2,201	(919)
Gain (loss) from disposal of property	23,926	(1)	-	23,925	5
Interest expense and fiscal charges	(2,093)	(10)	-	(2,103)	(2,926)
Other nonoperating revenues	-	321	-	321	289
Total nonoperating revenues (expenses)	30,411	1,708	124	32,243	5,715
CAPITAL CONTRIBUTIONS	15,216	83	-	15,299	-

The accompanying notes are an integral part of these general-purpose financial statements.

(continues)

CITY OF STOCKTON

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY - ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	2001	2000
INCOME (LOSS) BEFORE OPERATING TRANSFERS	51,799	(2,427)	(891)	48,481	3,918
Operating transfers in	8,694	1,800	-	10,494	8,754
Operating transfers out	<u>(9,612)</u>	<u>(1,800)</u>	<u>-</u>	<u>(11,412)</u>	<u>(8,656)</u>
NET INCOME (LOSS)	50,881	(2,427)	(891)	47,563	4,016
FUND EQUITY, BEGINNING OF YEAR, AS RESTATED	283,402	10,976	140	294,518	274,970
Residual equity transfers in	-	1,480	2,300	3,780	-
Residual equity transfers out	(18,497)	-	-	(18,497)	(75)
Increase in contributed capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,607</u>
FUND EQUITY, END OF YEAR	<u>\$ 315,786</u>	<u>\$ 10,029</u>	<u>\$ 1,549</u>	<u>\$ 327,364</u>	<u>\$ 294,518</u>

The accompanying notes are an integral part of these general-purpose financial statements.

CITY OF STOCKTON

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Fund Type Nonexpendable Trust	(Memorandum Only) 2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ 6,172	\$ (4,218)	\$ (1,015)	\$ 939	\$ (1,797)
Noncash adjustment to operating income:					
Depreciation and amortization	6,953	3,506	-	10,459	10,895
Provision for uncollectible accounts	1,233	19	-	1,252	207
Landfill closure/postclosure	-	-	-	-	253
Self-insurance	-	4,570	-	4,570	4,143
Changes in assets and liabilities:					
Accounts and other receivables	(303)	29	(19)	(293)	706
Prepaid expenses	-	36	-	36	-
Due from other governments	(295)	(275)	-	(570)	231
Inventory of supplies	(16)	-	-	(16)	73
Loans receivable	22	-	-	22	22
Accounts payable	(1,756)	591	-	(1,165)	(841)
Accrued payroll and benefits	-	279	-	279	482
Due to other governments	46	(235)	-	(189)	(4)
Deposits and other liabilities	98	-	-	98	(1,879)
Compensated absences	(18)	(64)	-	(82)	128
Deferred revenue	(1)	-	-	(1)	(1)
Advances from other governments	(186)	-	-	(186)	(179)
Net cash provided (used) by operating activities	<u>11,949</u>	<u>4,238</u>	<u>(1,034)</u>	<u>15,153</u>	<u>12,439</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment earnings	8,343	604	124	9,071	6,080
Investment purchases	-	-	-	-	(50)
Proceeds from sale of investments	<u>5,275</u>	<u>-</u>	<u>-</u>	<u>5,275</u>	<u>14,373</u>
Net cash provided by investing activities	<u>13,618</u>	<u>604</u>	<u>124</u>	<u>14,346</u>	<u>20,403</u>

The accompanying notes are an integral part of these general-purpose financial statements.

(continues)

CITY OF STOCKTON

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Fund Type Nonexpendable Trust	(Memorandum Only) 2001	2000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of property and equipment	14,999	137	-	15,136	2,998
Repayment of debt	(2,738)	(137)	-	(2,875)	(2,853)
Purchases of property and equipment	(18,462)	(5,259)	-	(23,721)	(36,631)
Interest paid on capital debt	(2,160)	(10)	-	(2,170)	(2,993)
Capital contributions	10,239	-	-	10,239	7,570
Residual equity transfer out	(18,497)	-	-	(18,497)	-
Residual equity transfer in	-	1,480	2,300	3,780	780
Net cash provided (used) by capital and related financing activities	(16,619)	(3,789)	2,300	(18,108)	(31,129)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating transfers in	8,694	1,800	-	10,494	8,754
Operating transfers out	(9,612)	(1,800)	-	(11,412)	(8,656)
Advances from other funds	1,224	-	-	1,224	-
Other nonoperating revenues	-	321	-	321	289
Proceeds from taxes	601	-	-	601	600
Intergovernmental	1	17	-	18	159
Federal grants and subsidies	3	777	-	780	1,510
Net cash (used) by noncapital financing activities	911	1,115	-	2,026	2,656
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,859	2,168	1,390	13,417	4,369
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	89,433	21,791	140	111,364	106,995
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 99,292	\$ 23,959	\$ 1,530	\$ 124,781	\$ 111,364
NONCASH TRANSACTIONS:					
Contributions of fixed assets	\$ 4,977	\$ 83	\$ -	\$ 5,060	\$ 7,183

The accompanying notes are an integral part of these general-purpose financial statements.

(continues)

CITY OF STOCKTON

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Primary Government Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Reconciliation of cash and cash equivalents to the combined balance sheet:				
Unrestricted cash and investments on the combined balance sheet:				
Cash and temporary investments	\$ 95,766	\$ 23,959	\$ 1,530	\$ 121,255
Cash with fiscal agents	220	-	-	220
Restricted cash and investments on the combined balance sheet:				
Cash and temporary investments	1,101	-	-	1,101
Cash and temporary investments with fiscal agents	<u>17,894</u>	<u>-</u>	<u>-</u>	<u>17,894</u>
Total cash and investments	114,981	23,959	1,530	140,470
Less investments:				
Cash and temporary investments with fiscal agents	<u>15,689</u>	<u>-</u>	<u>-</u>	<u>15,689</u>
Net cash and cash equivalents	<u>\$ 99,292</u>	<u>\$ 23,959</u>	<u>\$ 1,530</u>	<u>\$ 124,781</u>

The accompanying notes are an integral part of these general-purpose financial statements.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001

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CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001

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CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The City of Stockton (City) was incorporated on July 25, 1850 under the general laws of the State of California. The City's original charter was adopted on January 15, 1889. The City operates under a Council-Manager form of government consisting of seven elected council members including the mayor and a council appointed City Manager. The City provides the following services as authorized by its charter: public safety (police, fire, paramedics, and building), sanitation (solid waste disposal, sanitary wastewater, and stormwater utilities), water utility, community development, library, parks and recreation, and general administrative services.

As required by generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement 14, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each blended component unit has a June 30 year-end.

The San Joaquin Area Flood Control Agency (SJAFCFA) was established by City Council resolution on May 15, 1995 and is jointly governed by the City and San Joaquin County. The City retains no on-going financial interest or obligation of SJAFCFA.

Blended Component Units - The Redevelopment Agency (Agency) was formed to prepare and carry out plans for improvement, rehabilitation and redevelopment of blighted areas within the City. City Council members in separate session serve as the governing board of the Agency, and all accounting and administrative functions are performed by the City. The Agency is reported in the City's financial statements in the Special Revenue Funds, Capital Projects Funds, and General Long-Term Debt Account Group.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Stockton Public Financing Authority (SPFA) was created in June 1990 and carries out lease financing for the City Sanitary Wastewater Utility, Water Utility, General Fund, Mello-Roos, and Marks-Roos districts. The SPFA governing board is the same as the City Council members. The SPFA is reported in the City's financial statements in the Debt Service Funds, Capital Projects Funds, General Fixed Account Group and General Long-Term Debt Account Group. Consistent with the National Council on Governmental Accounting (NCGA) Statement No. 5 and GASB Statement 14, capital leases between the primary government and blended component units are eliminated. The debt and assets are reported in the primary government. Accordingly, the Sanitary Wastewater Utility and Water Utility enterprise funds report the fixed assets and related certificates of participation issued by the SPFA and leased to these two enterprise funds under capital leases.

Financial statements for the Agency and SPFA may be obtained at the entities' respective administration offices as follows:

Redevelopment Agency
City of Stockton
425 North El Dorado Street
Stockton, CA 95202-1997

Stockton Public Financing Authority
City of Stockton
425 North El Dorado Street
Stockton, CA 95202-1997

In previous years, the Central Parking District (CPD) was reported as a discretely presented component unit in the City's financial statements. However, upon further analysis performed by City management, it was determined that the CPD is not a legally separate entity. Therefore, the CPD is not considered a component unit and is presented as an enterprise fund of the City. See Note 22 for the effects of this change on equity.

Implementation of New Accounting Pronouncement - In December 1998, the GASB issued Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This standard established accounting and financial reporting standards for nonexchange transactions involving financial or capital resources (for example, most taxes, grants, and private donations). The City has adopted this standard for its fiscal year ended June 30, 2001 financial statements. The effect of implementing this standard is that capital contributions in the amount of \$15,299, which prior to this standard were accounted for as additions to contributed capital, are now recognized as capital contribution revenue.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting - The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The various funds and account groups are summarized by type in the General-purpose Financial Statements. Fund types and account groups used by the City are described below:

Governmental Fund Types:

The **General Fund** is the primary operating fund of the City. It accounts for normal recurring activities traditionally associated with government, which are not required to be accounted for in another fund. These activities are funded primarily by property taxes, sales and use taxes, business and utility taxes, interest and rental income, charges for services, and state grants.

Special Revenue Funds account for certain revenue sources that are legally restricted to be spent for specified purposes. Other restricted resources are accounted for in trust, debt service, and capital projects funds.

Debt Service Funds account for the accumulation of resources to be used for the payment of general long-term debt principal and interest as well as related costs.

Capital Projects Funds account for financial resources to be used for the acquisition, construction or improvement of major capital facilities (other than those financed through the proprietary fund types).

Proprietary Fund Types:

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Council is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds account for the financing of goods, services, or facilities provided by one City department to other City departments on a cost-reimbursement basis.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Fund Types:

Trust and Agency Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include the non-expendable trust, expendable trust, and agency funds. Operations of the non-expendable trust funds are accounted for and reported in the same manner as the proprietary fund types. Operations of expendable trust funds are accounted for in essentially the same manner as governmental fund types. Agency funds are custodial in nature and do not involve measurement of results of operations.

Account Groups:

The **General Fixed Assets Account Group** accounts for recorded fixed assets of the City, other than those accounted for in the proprietary fund types.

The **General Long-Term Debt Account Group** accounts for all long-term obligations, including vested compensation and sick leave of the City, except for those obligations accounted for in the proprietary fund types.

Basis of Accounting - Measurement Focus - The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a current financial resources measurement focus. Only current assets and liabilities are generally included on their balance sheets. Operating statements for these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary fund types and non-expendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Reported fund equity is segregated into contributed capital and retained earnings components.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual Basis of Accounting - The modified accrual basis of accounting is followed in the governmental fund types, and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on general long-term obligations, are recorded when the fund liability is incurred and is expected to be liquidated with expendable available resources. The exception to the general modified accrual expenditure recognition criteria is that principal and interest on general long-term obligations are recorded when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

Intergovernmental revenues, which are primarily grants and subventions, received as reimbursement for specific purposes or projects are recognized if they are expected to be received within the upcoming year to repay interfund liabilities incurred as a result of borrowing the cash in order to pay the expenditures. Intergovernmental revenues, which are virtually unrestricted as to purpose of expenditure and revocable only for failure to meet prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if they meet the availability criterion. Major revenues are susceptible to accrual in accordance with GASB Statement 22 "Accounting For Taxpayer Assessed Tax Revenues in Governmental Funds" and are recognized as revenue when they are collected within 60 days of fiscal year-end. These include sales, transient occupancy, gas, utility user, and property taxes, franchise fees, interest, federal and state grants. Business licenses, fines and penalties are recorded as income when received because they are generally not measurable until actually received.

Accrual Basis of Accounting - The accrual basis of accounting is utilized in all proprietary fund types and non-expendable trust funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Deferred Revenue - Deferred revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City typically records deferred revenue related to uncollected estimated special assessments not yet payable and intergovernmental revenues (primarily grants and subventions) received but not earned.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes - Property taxes receivable are recorded in the fiscal year for which the tax is levied. Revenue is recognized when measurable and available. Property taxes collected in advance are recorded as deferred revenue and recognized as revenue in the year they become available. The County of San Joaquin levies, bills and collects property taxes for the City of Stockton. Property taxes paid to the City by the County within 60 days after the end of the fiscal year are "available" and are, therefore, recognized as revenue.

Secured and unsecured property taxes are levied based on the assessed value as of March 1, the lien date, of the preceding fiscal year. Secured property tax is levied on October 1 and due in two installments, on November 1 and February 1. Collection dates are December 10 and April 10, which are also the delinquent dates. At that time, delinquent accounts are assessed a penalty of 10 percent. Accounts that remain unpaid on June 30 are charged an additional 1 1/2 percent per month. Unsecured property tax is levied on July 1 and due on July 31, and has a collection date of August 31 which is also the delinquent date. The penalty percentage rates are the same as secured property tax.

Revenue Recognition For Utility Funds and Developers Fees - Revenues are recognized for utility funds based on billings rendered to customers. The City accrues revenues for services provided but not yet billed, at the end of a fiscal period.

On July 6, 1988, the City Council adopted (Ordinance No. 56-88C.S.) Stockton Municipal Code Sections 16-175 et seq. creating and establishing the authority for imposing and charging Public Facilities Fees. These funds are to provide for the mitigation of the impact of contemplated future development on existing public facilities and to provide for new public facilities and improvements as needed. On September 12, 1988, the City Council adopted Resolution No. 88-0616 imposing Public Facilities Fees to be paid at the time of issuance of a building permit for development. The revenue is recognized when the building permits are paid. The building division began collecting these fees on November 14, 1988.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Data

Budgetary Process

- In accordance with the provisions of the City Charter, the City prepares and adopts a budget on or before June 30 for each fiscal year. The General Fund, certain Special Revenue Funds (Gas Tax, Measure K Sales Tax, City-County Library, Special Assessments, Other Special Revenue) and certain Capital Projects Funds (Public Facilities Impact Fees and Capital Improvement) have legally adopted annual budgets. Prior to July 1, the original adopted budget is legally enacted through the passage of a resolution by the City Council. In the event this does not occur, the manager's budget is in force until a budget is adopted by the City Council. The level of legal budgetary control by the City Council is established at the department level.
- Enterprise Funds, Internal Service Funds, and Nonexpendable Trust Funds are accounted for on a cost of service (net income) or capital maintenance measurement focus. The City is not legally mandated to report the results of operations for these fund types on a budget comparison basis; therefore, budgetary data related to these funds has not been presented.
- If expenditures exceed appropriations, the City Manager is authorized to transfer budgeted amounts between line items within any department in the General Fund, and within any function in the Special Revenue and Capital Projects Funds, however, any revisions that alter the total appropriations of any department or function, respectively, must be approved by the City Council. Supplemental appropriations are made during the year and are considered immaterial. Budgeted amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on a Budgetary Basis include amendments for these supplemental appropriations.
- Formal budgetary integration is employed as a management control device during the year for the General Fund and certain Special Revenue and Capital Projects Funds. Formal budgetary integration is not employed for the Debt Service Funds because effective budgetary control is alternatively achieved through bond indenture provisions.
- All unencumbered appropriations lapse at year-end, with the exception of some capital improvement projects and miscellaneous grants in the respective funds. Encumbered appropriations are re-appropriated in the following year's budget.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis of Accounting - The City adopts budgets each fiscal year on a basis of accounting, which is different from generally accepted accounting principles (GAAP). The variations from GAAP are discussed in Note 19.

Certain funds of the City contain capital projects, grant projects, loan programs or other programs that are budgeted on a multi-year or project length basis. The amounts of the projects and programs budgeted on a multi-year basis are significant compared to the items budgeted on an annual basis; therefore, a comparison of budget to actual for the fund would not be meaningful. As a result, such funds are excluded from budgetary reporting.

Because not all Special Revenue and Capital Projects Funds have annual budgets, the actual amounts that appear in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -- All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -- Budget and Actual on a Budgetary Basis, General, Annually Budgeted Special Revenue and Capital Projects Funds do not agree. A reconciliation follows:

	Special Revenue Funds	Capital Projects Funds
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis) - Budgeted Funds	\$ 3,013	\$ (3,615)
Unbudgeted Funds:		
Special Grants	1,147	-
Revenue Sharing	(21)	-
Redevelopment Agency Loan	995	-
Community Development Block Grant	432	-
Community Development Loan	(233)	-
Special Grant and Loan Programs	266	-
Home Program	1,313	-
Redevelopment Agency	-	(962)
Mello-Roos Districts	-	(817)
1915 Act Assessment Districts	-	2,188
Stockton Public Financing Authority	-	163
	<u> </u>	<u> </u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis) - All Funds	<u>\$ 6,912</u>	<u>\$ (3,043)</u>

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances - The City utilizes an encumbrance system to assist in controlling expenditures. Under this system, all fund types are encumbered when purchase orders, contracts and other commitments are signed or approved. In the governmental funds, encumbrances at year end are reported as reservations of fund balances. Unencumbered balances in all fund types at year end are closed back to fund balance/retained earnings. Encumbrances are combined with expenditures for budgetary comparison purposes.

Cash and Investments - Except as described below, the City pools idle cash from all funds for the purpose of maximizing interest through investment activities. Pooled investments do not include certain bond proceeds. Investments are carried at fair value with the exception of money market investments and certain nonparticipating guaranteed investment contracts, which are carried at cost. The fair value of investments is based on published market prices and quotations from major investment brokers.

The Local Agency Investment Fund (LAIF) is an external investment pool established under California State statutes. LAIF is not registered with the Securities and Exchange Commission. LAIF falls under the regulatory oversight of the State of California. Based on information obtained from the State of California, the investment in LAIF has been recorded at fair value.

Interest income on pooled investments is allocated on the basis of average daily cash balances in the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Water Utility Enterprise Fund, Sanitary Wastewater Utility Enterprise Fund, Stormwater Utility Enterprise Fund, Solid Waste Enterprise Fund, Central Parking District Enterprise Fund, Internal Service Self-Insurance Funds, and Trust and Agency Funds, as required by law or as directed by the City Council adopted budget. The remainder of interest income is credited to the General Fund as required by California Government Code.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents. The Local Agency Investment Fund and money market investments are determined to be included as cash and cash equivalents. Proceeds from debt and other cash and investments held by fiscal agents by agreement are classified as restricted assets in the proprietary funds.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Receivables/Payables - Short-term loan receivables and payables are reported as “due from other funds” and “due to other funds” respectively.

Long-term interfund loan receivables are reported as advances and are offset equally by fund balance reservations that indicate they do not constitute expendable available resources and, therefore, are not available for appropriation. In the proprietary funds the payables are classified as “advances from”. In the governmental funds, liabilities incurred prior to fiscal year 2000 are reported in the General Long-Term Debt Account Group, and liabilities incurred after fiscal year 1999 are reported as “advances from” in the appropriate government fund.

Discount/Premium/Issuance Cost - The City’s bond or debt premium/discount and issuance costs are recorded as expenditures in the year they are incurred for governmental fund debt and are amortized over the life of the bond for proprietary fund debt.

Inventories - Inventories are physically counted annually and valued at cost, on the weighted average method, which approximates market. Inventories consist of expendable supplies held on a consumption basis, wherein the cost is recorded as an expenditure at the time an item is consumed.

Fixed Assets - Fixed assets are recorded at historical cost. Donated fixed assets are valued at estimated fair market value on the date received. Approximately 5% of property, plant and equipment are carried at estimated historical cost. Gains or losses on assets at retirement or disposal are recorded in the same fiscal year the asset is retired.

General Fixed Assets - General fixed assets are those acquired for general governmental purposes. Such assets currently purchased or constructed are recorded as expenditures in the governmental fund types and are capitalized at cost in the General Fixed Assets Account Group. The City does not capitalize infrastructure fixed assets such as: roads, bridges, curbs, gutters, streets and sidewalks, street lights, and traffic signals, nor does it record depreciation in the General Fixed Assets Account Group.

Proprietary Fund Types - Fixed assets in the proprietary fund types are generally stated at cost. Renewals and betterments are capitalized when purchased. Maintenance and repairs are charged to expense when the services are rendered. Assets acquired under capital lease obligations are depreciated over their estimated useful lives. Depreciation is provided using the straight-line method based on the estimated useful life of the asset as follows:

CITY OF STOCKTON

**NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2001
(Dollar amounts in thousands)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Building and structures	30 - 50 years
Improvements other than buildings	25 - 30 years
Machinery and equipment	5 - 30 years
Transmission and distribution plant (including infrastructure such as water, sanitary wastewater and stormwater mains and laterals)	50 - 100 years

In accordance with generally accepted accounting principles, the City capitalizes net interest cost of funds borrowed to finance the construction of fixed assets in the proprietary fund types. For the year ended June 30, 2001, capitalized interest costs equaled \$5,447 in connection with the construction in progress.

Vacation, Sick, and Earned Time Leave Pay - Accrued vacation leave is payable at 100% of accumulated hours upon separation of service. Accrued sick leave is payable at 50% of accumulated hours for all City employees upon separation of service due to death, service or disability retirement based upon terms negotiated with individual bargaining units. Police and Fire department safety and management employees, mid-management, law and unrepresented employees are also eligible for pay-off of 50% of accumulated sick leave upon termination after ten years of service. All bargaining unit employees may sell back their remaining 50% of accrued sick leave hours for additional California Public Employees' Retirement System (PERS) service credit upon retirement. Police and Fire department safety employees are eligible for pay-off of 100% of accumulated earned time (or overtime) up to one year's accrual upon retirement based on years of service. Pay-off of accumulated earned time is reportable PERS compensation.

The value of accumulated vacation, sick, and earned time is accrued, as appropriate, for all funds. With respect to obligations of the governmental fund types, the amounts are recorded in the General Long-Term Debt Account Group.

Capital Contributions - Water and wastewater connection fees are recorded as revenue in the Water Utility and Sanitary Wastewater Utility Enterprise Funds.

Fund Equity - Reservations of fund balances indicate those portions of fund equity which are not available for appropriation or expenditure or which have been legally restricted to a specific use.

Portions of unreserved fund balances have been designated to indicate that portion of fund equity for which the City has tentative plans for financial resource utilization in a future period. These amounts may not result in actual expenditures.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund Accounting - The City has made an election in accordance with GASB Statement 20, to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Principles Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

Accounting for Escheat Property - The City is in compliance with the GASB Statement 21, *Accounting for Escheat Property*, and accounts for these assets in the ultimate fund (General Fund) when the assets are deemed to be escheat in accordance with California state law.

Use of Estimates - In preparing general-purpose financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities and revenues, expenditures and expenses during the reporting period at the date of the general-purpose financial statements. Actual results could differ from those estimates.

Total Columns on Combined Financial Statements - Total columns on the accompanying General-purpose Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not purport to present financial position, results of operations, or cash flows of the City in conformity with GAAP. Such data is not comparable to a consolidation.

New Accounting Pronouncement - In June 1999, the Governmental Accounting Standards Board issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The statement establishes financial reporting standards for certain governmental entities, which will require expanded financial information, management discussion and analysis and required supplemental information in their financial reporting. This statement will be effective for the City for the year ending June 30, 2002. The City is in the process of determining the effect adopting GASB Statement 34 will have on its financial statements.

Reclassification - Certain 2000 amounts have been reclassified to conform to the financial statement presentation for the 2001 fiscal year.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and temporary investments."

Deposits - At June 30, 2001, the recorded amount of the City's deposits were \$3,732; and the bank balance was \$5,347. The bank balance and carrying amount differ due to deposits in transit of \$1,480 and outstanding checks of \$3,095.

The bank balances were entirely insured or collateralized at June 30, 2001. The California Government Code requires financial institutions to secure a city's deposits, in excess of insured amounts, by pledging government securities as collateral. The fair value of pledged securities must equal at least 110% of a city's deposits. California law also allows financial institutions to secure a city's deposits by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits.

The City's deposits are categorized to give an indication of the level of custodial credit risk at year-end:

Category 1 - Insured or collateralized with securities held by the City or its agent in the City's name. The City held \$688 in Category 1 deposits at June 30, 2001.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. The City held \$4,659 Category 2 deposits at June 30, 2001.

Category 3 - Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name. The City did not hold any Category 3 deposits at June 30, 2001.

Investments - California statutes and the City's investment policy authorize the investment of idle or surplus funds in the following instruments:

- Securities of the U.S. Government, or its agencies
- Small Business Administration loans
- Certificates of deposit
- Negotiable certificates of deposit
- Bankers acceptances
- Commercial paper
- Local Agency Investment Fund (LAIF) demand deposits - State pool
- Repurchase agreements (repos)
- Demand accounts - insured/collateralized

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

2. CASH AND INVESTMENTS (Continued)

- Mutual funds
- Guaranteed investment contracts

The City has entered into nonparticipating guaranteed investment contracts, which bear interest ranging from 5.39% to 6.57%. The investment contracts are collateralized 100% to 104% by investments, which are in compliance with the City's investment policy.

Although the City did not participate in any securities lending transactions or enter into any reverse repurchase agreements during the year, the City does have an investment in LAIF in the amount of \$31,101. The total amount invested by all public agencies in LAIF is \$54,496,268, of which 4.5% is invested in derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the City's portion in the pool.

The City's investments are categorized to give an indication of the level of custodial credit risk at year-end:

Category 1 - Insured or registered or securities held by the City or its agent in the City's name.

Category 2 - Uninsured and unregistered investments with the securities held by the counterparty's trust department or agent in the City's name.

Category 3 - Uninsured and unregistered investments with securities held by the counterparty or by its trust department or agent but not in the City's name.

During the year ended June 30, 2001, the City did not utilize investment types different from those categorized below.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

2. CASH AND INVESTMENTS (Continued)

A summary of cash and investments by such categories at June 30, 2001 is as follows:

Investment Type	Category 1	Non Categorized	Fair Value
U.S. Government securities	\$ 182,295	\$ -	\$ 182,295
Commercial paper	6,088	-	6,088
LAIF	-	31,101	31,101
Money market funds	-	38,415	38,415
Guaranteed investment contracts	<u>-</u>	<u>23,859</u>	<u>23,859</u>
Total investments	<u>\$ 188,383</u>	<u>\$ 93,375</u>	<u>\$ 281,758</u>
Summary of GASB 3 disclosure carrying amounts:			
Deposits			\$ 3,732
Investments			<u>281,758</u>
Total cash and investments			<u>\$ 285,490</u>
Cash and investments are reported on the combined balance sheet as follows:			
Cash and temporary investments			\$ 249,763
Cash with fiscal agents			16,732
Restricted cash and temporary investments			1,101
Restricted cash and temporary investments with fiscal agents			<u>17,894</u>
Total cash and investments			<u>\$ 285,490</u>

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

2. CASH AND INVESTMENTS (Continued)

Restricted Cash and Investments - Certain proceeds of Enterprise Funds and certificates of participation (COP) are classified as restricted cash and investments on the balance sheet because their use is limited by applicable indentures or covenants. These covenants provide that these monies, in the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, may be invested in accordance with the ordinances, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City's general investment policy. In no instance have additional types of investments, not permitted by the City's general investment policy, been authorized. The major part of this restriction is for the construction or acquisition of facilities, but also includes reserves for payment of debt service as required by the bond indentures.

At June 30, 2001, restricted cash and investments are as follows for the Enterprise Funds:

Water Utility	\$ 1,492
Sanitary Wastewater Utility	16,108
Solid Waste	69
Central Parking District	<u>1,326</u>
Total	<u>\$ 18,995</u>

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

3. INTERFUND ASSETS / LIABILITIES

Interfund receivables and payables are as follows at June 30, 2001:

	Due From	Due To	Advances To	Advances From
General Fund	\$ 1,464	\$ -	\$ 644	\$ -
Special Revenue Funds:				
Special Grants	-	8	-	-
Urban Development Action Grant	-	-	4,686	-
Community Development Block Grant	-	1,034	10,304	-
Community Development Loan	-	-	586	-
Other Special Revenue	-	70	-	-
Capital Projects Funds:				
Public Facilities Impact Fees	-	-	8,947	3,134
Capital Improvement	-	-	12,994	-
Redevelopment Agency	19	371	1,830	438
Enterprise Fund:				
Golf Courses	-	-	-	1,224
General Long-Term Debt Account Group:				
Other Special Revenue	-	-	-	71
Redevelopment Agency	-	-	-	23,619
Public Facilities Impact Fees	-	-	-	11,505
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,483</u>	<u>\$ 1,483</u>	<u>\$ 39,991</u>	<u>\$ 39,991</u>

4. OPERATING / RESIDUAL EQUITY TRANSFERS

During the year various interfund transfers were made to finance expenditures, subsidize operating losses and service debt. These transfers are reflected as operating or residual equity transfers. The transfers are recorded in the fiscal period in which the transactions are approved.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

4. OPERATING / RESIDUAL EQUITY TRANSFERS (Continued)

Operating transfers for the year ended June 30, 2001 are summarized as follows:

	<u>Operating Transfers</u>	
	In	Out
General Fund	\$ 5,070	\$ 11,065
Special Revenue Funds:		
Special Grants	247	212
Gas Tax	-	4,385
City-County Library	5,522	-
Redevelopment Agency Loan	995	-
Community Development Block Grant	136	-
Community Development Loan	-	218
Special Grant and Loan Programs	-	7,304
Debt Service Funds:		
1915 Act Assessment District	1,983	687
Stockton Public Financing Authority	805	158
Capital Projects Funds:		
Public Facilities Impact Fees	20	121
Capital Improvement	4,755	502
Redevelopment Agency	8,255	995
1915 Act Assessment Districts	680	1,976
Stockton Public Financing Authority	93	-
Expendable Trust Fund:		
Miscellaneous	-	20
Enterprise Funds:		
Water Utility	1,145	1,158
Sanitary Wastewater Utility	7,451	7,733
Golf Courses	-	37
Central Parking District	98	684
Internal Service Funds:		
Radio Equipment	-	600
Other Equipment	600	-
General Insurance	-	900
Workers' Compensation Insurance	300	-
Health Benefits Insurance	900	-
Other Insurance	-	300
	<u> </u>	<u> </u>
Total	<u>\$ 39,055</u>	<u>\$ 39,055</u>

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

4. OPERATING / RESIDUAL EQUITY TRANSFERS (Continued)

Residual equity transfers for the year ended June 30, 2001 were as follows:

	Residual Equity Transfers	
	In	Out
Special revenue funds:		
Special grants	\$ -	\$ 1,234
Capital projects funds:		
Capital improvement	15,951	-
Enterprise funds:		
Sanitary wastewater utility	-	247
Solid waste	-	18,250
Internal service funds:		
Central garage	632	-
Computer equipment	240	-
Radio equipment	592	-
Other equipment	16	-
Nonexpendable trust fund:		
Miscellaneous	<u>2,300</u>	<u>-</u>
Total	<u>\$ 19,731</u>	<u>\$ 19,731</u>

5. FIXED ASSETS

Fixed assets at June 30, 2001 are as follows:

	Enterprise Funds	Internal Service Funds	General Fixed Assets	Total
Land	\$ 6,320	\$ -	\$ 13,920	\$ 20,240
Buildings and improvements	312,742	129	48,778	361,649
Machinery and equipment	8,985	40,554	1,765	51,304
Construction in progress	<u>108,721</u>	<u>-</u>	<u>33,852</u>	<u>142,573</u>
Total fixed assets	436,768	40,683	98,315	575,766
Accumulated depreciation	<u>(103,741)</u>	<u>(25,461)</u>	<u>-</u>	<u>(129,202)</u>
Net fixed assets	<u>\$ 333,027</u>	<u>\$ 15,222</u>	<u>\$ 98,315</u>	<u>\$ 446,564</u>

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

5. FIXED ASSETS (Continued)

General Fixed Assets - A summary of changes in the General Fixed Assets Account Group is as follows:

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Land	\$ 13,890	\$ 30	\$ -	\$ 13,920
Buildings and improvements	48,357	1,401	980	48,778
Machinery and equipment	1,693	202	130	1,765
Construction in progress	<u>19,577</u>	<u>14,279</u>	<u>4</u>	<u>33,852</u>
Total	<u>\$ 83,517</u>	<u>\$ 15,912</u>	<u>\$ 1,114</u>	<u>\$ 98,315</u>

6. GENERAL LONG-TERM DEBT

A summary of the changes in the City's general long-term debt obligations during the year is as follows:

	Balance July 1, 2000	Additions	Reductions	Balance June 30, 2001
Special Assessment Debt with Government Commitment (1915 Act Special Assessment Bonds)	\$ 19,557	\$ 9,019	\$ 4,570	\$ 24,006
Mello-Roos Special Tax Bonds	28,265	-	785	27,480
Revenue Bonds	115,145	-	4,140	111,005
Certificates of participation	14,860	-	-	14,860
Compensated absences	18,121	281	-	18,402
Advance from other funds:				
Other Special Revenue Fund	71	-	-	71
Redevelopment Agency	23,702	-	83	23,619
Public Facilities Impact Fees Fund	<u>12,288</u>	<u>-</u>	<u>783</u>	<u>11,505</u>
Total	<u>\$ 232,009</u>	<u>\$ 9,300</u>	<u>\$ 10,361</u>	<u>\$ 230,948</u>

In July 1998, the Special Review Executive Committee of the Government Finance Officers Association issued a program policy decision related to the general long-term debt account group (GLTDAG). The effect of this policy decision is that all governments reporting long-term interfund liabilities in the GLTDAG may continue to report those specific liabilities incurred before fiscal year 2001 in the GLTDAG. However, all such liabilities incurred after fiscal year 1999 need to be reported in the appropriate governmental fund. The City has adopted this reporting policy and it is effective for the year ended June 30, 2000.

CITY OF STOCKTON

**NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2001
(Dollar amounts in thousands)**

6. GENERAL LONG-TERM DEBT (Continued)

During the year, the City issued two new 1915 Act Special Assessment Bonds for \$7,030 and \$1,989. Of the \$1,989, \$1,879 was deposited into an escrow account along with \$680 from three other 1915 Act Special Assessment Bonds to currently refund \$2,410 of those three 1915 Act Special Assessment Bonds. Of the \$7,030, \$755 currently refunded another 1915 Act Special Assessment Bond. The remaining \$6,275 was issued to finance the construction and acquisition of certain public improvements.

A description of each item included in the general long-term debt account group is as follows:

1915 Act Special Assessment Bonds were authorized and issued to finance the improvements of special districts located within the City. There are currently eight bonds authorized and issued with interest rates ranging from 4.1% to 8.1% and final maturity in September 2023. Remaining debt service will be paid from assessments to property owners. \$ 24,006

Community Facilities Districts Special Tax Bonds were authorized pursuant to the Mello-Roos Community Facilities Act of 1982, to provide funds to: 1) pay costs of the acquisition and construction of new roads, sewer and water facilities to serve property located within the City of Stockton, 2) pay certain public facilities impact fees charged by the City. There are currently five bonds authorized and issued, four of which have interest rates ranging from 4.5% to 7.75% and one issue at a variable interest rate not to exceed 12%. The final maturity for those bonds is December 2024. Remaining debt service will be paid from assessments to property owners. \$ 27,480

Refunding Revenue Bonds were issued by the SPFA to purchase two series of location obligation refunding bonds and three limited obligation improvement bonds. Additionally, the City issued Mello-Roos Revenue Bonds to purchase special tax bonds and to finance the acquisition and construction of stormwater lines and pumping plants. On August 5, 1999, the SPFA issued assessment Revenue Bonds (West Eighth Street Series 1999) in the amount of \$11,610 to refund two prior issues of limited obligation improvement bonds. There are currently eight bonds authorized and issued with interest rates ranging from 3.48% to 8.1% and final maturity on September 1, 2024. Remaining debt service will be paid from revenues of the SPFA or City consisting primarily of payments received by the Authority and City as payments of assessments on the local obligation or special tax bonds. \$ 111,005

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

6. GENERAL LONG-TERM DEBT (Continued)

1999 Certificates of Participation were authorized and issued to finance a portion of the acquisition and construction of an essentials services building and an adjacent public parking facility located within the City. The certificates have interest rates ranging from 4.6% to 6.0% and final maturity on August 1, 2031. The City will lease the essential services building and adjacent parking facility from the SPFA. Lease payments will be used to repay the certificates. Under the lease agreement, the City covenanted to make all rental payments to the SPFA. These rental payments will be used to service the indebtedness when it becomes due and payable. Consistent with NCGA Statement No. 5 and GASB Statement No. 14, capital leases between the primary government and blended component units are eliminated. The debt and assets are reported in the General Fixed Asset Account Group and General Long-Term Debt Account Group

\$ 14,860

Compensated absences. It is City policy to permit employees to accumulate a limited amount of earned but unused vacation benefits and unlimited sick leave. A portion of these benefits are paid to the employee upon separation of employment from the City.

\$ 18,402

The advance to the Other Special Revenue Fund represents a loan from the General Fund to the Buckley Cove Marina which will be repaid from user fees.

\$ 71

The advances to the Redevelopment Agency represent loans from: 1) the Urban Development Action Grant Fund - \$4,686, to provide funds for the West End (Waterfront) Redevelopment Project. Funds were advanced to the Agency pursuant to the Development Agreement (Waterfront Project) authorized by the City and the Redevelopment Agency in December 1980. The interest rate on this loan is 10% and the loan will be repaid to the Urban Development Action Grant Funds from excess tax increment allocations as they become available. Accumulated interest that totals \$24,020 through June 30, 2001 will be recognized as an expenditure when repaid; 2) the General Fund - \$220, Community Development Block Grant Fund - \$10,304, Community Development Loan Fund - \$564, and Capital Improvement Fund - \$6,015, to provide funds for the McKinley, Sharps Lane Villa, Eastland and West End Redevelopment Projects. Except for the Eastland Redevelopment Project, these loans are non-interest bearing loans. Accumulated interest on the Eastland loan calculated at 10% per annum totals \$243 through June 30, 2001, and will be recognized as an expenditure when due. These funds will be repaid to the respective funds from excess tax increment allocations as they become available; 3) the Redevelopment Agency McKinley Redevelopment Project Area to the West End Redevelopment Project Area - \$1,830. Interest accumulates at the Eleventh District's Cost of Funds rate. Accumulated interest, which totals \$442 through June 30, 2001, will be recognized as an expenditure when due. This loan plus interest is to be repaid to the McKinley Project Area from excess tax increment allocations as they become available.

\$ 23,619

CITY OF STOCKTON

**NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2001
(Dollar amounts in thousands)**

6. GENERAL LONG-TERM DEBT (Continued)

The advances to Public Facilities Impact Fees Fund represent loans from: 1) the Capital Improvement fund for construction costs related to the southeast branch library, fire stations 1, 5 and 14, and expansion of city office space; 2) Street Improvements Fee Area #6 to Street Improvements Fee Area #1 for the I-5/March Lane interchange and Davis Road/Bear Creek Bridge, the March Lane - Southern Pacific Railroad crossing, and the Hammer Lane - Union Pacific Railroad crossing; 3) Parkland Fee Area #1 to the Parkland City Wide account for Weber Point Events Center improvements. These loans are interest bearing based on the average annual interest earned by the City of Stockton. The loans will be repaid as excess public facilities impact fees become available.

\$ 11,505

Prior Year Defeasance of Debt

In prior years, the City and the SPFA defeased certain General Long-Term Debt Account Group debt by placing the proceeds of new debt in irrevocable trusts to provide for all future debt service payments on the old debt until called. Accordingly, the trust account assets and liabilities for the following defeased debt issues are not included in the City’s financial statements. At June 30, 2001, the outstanding balances of the bonds considered defeased were as follows:

City of Stockton Community Facilities District No. 1, Series 307 (Weston Ranch Special Tax Bonds)	\$ 5,550
City of Stockton Community Facilities District No. 1, Series 308 (Weston Ranch Special Tax Bonds)	\$ 3,050

Stockton Public Financing Authority Community Facilities District 90-4 (Spanos Park Mello-Roos Bonds), City of Stockton Community Facilities District 90-2 and Series 305 (Brookside Estates Special Tax Bonds), and Weber/Sperry 88-1 Series 213 and 88-2 Series 215 were called prior to June 30, 2001.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

6. GENERAL LONG-TERM DEBT (Continued)

At June 30, 2001, special assessment, Mello-Roos, revenue bonds, and certificates of participation debt service requirements to maturity are as follows:

	Principal				Total
	Special Assessment	Mello-Roos	Revenue Bonds	Certificates of Participation	
2001-2002	\$ 945	\$ 835	\$ 4,195	\$ 195	\$ 6,170
2002-2003	1,129	1,030	4,445	205	6,809
2003-2004	1,305	1,095	4,710	210	7,320
2004-2005	1,350	3,245	5,025	220	9,840
2005-2006	1,450	1,475	5,325	235	8,485
Thereafter	<u>17,827</u>	<u>19,800</u>	<u>87,305</u>	<u>13,795</u>	<u>138,727</u>
Total	<u>\$ 24,006</u>	<u>\$ 27,480</u>	<u>\$ 111,005</u>	<u>\$ 14,860</u>	<u>\$ 177,351</u>

	Interest				Total
	Special Assessment	Mello-Roos	Revenue Bonds	Certificates of Participation	
2001-2002	\$ 1,477	\$ 1,607	\$ 6,266	\$ 844	\$ 10,194
2002-2003	1,393	1,551	6,050	835	9,829
2003-2004	1,330	1,487	5,816	825	9,458
2004-2005	1,260	1,418	5,561	815	9,054
2005-2006	1,183	1,338	5,286	805	8,612
Thereafter	<u>13,024</u>	<u>7,018</u>	<u>34,961</u>	<u>13,183</u>	<u>68,186</u>
Total	<u>\$ 19,667</u>	<u>\$ 14,419</u>	<u>\$ 63,940</u>	<u>\$ 17,307</u>	<u>\$ 115,333</u>

	Principal and Interest				Total
	Special Assessment	Mello-Roos	Revenue Bonds	Certificates of Participation	
2001-2002	\$ 2,422	\$ 2,442	\$ 10,461	\$ 1,039	\$ 16,364
2002-2003	2,522	2,581	10,495	1,040	16,638
2003-2004	2,635	2,582	10,526	1,035	16,778
2004-2005	2,610	4,663	10,586	1,035	18,894
2005-2006	2,633	2,813	10,611	1,040	17,097
Thereafter	<u>30,851</u>	<u>26,818</u>	<u>122,266</u>	<u>26,978</u>	<u>206,913</u>
Total	<u>\$ 43,673</u>	<u>\$ 41,899</u>	<u>\$ 174,945</u>	<u>\$ 32,167</u>	<u>\$ 292,684</u>

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

7. LONG-TERM DEBT - ENTERPRISE FUNDS

The following is a summary of all long-term debt in the Enterprise Funds at June 30, 2001:

	Long-Term	Current	Total
Compensated absences	\$ 1,594	\$ 916	\$ 2,510
Advances from other funds	1,224	-	1,224
Advances from other governments	1,665	147	1,812
Certificates of participation	120,280	2,225	122,505
Bonds payable	6,415	590	7,005
Water extension agreements	<u>-</u>	<u>11</u>	<u>11</u>
Total	<u>\$ 131,178</u>	<u>\$ 3,889</u>	<u>\$ 135,067</u>

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits and unlimited sick leave. A portion of these benefits is paid to the employee upon separation of employment from the City. Both the current and long-term portion of the liability have been recorded.

Advances From Other Governments

	Water Utility	Stormwater Utility	Total
Federal Drought Relief Act	\$ 1,029	\$ -	\$ 1,029
Federal Clean Water Act	<u>-</u>	<u>783</u>	<u>783</u>
Total	1,029	783	1,812
Less current portion	<u>-</u>	<u>147</u>	<u>147</u>
Long-term portion	<u>\$ 1,029</u>	<u>\$ 636</u>	<u>\$ 1,665</u>

- In August 1977, the City accepted a Federal Drought Relief Act grant of \$1,934 (which was later reduced by \$313) and a loan not to exceed \$1,834 for drought relief projects for the Water Utility (Enterprise Fund). As of June 30, 2001, advances totaled \$1,029. The loan will bear interest at 5% per annum and shall be for a term not to exceed 40 years.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

7. LONG-TERM DEBT - ENTERPRISE FUNDS (Continued)

- In September 1992, the City accepted a Federal Clean Water Act loan not to exceed \$1,900 for programs to reduce pollutant loading from urban runoff, which will enable the City to comply with the Clean Water Act of 1987 (Stormwater Enterprise Fund). As of June 30, 2001 advances totaled \$783. The loan will bear interest at 3.1% per annum and shall be for a term not to exceed 10 years after completion of the City's three-year program.

Certificates of Participation

	Water Utility	Sanitary Wastewater Utility	Total
Principal amount outstanding at June 30, 2001	\$ 15,690	\$ 113,545	\$ 129,235
Less issue discount	47	442	489
Less unamortized loss on defeasance	<u>-</u>	<u>6,241</u>	<u>6,241</u>
Total	15,643	106,862	122,505
Less current portion	<u>370</u>	<u>1,855</u>	<u>2,225</u>
Long-term portion	<u>\$ 15,273</u>	<u>\$ 105,007</u>	<u>\$ 120,280</u>

Annual debt service requirements to maturity for the Certificates of Participation are as follows:

	Principal	Interest	Total
2001-2002	\$ 2,225	\$ 6,549	\$ 8,774
2002-2003	2,325	6,451	8,776
2003-2004	2,430	6,347	8,777
2004-2005	2,535	6,238	8,773
2005-2006	2,655	6,122	8,777
Thereafter	<u>117,065</u>	<u>84,724</u>	<u>201,789</u>
Total	<u>\$ 129,235</u>	<u>\$ 116,431</u>	<u>\$ 245,666</u>

Water Utility - The SPFA (lessor) issued Certificates of Participation on June 1, 1993, in the amount of \$17,860, with interest rates ranging from 3.0% - 5.8%, the full amount maturing serially through August 1, 2022, in annual principal installments ranging from \$275 to \$1,225.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

7. LONG-TERM DEBT - ENTERPRISE FUNDS (Continued)

Principal amount outstanding at June 30, 2001	\$ 15,690
Less issue discount	47
Less current portion of debt	<u>370</u>
 Total long-term portion of debt	 <u>\$ 15,273</u>

The proceeds were used to defease the 1986 Water Certificates of Participation, and the remainder of the unused debt was used to fund new construction and a fund reserve. The proceeds were used to improve a water delivery system serving the City of Stockton. The system is leased to the City and operated by the City's Municipal Utilities Department. Lease payments are made from net revenues of the Water Utility Fund and are used to repay the Certificates. Interest on the Certificates began accruing on the date of issuance. The first interest payment was due February 1, 1994. The City (lessee) agreed to pay its financial obligations equal to the debt service related to the Certificates. Restrictive covenants include the requirement of a reserve for debt service equal to \$1,262 funded from bond proceeds.

Under the Lease Agreement, the City covenanted to make all rental payments to the SPFA. These rental payments will be used to service the indebtedness when they become due and payable. In the event of default, the City of Stockton would be held contingently liable. Consistent with NCGA Statement No. 5 and GASB Statement No. 14 capital leases between the primary government and blended component units are eliminated. The debt and assets are reported in the Water Utility Enterprise Fund.

Cash with fiscal agents of \$1,492 shown on the balance sheet, Enterprise-Water Utility Fund (restricted assets) is held by a fiscal agent (trustee) in charge of investment of idle funds and disbursements for the construction of the project.

Sanitary Wastewater Utility - SPFA (lessor) issued Certificates of Participation on August 1, 1993, in the amount of \$16,715, with interest rates ranging from 2.75% - 5.75%, the full amount maturing serially through September 1, 2023, in annual principal installments ranging from \$190 to \$1,095.

Principal amount outstanding at June 30, 2001	\$ 14,740
Less unamortized loss on defeasance	650
Less current portion of debt	<u>345</u>
 Total long-term portion of debt	 <u>\$ 13,745</u>

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

7. LONG-TERM DEBT - ENTERPRISE FUNDS (Continued)

The City issued Certificates of Participation on February 1, 1998, in the amount of \$101,650, with interest rates ranging from 4.0% to 5.2%, the full amount maturing serially through September 1, 2029, in annual principal installments ranging from \$1,395 to \$7,325.

Principal amount outstanding at June 30, 2001	\$ 98,805
Less issue discount	442
Less unamortized loss on defeasance	5,591
Less current portion of debt	<u>1,510</u>
Total long-term portion of debt	<u>\$ 91,262</u>

The proceeds of the 1998 issue were used to finance the design and construction of a sewer interceptor and to make improvements and modifications to the southern industrial sewer trunk line, and to defease the 1995 Certificates of Participation issue that was to finance the design, improvements and modifications to the regional wastewater control facilities serving the citizens of the City of Stockton. The defeasance resulted in an unamortized extraordinary loss of \$6,432, which will be amortized over the life of the 1995 Certificates. Interest with respect to the 1998 Certificates of Participation began on the date of issuance. Restrictive covenants include the requirement of a reserve for debt service by providing a reserve policy provided by an outside insurer. The reserve policy is in the amount of the maximum annual debt service on the 1998 and 1993 Certificates. The Certificates will be prepaid from the net revenues of the Sanitary Wastewater Utility Fund.

The balance sheet, Enterprise-Sanitary Wastewater Utility Fund (restricted assets) includes \$16,108 cash with fiscal agent held by a fiscal agent (trustee) in charge of investment of idle funds and disbursements for the improvements and modifications of the project being financed.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

7. LONG-TERM DEBT - ENTERPRISE FUNDS (Continued)

Bonds Payable

Special assessment bonds of the Central Parking District currently outstanding at June 30, 2001 are as follows:

Enterprise Fund	Series	Principal Interest Rate %	Date Issued	Date of Maturity	Authorized and Issued	Amount Outstanding
Central Parking District:						
Division 1	148 A	4.93	11/2/1966	7/2/2002	\$ 2,000	\$ 220
Division 2	148 B	5.35	2/2/1968	7/2/2002	1,000	100
Division 3	148 C	5.47	11/2/1968	7/2/2005	1,000	100
Division 4	148 D	7.00	4/2/1970	7/2/2005	583	515
District Bonds of 1991	148 E	5.5 - 7.9	8/1/1991	8/1/2011	8,475	<u>6,070</u>
Total						<u>\$ 7,005</u>

Annual debt service requirements to maturity for the Central Parking District special assessment bonds are as follows:

	Principal	Interest	Total
2001-2002	\$ 590	\$ 516	\$ 1,106
2002-2003	615	475	1,090
2003-2004	450	436	886
2004-2005	675	393	1,068
2005-2006	750	339	1,089
Thereafter	<u>3,925</u>	<u>998</u>	<u>4,923</u>
Total	<u>\$ 7,005</u>	<u>\$ 3,157</u>	<u>\$ 10,162</u>

Water Extension Agreements

These agreements represent City water lines installed by property owners and dedicated to the City. Upon connection to the City of Stockton water system, the cost of installation is to be reimbursed to the property owners by the City.

CITY OF STOCKTON

**NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2001
(Dollar amounts in thousands)**

7. LONG-TERM DEBT - ENTERPRISE FUNDS (Continued)

Prior Year Defeasance of Debt

In prior years, the City defeased certain proprietary fund debt by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the old debt until called. Accordingly, the trust account assets and liabilities for the following defeased debt issues are not included in the City’s financial statements. At June 30, 2001, the outstanding balances considered defeased are as follows:

1995 Certificates of Participation - Sanitary Wastewater Utility Fund	<u>\$ 40,920</u>
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8. LONG-TERM DEBT - INTERNAL SERVICE FUNDS

The following is a summary of all long-term debt included in the Internal Service Funds as of June 30, 2001:

	Long-Term	Current	Total
Self-insurance liabilities	\$ 19,251	\$ 6,790	\$ 26,041
Compensated absences	<u>515</u>	<u>295</u>	<u>810</u>
Total	<u>\$ 19,766</u>	<u>\$ 7,085</u>	<u>\$ 26,851</u>

Self-Insurance Liabilities - In accordance with GASB 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and GASB No. 30 *Risk Financing Omnibus* liabilities have been accrued representing estimates of amounts to be paid for reported, as well as incurred but not reported claims. The City contracts with independent actuaries to compute the estimated liabilities of the City’s self-insurance programs. The estimated liabilities include allocated loss adjustment expenses and exclude unallocated loss adjustment expenses. The effect of specific incremental claim adjustment expenses is included in the allocated loss adjustment expenses and is not specifically identifiable. The effect of salvage and subrogation are minimal. The liability for unpaid claims for general liability and workers’ compensation is discounted to reflect the City’s settlement rate and anticipated future investment earnings, using a discount rate of 5%. See Notes 14 and 15 for additional disclosures regarding risk management and risk pool, respectively. Based on information from the City Attorney, actuaries, and others involved with self-insurance programs, City Management believes that the aggregate accrual is adequate to cover such losses. Self-insurance liabilities are broken down as follows:

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

8. LONG-TERM DEBT - INTERNAL SERVICE FUNDS (Continued)

	Long-Term	Current	Total
General liability	\$ 3,650	\$ 1,462	\$ 5,112
Workers' compensation	15,601	3,396	18,997
Health insurance	<u>-</u>	<u>1,932</u>	<u>1,932</u>
Total	<u>\$ 19,251</u>	<u>\$ 6,790</u>	<u>\$ 26,041</u>

9. CONDUIT DEBT OBLIGATIONS

From time-to-time, the City has issued revenue bonds to provide financial assistance to public and private sector entities for the funding of mortgage loans, capital improvements to medical facilities and refinancing of previously existing debt deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying assets. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2001, there were six series of revenue bonds outstanding, with an aggregate principal amount payable of \$76,795.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

10. NATURE AND PURPOSE OF REPORTED RESERVES AND DESIGNATIONS

A summary of reported reserves and designations by fund at June 30, 2001 follows:

	Governmental Fund Types				Fiduciary
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
Reserves:					
Special district maintenance	\$ -	\$ 1,342	\$ -	\$ -	\$ -
Capital projects	-	8,070	-	73,322	-
Debt service	-	-	29,863	-	-
Encumbrances	1,355	2,619	-	13,550	27
Advances to other funds	644	15,576	-	23,771	-
Advances to property owners	-	35,599	-	406	-
Other items	445	649	-	40	2,198
Total reserves	<u>\$ 2,444</u>	<u>\$ 63,855</u>	<u>\$ 29,863</u>	<u>\$ 111,089</u>	<u>\$ 2,225</u>
Designations:					
Termination pay	\$ 3,963	\$ -			
Uncollectible receivables	1,170	-			
Administrative contingency	15,213	-			
Library	-	1,216			
Loans	-	3,132			
Compensated absences contingency	-	149			
Total designations	<u>\$ 20,346</u>	<u>\$ 4,497</u>			

Reserves are portions of the fund balance not appropriable for expenditures under the flow of current financial resources measurement focus or those portions of the fund balance/retained earnings legally segregated for specific future use. Designations are portions of the fund balance, which have been identified by management to reflect tentative plans or commitments of governmental resources.

Special District Maintenance – For special district maintenance services.

Capital Projects – For current and future infrastructure projects.

Debt Service – For payment of long-term debt principal, interest and related fiscal charges.

Encumbrances – Represent approved purchase orders, contracts, and other commitments not completed at the end of the fiscal year.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

10. NATURE AND PURPOSE OF REPORTED RESERVES AND DESIGNATIONS (Continued)

Advances to Other Funds – Council approved loans made for the following purposes: 1) loan to the Redevelopment Agency for redevelopment of blighted areas; 2) administer the public facilities fees program and to begin the construction of planned infrastructure; 3) advance for construction of facilities at Buckley Cove Marina.

Advances to Property Owners – Outstanding balance of loans approved and disbursed as of fiscal year end.

Other Items – To offset miscellaneous assets that do not represent expendable available financial resources.

Termination Pay – To cover the employee separation pay and vacation sellback of all the General Fund departments.

Uncollectible Receivables – Set aside for delinquent solid waste receivables that the City expects to receive from the garbage companies during the year ending June 30, 2002.

Administrative Contingency – Set aside for unforeseen budgetary requirements of the City.

Loans – Set aside for future loan activities.

Library – Set aside for the City-County Library expenditures.

Compensated Absences Contingency – Set aside for unused vacation, sick leave, and earned time pay-off.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

11. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintained six active enterprise funds effective this fiscal year. Segment information for the year ended June 30, 2001 is as follows:

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility	Solid Waste	Golf Courses	Central Parking District
Operating revenue	\$ 14,391	\$ 28,093	\$ 4,226	\$ 3,623	\$ 2,151	\$ 1,788
Depreciation and amortization expense	1,356	4,149	1,042	9	78	319
Operating income (loss)	1,730	5,514	(362)	(989)	2	277
Operating transfers in	1,145	7,451	-	-	-	98
Operating transfers (out)	(1,158)	(7,733)	-	-	(37)	(684)
Net income (loss)	5,378	21,154	1,278	23,289	(37)	(181)
Fixed assets:						
Additions	4,759	16,106	1,074	-	1,280	202
Deletions	-	48	-	1,455	6	6
Net working capital	21,769	58,951	8,045	4,470	399	(778)
Total assets	81,197	313,320	41,476	4,669	2,853	14,089
Bonds and other long-term liabilities payable from						
operating revenue	16,683	106,862	783	-	1,224	7,005
Total equity	62,256	200,836	40,536	4,258	1,187	6,713

Types of Goods and Services

Water Utility - Provides water service primarily in the north Stockton area to residential and commercial users.

Sanitary Wastewater Utility - Operates a regional wastewater facility for the Stockton metropolitan area. This entails operation of the treatment plant, collection system and pump stations.

Stormwater Utility - Operates a regional storm drainage system for the Stockton metropolitan area. This entails operating and maintaining the system.

Solid Waste - Operates landfill operations and maintenance, closure and postclosure costs at the Austin Road and French Camp landfill disposal sites, and garden refuse collection.

Golf Courses - The City operates three municipal golf courses, Swenson Park, Van Buskirk, and Lyons. Both Swenson Park and Van Buskirk courses are 18 holes with Swenson also offering a 9-hole executive course. Lyons is a 9-hole course.

Central Parking District - The Central Parking District operates parking lots in the downtown area with spaces available at hourly and monthly rates.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

12. DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan. The City makes contributions up to 5.5% of the employees' base salary. The employee may contribute up to a combined City and employee total of 25% of their gross pay, not to exceed a total of \$8 annually.

Management of the City has determined that the City does not have fiduciary accountability since amounts accumulated by the City, under the plan, have been invested at the direction of the employees in several investment options. Accordingly, assets and activity related to the plan are excluded from the City's financial statements.

13. PENSION PLAN

Plan Description - The City contributes to the Safety Plan of the City of Stockton and the Miscellaneous Plan of the City of Stockton (Plans) which are part of the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental entities in the State of California. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

All City employees are eligible to participate in PERS. Part-time employees must meet specific criteria for participation. City employees are eligible for retirement at age 50 or older with five years of service. Benefits are payable monthly for life in an amount equal to a certain percent of their average salary during their highest year of employment. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' comprehensive annual financial report may be obtained from their executive office of 400 P Street, Sacramento, California, 95814.

Funding Policy – Safety Plan participants are required to contribute 9% of their annual covered salary. Miscellaneous Plan participants are required to contribute 7% of their annual covered salary. As part of the city employees' benefit package, the City pays the employees' contribution. The City is required to contribute at an actuarially determined rate. The rates for Safety members for the period June 30, 2000 through October 31, 2000 was 9.170% and for the period November 1, 2000 through June 30, 2001 was 13.172% of annual covered payroll. There were no required contributions for Miscellaneous members. The contribution requirements of the Plans' members and the City are established and may be amended by PERS.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

13. PENSION PLAN (Continued)

Annual Pension Cost - For the year ended June 30, 2001, the City's annual pension cost of \$4,312 for the Safety Plan and \$0 for the Miscellaneous Plan were equal to the City's required contributions. However, the City only contributed \$3,551 of the \$4,312 for the Safety Plan, leaving a liability of \$761 as of June 30, 2001. The City has set aside the funds for payment pending receipt of billing notices as required by PERS. The required contributions were determined as part of the June 30, 1998 actuarial valuations using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary depending on age, service, and type of employment from 3.75% to 14.20%; (c) inflation of 3.50%; and (d) payroll growth of 3.75%. The actuarial value of the Plans' assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three-year period. The Plans' initial unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period for the year ended June 30, 2001 (based on the June 30, 1998 actuarial valuations) was 8 years for the Safety Plan and 25 years for the Miscellaneous Plan.

SAFETY PLAN

Three-Year Trend Information for (Dollar Amount in Thousands)

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/01	\$ 4,312	82 %	\$ 761
6/30/00	4,513	100	-
6/30/99	5,380	100	-

MISCELLANEOUS PLAN

Three-Year Trend Information for (Dollar Amount in Thousands)

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/01	\$ -	100 %	\$ -
6/30/00	1,167	100	-
6/30/99	4,464	100	-

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

14. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City established three internal service funds to account for its uninsured risk of loss that relate to general liability, workers' compensation, and health benefits. These funds provide coverage up to a maximum of \$1,000 for each general liability claim, \$250 for each worker's compensation claim and \$190 for each medical plan member under the health benefits program. The City purchases commercial insurance for claims in excess of the coverage provided by the fund and for all other risks of loss for worker's compensation and health benefit claims. The City joined together with other cities in 1987 to form the California Joint Powers Risk Management Authority (CJPRMA), a public entity risk pool currently operating as a risk management and insurance program for 20 member entities, which represents 80 cities and special districts. The City pays an annual premium to CJPRMA for its general liability excess insurance coverage for claims over the City's \$1,000 self-insured retention level.

The workers' compensation and health benefits programs are administered by third-party administrators who are experts in their respective fields. The general liability is self-administered by the City of Stockton.

At June 30, 2001, \$5,112, \$18,997, and \$1,932 have been accrued for general liability, workers' compensation, and health benefits insurance, respectively. All funds of the City participate in the program and make payments to the respective internal service funds based on actuarial estimates of the amounts needed to pay prior and current year claims. The City contracts with independent actuaries to compute the estimated liabilities of the City's self-insurance programs. The liability for unpaid claims for general liability and workers' compensation is discounted to reflect anticipated future investment earnings, assuming a five percent interest rate.

The claims liabilities above, reported in the fund at June 30, 2001, are based on requirements of GASB 10 and GASB 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. These accruals represent estimates of amounts to be paid for reported claims, and incurred but unreported claims based upon past experience, modified for current trends and information. While the ultimate amounts of losses incurred through June 30, 2001 are dependent on future developments, based upon information provided from the City Attorney, outside counsel and others involved with the administration of the programs, the City's management believes that the aggregate accrual is adequate to cover such losses. There have been no significant reductions in any of the City's insurance coverage and no settlement amounts have exceeded commercial or CJPRMA insurance coverage each of the past three years.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

14. RISK MANAGEMENT (Continued)

Reconciliation of the changes in the City's aggregate liabilities for the current and prior fiscal year:

	Liability	Workers' Compensation	Health	Total
Balance, June 30, 1999	\$ 3,718	\$ 11,858	\$ 1,752	\$ 17,328
Claims provision	674	8,976	10,636	20,286
Claims paid	<u>(1,626)</u>	<u>(3,835)</u>	<u>(10,682)</u>	<u>(16,143)</u>
Balance, June 30, 2000	2,766	16,999	1,706	21,471
Claims provision	2,733	6,656	12,907	22,296
Claims paid	<u>(387)</u>	<u>(4,658)</u>	<u>(12,681)</u>	<u>(17,726)</u>
Balance, June 30, 2001	<u>\$ 5,112</u>	<u>\$ 18,997</u>	<u>\$ 1,932</u>	<u>\$ 26,041</u>

15. RISK POOL

The City is a member of the California Joint Powers Risk Management Authority, a risk pool, described as follows:

Description of Joint Powers Authority - The Authority is comprised of 20 California member entities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses.

The Authority is dedicated to maintaining a commitment to excellence in the protection of its member entities from catastrophic liability and other financial losses through a stable, high quality, comprehensive, cost effective, long-term risk management program.

Self-Insurance Programs of the Authority

General Liability Insurance - Annual deposits are paid by member entities and are adjusted retrospectively to cover costs. Members can participate with self-funded retention levels of either \$500 or \$1,000. The City's self-funded retention is currently set at \$1,000. Specific coverage includes comprehensive and general automotive liability, personal injury, contractual liability, errors and omissions and certain other coverage. Separate deposits are collected from the member cities to cover claims between \$500 and \$15,000. These deposits are subject to retrospective adjustments.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

15. RISK POOL (Continued)

Property Protection - The City of Stockton participates in the All Risks Property Protection Program, which is primarily underwritten by a casualty insurance company. The annual deposits paid by participating member cities are based upon deductibility levels and are not subject to retroactive adjustments.

16. POST-RETIREMENT HEALTH CARE BENEFITS

In addition to providing pension benefits through the Public Employees' Retirement System, the City provides certain health care benefits for retired employees under contractual obligations negotiated between the City and various employee bargaining units. All City management and public safety employees who receive a PERS retirement allowance upon separation are eligible for coverage under the Retiree Medical Plan at age 50. Some management/safety employees retired for disability may qualify at a younger age. All other employees who receive a PERS retirement allowance and have 15 or more years of service are eligible at age 55. Full medical benefits are continued until age 65. Such coverage includes the retiree and one dependent. At age 65, eligible retirees are covered under a Medicare Supplemental Plan, which pays secondary to Medicare. This is a lifetime benefit provided to the retired employee and his or her eligible spouse. Currently, 439 retirees meet these eligibility requirements and participate in the Plan.

The City's contributions are financed on a pay-as-you-go basis. During the year, expenditures of approximately \$2,617 were recognized for post-employment health care.

Most retirees do not contribute to the plan. Retirees who exhaust their City-paid benefit before reaching age 65 can purchase coverage until they reach age 65. Those that qualify for City paid benefits may purchase coverage for additional dependents not covered by the City's contribution to the Plan. During the year, retirees contributed \$91 toward their own coverage or to cover their dependents.

17. CONTINGENT LIABILITIES

General Liability - There are various claims and legal actions pending against the City for which no provision has been made in the financial statements. In the opinion of the City Attorney and City Management, liabilities arising from these claims and legal actions, if any, will not be material to these financial statements.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

17. CONTINGENT LIABILITIES (Continued)

The City has received federal grants for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowances under grant terms, any required reimbursements are not expected to be material.

The City is self-insured and participates in a Public Entity Risk Pool. Details of this are covered in Notes 14 and 15.

Construction Commitments - The City is undertaking a number of capital improvement projects, the most significant of which include the following at June 30, 2001:

• Street improvements	\$ 13,835
• Regional Wastewater Control Facility	9,899
• Traffic signals	2,697
• Water utility	1,147
• Parking structure & Essential Services Building	575

18. ACCUMULATED DEFICIT AND UNFUNDED LIABILITIES

- The Stormwater Utility Fund (Enterprise) had a deficit retained earnings of \$1,751 at June 30, 2001. The Stormwater Utility Fund's net operations have resulted in a deficit retained earnings at June 30, 2001 partly due to depreciation of \$8,809 charged to earnings since inception of the Fund. However, at June 30, 2001, this fund had a positive net working capital of \$8,045, taking into consideration other components such as contributions from other sources and loans that have an affect on total fund equity.
- The City budgets revenues and projects expenses in the General Liability Insurance Fund (Internal Service) based upon an analysis of the cash flows with the fund. On an accrual basis of accounting, the General Liability Insurance Fund has a long-term liability of \$3,650 and an unfunded liability of \$1,603. The cash balance of the fund at June 30, 2001 is \$3,441. The City will fund the unfunded liability over time by adjusting the rates paid by city funds.
- The City budgets revenues and projects expenses in the Workers' Compensation Insurance Fund (Internal Service) based upon an analysis of the cash flows with the fund. On an accrual basis of accounting, the Workers' Compensation Insurance Fund has a long-term liability of \$15,601 and an unfunded liability of \$14,564. The cash balance of the fund at June 30, 2001 is \$4,447. The City will fund the unfunded liability over time by adjusting the rates paid by city funds.

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

18. ACCUMULATED DEFICIT AND UNFUNDED LIABILITIES (Continued)

- The City budgets revenues and projects expenses in the Health Benefits Fund (Internal Service) based upon an analysis of the cash flows with the fund. On an accrual basis of accounting, the Workers' Compensation Insurance Fund has a current liability for claims of \$1,932 and an unfunded liability of \$1,889. The cash balance of the fund at June 30, 2001 is \$302. The City will fund the unfunded liability over time by adjusting the rates paid by city funds.

19. RECONCILIATION OF OPERATIONS ON A BUDGETARY BASIS TO MODIFIED ACCRUAL BASIS

The "All Governmental Fund Types and Expendable Trust Funds Combined Statement of Revenues, Expenditures and Changes in Fund Balances" has been prepared on the modified accrual basis of accounting in accordance with GAAP. The "Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on a Budgetary Basis General, Special Revenue, and Capital Projects Funds" has been prepared on the budgetary basis, which is different from GAAP.

The variation from GAAP is that for budgetary purposes, outstanding commitments relating to construction contracts and other purchases of goods and services are recorded as expenditures at the time contracts or purchase agreements are entered into. Under GAAP, these obligations are recognized when goods are received or services are rendered. See the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on a Budgetary Basis – General and Annually Budgeted Special Revenue and Capital Projects Funds for the reconciliation of GAAP basis to budgetary basis. See the Budgetary Basis of Accounting section of Note 1 for a reconciliation of unbudgeted funds to budgeted funds.

20. OPERATING LEASES

Operating lease obligations are primarily for rental of parking facilities space. The future minimum lease payments required for those operating leases are as follows:

June 30,	Amount
2002	\$ 184
2003	100
2004	103
2005	88
2006	90
Thereafter	<u>925</u>
Total	<u>\$ 1,490</u>

CITY OF STOCKTON

NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

21. SUBSEQUENT EVENTS

On July 12, 2001, the City authorized the issuance of Community Facilities District Special Tax Bonds for Weston Ranch, Series 2001. The new bonds are being issued to finance the construction and acquisition of certain public facilities of benefit to Weston Ranch. The bonds are issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, *et seq.* of the California Government Code. The bonds were issued in the par amount of \$3,220 with interest rates ranging from 5.4% to 5.5% and mature September 1, 2016.

22. RESTATEMENT OF BEGINNING FUND EQUITY

As disclosed in Note 1, upon further analysis performed by City management, it was determined that the CPD is not a legally separate entity. Therefore, the CPD is not a component unit and should be presented as an enterprise fund of the City. This change affects the beginning balance of combined enterprise fund equity as follows:

Fund Equity, Beginning of Year, as previously reported	\$ 276,508
Fund Equity, Beginning of Year, Central Parking District	<u>6,894</u>
Fund Equity, Beginning of Year, as restated	<u>\$ 283,402</u>

CITY OF STOCKTON

REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

The following tables display a historical summary of the Entry Age Normal Accrued Liability, the Actuarial Value of Assets, the Unfunded Actuarial Accrued Liability ("UAAL") or Excess Assets, the Funded Ratio, the estimated annual covered payroll and the UAAL as a percentage of covered payroll for each of the City's defined benefit pension plans.

FUNDED STATUS OF MISCELLANEOUS PLAN

Valuation Date	Entry Age Normal Accrued Liability (1)	Actuarial Value of Assets (2)	Unfunded Liability (Excess Assets) (1)-(2)	Funded Status (2)/(1)	Annual Covered Payroll (3)	UAAL As a Percentage of Payroll [(1)-(2)]/(3)
6/30/00	\$ 259,997	\$ 316,601	\$ (56,604)	121.8%	\$ 46,734	-121.120%
6/30/99	212,062	277,787	(65,725)	131.0%	42,209	-155.713%
6/30/98	197,803	244,397	(46,594)	123.6%	41,112	-113.334%

FUNDED STATUS OF SAFETY PLAN

Valuation Date	Entry Age Normal Accrued Liability (1)	Actuarial Value of Assets (2)	Unfunded Liability (Excess Assets) (1)-(2)	Funded Status (2)/(1)	Annual Covered Payroll (3)	UAAL As a Percentage of Payroll [(1)-(2)]/(3)
6/30/00	\$ 297,436	\$ 308,176	\$ (10,740)	103.6%	\$ 35,083	-30.613%
6/30/99	337,597	359,288	(21,691)	106.4%	35,870	-60.471%
6/30/98	297,436	308,176	(10,740)	103.6%	35,083	-30.613%

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GENERAL FUND

The fund used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund.

CITY OF STOCKTON

GENERAL FUND BALANCE SHEET

JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	2001	2000
ASSETS		
ASSETS:		
Cash and temporary investments	\$ 11,777	\$ 6,159
Receivables:		
Interest	476	360
Taxes and special assessments	3,813	41
Accounts and other receivables	11,643	7,631
Allowance for uncollectibles	(2,824)	(1,191)
Due from other funds	1,464	4,272
Due from other governments	2,428	2,284
Due from other agencies	583	620
Inventory of supplies	330	308
Advances to other funds	644	720
Advances to other agencies	38	-
	<u>30,372</u>	<u>21,204</u>
Total assets	\$ <u>30,372</u>	\$ <u>21,204</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts payable	\$ 1,534	\$ 1,269
Accrued payroll and benefits	3,199	3,099
Due to other governments	-	8
Due to other agencies	143	278
Deposits and other liabilities	66	1
Deferred revenue	2,640	805
	<u>7,582</u>	<u>5,460</u>
Total liabilities	<u>7,582</u>	<u>5,460</u>
FUND BALANCES:		
Reserved:		
Encumbrances	1,355	1,353
Advances to other funds	644	720
Other items	445	401
Unreserved:		
Designated for termination pay	3,963	-
Designated for uncollectible receivables	1,170	-
Designated for administrative contingency	15,213	13,270
	<u>22,790</u>	<u>15,744</u>
Total fund balances	<u>22,790</u>	<u>15,744</u>
	<u>\$ 30,372</u>	<u>\$ 21,204</u>
Total liabilities and fund balances	<u>\$ 30,372</u>	<u>\$ 21,204</u>

CITY OF STOCKTON

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCES - BUDGET AND ACTUAL ON A BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	2001		Variance Favorable (Unfavorable)
	Final Budget	Actual	
REVENUES:			
Taxes:			
Property	\$ 16,760	\$ 17,238	\$ 478
Utility	25,880	31,188	5,308
Sales and use	28,590	32,338	3,748
Other	13,274	14,584	1,310
Licenses and permits	2,622	3,758	1,136
Federal grants and subsidies	57	20	(37)
Intergovernmental	14,795	16,112	1,317
Charges for services	11,050	12,990	1,940
Fines and forfeitures	935	1,444	509
Use of money and property	688	709	21
Investment income:			
Interest income	1,050	1,408	358
Net increase (decrease) in fair value of investments	-	732	732
Refunds and reimbursement	561	1,873	1,312
Miscellaneous	6,244	4,754	(1,490)
Total revenues	<u>122,506</u>	<u>139,148</u>	<u>16,642</u>
EXPENDITURES:			
Current:			
General government:			
City council	322	321	1
City manager	1,958	1,931	27
City attorney	881	880	1
City clerk	846	845	1
City auditor	435	421	14
Administrative services	4,608	4,518	90
Personnel	1,700	1,699	1
Housing and redevelopment	63	62	1
Community development	2,322	2,317	5
Non-departmental	998	915	83
Total general government	<u>14,133</u>	<u>13,909</u>	<u>224</u>
Public safety:			
Police	55,069	54,997	72
Fire	29,860	29,860	-
Housing and redevelopment	2,120	2,120	-
Community development	2,679	2,677	2
Total public safety	<u>89,728</u>	<u>89,654</u>	<u>74</u>

2000		
Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 15,850	\$ 16,080	\$ 230
24,862	25,468	606
25,500	28,526	3,026
12,055	12,392	337
2,489	3,333	844
263	122	(141)
11,697	14,398	2,701
10,783	12,163	1,380
816	1,113	297
660	688	28
950	1,199	249
-	(186)	(186)
523	1,193	670
<u>5,269</u>	<u>6,542</u>	<u>1,273</u>
<u>111,717</u>	<u>123,031</u>	<u>11,314</u>
248	248	-
1,748	1,748	-
972	896	76
811	787	24
310	304	6
4,322	4,322	-
1,299	1,297	2
60	60	-
1,928	1,928	-
<u>888</u>	<u>888</u>	<u>-</u>
<u>12,586</u>	<u>12,478</u>	<u>108</u>
51,052	51,052	-
28,627	28,627	-
1,652	1,652	-
<u>2,578</u>	<u>2,577</u>	<u>1</u>
<u>83,909</u>	<u>83,908</u>	<u>1</u>

(continues)

CITY OF STOCKTON

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON A BUDGETARY BASIS (Continued)

FOR THE YEAR ENDED JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	2001		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Public works:			
Administrative services	2,514	2,512	2
Public works	9,918	9,917	1
Total public works	<u>12,432</u>	<u>12,429</u>	<u>3</u>
Parks and recreation	<u>11,639</u>	<u>11,637</u>	<u>2</u>
Total current expenditures	127,932	127,629	303
Capital outlay	<u>4</u>	<u>3</u>	<u>1</u>
Total expenditures	<u>127,936</u>	<u>127,632</u>	<u>304</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,430)</u>	<u>11,516</u>	<u>16,946</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	5,115	5,070	(45)
Operating transfers out	(11,109)	(11,065)	44
Operating transfers out to component unit	-	-	-
Sales of fixed assets	<u>-</u>	<u>171</u>	<u>171</u>
Total other financing sources (uses)	<u>(5,994)</u>	<u>(5,824)</u>	<u>170</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)	(11,424)	5,692	17,116
BASIS ADJUSTMENTS:			
Encumbrances	<u>-</u>	<u>1,354</u>	<u>1,354</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(11,424)	7,046	18,470
FUND BALANCES, BEGINNING OF YEAR	<u>15,744</u>	<u>15,744</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,320</u>	<u>\$ 22,790</u>	<u>\$ 18,470</u>

2000		
Final Budget	Actual	Variance Favorable (Unfavorable)
-	-	-
<u>12,098</u>	<u>12,098</u>	<u>-</u>
<u>12,098</u>	<u>12,098</u>	<u>-</u>
<u>10,226</u>	<u>10,225</u>	<u>1</u>
118,819	118,709	110
<u>61</u>	<u>61</u>	<u>-</u>
<u>118,880</u>	<u>118,770</u>	<u>110</u>
<u>(7,163)</u>	<u>4,261</u>	<u>11,424</u>
4,225	4,068	(157)
(5,284)	(5,276)	8
(98)	(98)	-
<u>21</u>	<u>104</u>	<u>83</u>
<u>(1,136)</u>	<u>(1,202)</u>	<u>(66)</u>
(8,299)	3,059	11,358
<u>-</u>	<u>1,349</u>	<u>1,349</u>
(8,299)	4,408	12,707
<u>11,336</u>	<u>11,336</u>	<u>-</u>
<u>\$ 3,037</u>	<u>\$ 15,744</u>	<u>\$ 12,707</u>

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SPECIAL REVENUE FUNDS

The funds used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes, other than those from expendable trusts or for major capital projects.

SPECIAL REVENUE FUNDS

Special Grants

To account for miscellaneous, comparatively smaller grants, from federal and state governments, not otherwise established as a stand-alone special revenue fund.

Revenue Sharing

To account for revenue received from the federal government under the revenue sharing program.

Gas Tax

To account for revenues and expenditures apportioned to the City under the Streets and Highway Code, Sections 2105, 2106, 2107 and 2107.5 of the State of California. Expenditures for administration, maintenance, and construction must be street-related. This fund includes Intermodal Surface Transportation Efficiency Act and SB325 Non-Transit revenues and Traffic Congestion Relief.

Measure K Sales Tax

To account for revenues and expenditures apportioned to the City for sales tax collections under Measure K. Expenditures for administration, maintenance and construction must be for street-related projects.

Cooperative Library

To account for federal and state grants to encourage the development, improvement, and expansion of the library system within the State of California. Parties to the agreement are neighboring cities, counties and other agencies.

City-County Library

To account for the public library system for the City of Stockton and San Joaquin County branch libraries. The libraries are funded in cooperation with San Joaquin County, which provides approximately 50% of the funding.

Special Assessments

To account for revenues and expenditures related to levies on property owners for special types of services - basic lighting, landscape, and stormwater drainage maintenance services.

Redevelopment Agency Loan

To account for loans extended to eligible, low and moderate income families.

Urban Development Action Grant

To account for federal grant and other resources, the purpose of which is to revitalize activities in the designated Urban Development Action Grant area.

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SPECIAL REVENUE FUNDS (Continued)

Community Development Block Grant

To account for the annual federal grant that provides for development of viable urban community by providing a suitable living environment and expansion of economic opportunities, principally for low and moderate income residents.

Community Development Loan

To account for the City's Community Rehabilitation Loan program that provides adequate housing and suitable living environments for low and moderate income residents.

Home Program

To account for the City's Home Program that provides adequate and affordable housing for low and very low income residents.

Special Grant and Loan Programs

To account for the City's Economic Development grant and loan programs that provide economic development in the downtown Stockton area.

Other Special Revenue

To account for comparatively smaller special revenue funds including Asset Seizure and Boat Launching Facilities.

CITY OF STOCKTON

SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET

JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	Special Grants	Revenue Sharing	Gas Tax	Measure K Sales Tax	Cooperative Library	City- County Library	Special Assessments
ASSETS							
ASSETS:							
Cash and temporary investments	\$ 360	\$-	\$ 874	\$ 5,364	\$ 14	\$ 1,837	\$ 1,467
Receivables:							
Interest	14	-	1	62	-	-	-
Taxes and special assessments	-	-	-	-	-	-	165
Accounts and other receivables	32	-	-	-	-	18	-
Due from other governments	455	-	2,903	2,902	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Advances to property owners	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
	<u>861</u>	<u>\$-</u>	<u>\$ 3,778</u>	<u>\$ 8,328</u>	<u>\$ 14</u>	<u>\$ 1,855</u>	<u>\$ 1,632</u>
Total assets							
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ 65	\$-	\$ 291	\$ 1,244	\$ 3	\$ 116	\$ 43
Due to other funds	8	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	104	-
Deposits and other liabilities	-	-	-	-	-	-	-
Deferred revenue	749	-	437	199	11	-	-
	<u>822</u>	<u>-</u>	<u>728</u>	<u>1,443</u>	<u>14</u>	<u>220</u>	<u>43</u>
Total liabilities							
FUND BALANCES:							
Reserved:							
Special district maintenance	-	-	-	-	-	-	1,342
Capital projects	-	-	1,506	6,564	-	-	-
Encumbrances	193	-	1,544	321	-	270	63
Advances to other funds	-	-	-	-	-	-	-
Advances to property owners	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	184
Unreserved:							
Designated for library	-	-	-	-	-	1,216	-
Designated for loans	-	-	-	-	-	-	-
Designated for compensated absences contingency	-	-	-	-	-	149	-
Undesignated	(154)	-	-	-	-	-	-
	<u>39</u>	<u>-</u>	<u>3,050</u>	<u>6,885</u>	<u>-</u>	<u>1,635</u>	<u>1,589</u>
Total fund balances							
Total liabilities and fund balances	<u>\$ 861</u>	<u>\$-</u>	<u>\$ 3,778</u>	<u>\$ 8,328</u>	<u>\$ 14</u>	<u>\$ 1,855</u>	<u>\$ 1,632</u>

Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Special Grant and Loan Programs	Home Program	Other Special Revenue	Totals	
							2001	2000
\$ 811	\$ -	\$ -	\$ 3,508	\$ 1,325	\$ 762	\$ 439	\$ 16,761	\$ 11,082
-	-	-	49	62	6	5	199	32
-	-	-	-	-	-	-	165	-
2	-	-	39	-	17	6	114	143
-	-	823	-	690	90	-	7,863	10,099
-	4,686	10,304	586	-	-	-	15,576	15,554
4,594	-	-	18,852	-	12,153	-	35,599	33,845
-	-	108	-	-	-	-	108	108
<u>\$ 5,407</u>	<u>\$ 4,686</u>	<u>\$ 11,235</u>	<u>\$ 23,034</u>	<u>\$ 2,077</u>	<u>\$ 13,028</u>	<u>\$ 450</u>	<u>\$ 76,385</u>	<u>\$ 70,863</u>
\$ -	\$ -	\$ 379	\$ 88	\$ -	\$ 56	\$ 22	\$ 2,307	\$ 2,169
-	-	1,034	-	-	-	70	1,112	2,877
-	-	-	-	-	-	-	104	86
426	-	14	1,029	-	892	-	2,361	1,508
-	-	-	-	1,811	-	-	3,207	2,607
<u>426</u>	<u>-</u>	<u>1,427</u>	<u>1,117</u>	<u>1,811</u>	<u>948</u>	<u>92</u>	<u>9,091</u>	<u>9,247</u>
-	-	-	-	-	-	-	1,342	1,116
-	-	-	-	-	-	-	8,070	304
-	-	227	-	-	-	1	2,619	16,475
-	4,686	10,304	586	-	-	-	15,576	14,990
4,594	-	-	18,852	-	12,153	-	35,599	33,845
-	-	108	-	-	-	357	649	302
-	-	-	-	-	-	-	1,216	589
387	-	-	2,479	266	-	-	3,132	3,647
-	-	-	-	-	-	-	149	259
-	-	(831)	-	-	(73)	-	(1,058)	(9,911)
<u>4,981</u>	<u>4,686</u>	<u>9,808</u>	<u>21,917</u>	<u>266</u>	<u>12,080</u>	<u>358</u>	<u>67,294</u>	<u>61,616</u>
<u>\$ 5,407</u>	<u>\$ 4,686</u>	<u>\$ 11,235</u>	<u>\$ 23,034</u>	<u>\$ 2,077</u>	<u>\$ 13,028</u>	<u>\$ 450</u>	<u>\$ 76,385</u>	<u>\$ 70,863</u>

CITY OF STOCKTON

SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Special Grants	Revenue Sharing	Gas Tax	Measure K Sales Tax	Cooperative Library	City- County Library	Special Assessments
REVENUES:							
Taxes:							
Sales and use	\$ -	\$-	\$ -	\$ 3,985	\$ -	\$ -	\$ -
Other:							
Transportation	-	-	154	-	-	-	-
Business improvement	-	-	-	-	-	-	81
Federal grants and subsidies	1,220	-	2,606	-	-	-	-
Intergovernmental	2,333	-	6,165	6,744	146	3,851	-
Charges for services	-	-	-	-	181	164	841
Use of money and property	-	-	-	-	-	-	-
Investment income:							
Interest income	170	1	163	245	-	-	-
Net increase (decrease) in fair value of investments	32	1	35	72	-	-	-
Refunds and reimbursements	-	-	-	-	-	25	-
Miscellaneous	-	-	-	-	-	-	2
Total revenues	<u>3,755</u>	<u>2</u>	<u>9,123</u>	<u>11,046</u>	<u>327</u>	<u>4,040</u>	<u>924</u>
EXPENDITURES:							
Current:							
General government	100	-	-	-	-	-	80
Public safety	1,666	-	-	-	-	-	-
Public works	45	-	-	-	-	-	580
Library	99	-	-	-	327	8,932	-
Parks and recreation	525	-	-	-	-	-	-
Capital outlay:							
General government	-	23	-	-	-	-	-
Public safety	196	-	-	-	-	-	-
Public works	6	-	2,908	10,919	-	-	-
Library	6	-	-	-	-	12	-
Parks and recreation	-	-	-	-	-	-	-
Total expenditures	<u>2,643</u>	<u>23</u>	<u>2,908</u>	<u>10,919</u>	<u>327</u>	<u>8,944</u>	<u>660</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,112</u>	<u>(21)</u>	<u>6,215</u>	<u>127</u>	<u>-</u>	<u>(4,904)</u>	<u>264</u>

Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Special Grant and Loan Programs	Home Program	Other Special Revenue	Totals	
							2001	2000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$-	\$ 3,985	\$ 3,196
-	-	-	-	-	-	-	154	134
-	-	-	-	-	-	-	81	81
-	-	5,349	-	7,304	1,411	-	17,890	8,302
-	-	-	-	-	-	221	19,460	15,843
-	-	-	-	-	-	158	1,344	1,143
-	-	-	188	-	50	-	238	369
-	-	118	56	210	28	15	1,006	239
-	-	(21)	74	56	-	5	254	(22)
-	-	-	-	-	-	3	28	16
-	-	1	-	-	-	-	3	5
<u>-</u>	<u>-</u>	<u>5,447</u>	<u>318</u>	<u>7,570</u>	<u>1,489</u>	<u>402</u>	<u>44,443</u>	<u>29,306</u>
-	-	-	333	-	-	-	513	573
-	-	-	-	-	-	73	1,739	1,671
-	-	-	-	-	-	-	625	506
-	-	-	-	-	-	-	9,358	8,570
-	-	-	-	-	-	153	678	614
-	-	87	-	-	-	-	110	-
-	-	-	-	-	-	2	198	42
-	-	5,064	-	-	176	-	19,073	12,459
-	-	-	-	-	-	-	18	-
-	-	-	-	-	-	-	-	2
<u>-</u>	<u>-</u>	<u>5,151</u>	<u>333</u>	<u>-</u>	<u>176</u>	<u>228</u>	<u>32,312</u>	<u>24,437</u>
<u>-</u>	<u>-</u>	<u>296</u>	<u>(15)</u>	<u>7,570</u>	<u>1,313</u>	<u>174</u>	<u>12,131</u>	<u>4,869</u>

(continues)

CITY OF STOCKTON

SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Special Grants	Revenue Sharing	Gas Tax	Measure K Sales Tax	Cooperative Library	City- County Library	Special Assessments
OTHER FINANCING SOURCES (USES):							
Operating transfers in	247	-	-	-	-	5,522	-
Operating transfers out	<u>(212)</u>	<u>-</u>	<u>(4,385)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>35</u>	<u>-</u>	<u>(4,385)</u>	<u>-</u>	<u>-</u>	<u>5,522</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,147	(21)	1,830	127	-	618	264
FUND BALANCES, BEGINNING OF YEAR	126	21	1,220	6,758	-	1,017	1,325
Residual equity transfers out	<u>(1,234)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 39</u>	<u>\$-</u>	<u>\$ 3,050</u>	<u>\$ 6,885</u>	<u>\$ -</u>	<u>\$ 1,635</u>	<u>\$ 1,589</u>

Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Special Grant and Loan Programs	Home Program	Other Special Revenue	Totals	
							2001	2000
995	-	136	-	-	-	-	6,900	8,111
<u>-</u>	<u>-</u>	<u>-</u>	<u>(218)</u>	<u>(7,304)</u>	<u>-</u>	<u>-</u>	<u>(12,119)</u>	<u>(8,905)</u>
995	-	136	(218)	(7,304)	-	-	(5,219)	(794)
995	-	432	(233)	266	1,313	174	6,912	4,075
3,986	4,686	9,376	22,150	-	10,767	184	61,616	57,887
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,234)</u>	<u>(346)</u>
<u>\$ 4,981</u>	<u>\$ 4,686</u>	<u>\$ 9,808</u>	<u>\$ 21,917</u>	<u>\$ 266</u>	<u>\$ 12,080</u>	<u>\$ 358</u>	<u>\$ 67,294</u>	<u>\$ 61,616</u>

CITY OF STOCKTON

SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON A BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

	<u>Gas Tax</u>		
	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Sales and use	\$ -	\$ -	\$ -
Other:			
Transportation	100	154	54
Business improvement	-	-	-
Federal grants and subsidies	5,496	2,606	(2,890)
Intergovernmental	4,378	6,165	1,787
Charges for services	-	-	-
Investment income:			
Interest income	14	163	149
Net increase in fair value of investments	-	35	35
Refunds and reimbursement	-	-	-
Miscellaneous	-	-	-
	<u>9,988</u>	<u>9,123</u>	<u>(865)</u>
Total revenues			
EXPENDITURES:			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Library	-	-	-
Parks and recreation	-	-	-
Capital outlay:			
Public safety	-	-	-
Public works	7,864	2,922	4,942
Library	-	-	-
	<u>7,864</u>	<u>2,922</u>	<u>4,942</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,124</u>	<u>6,201</u>	<u>4,077</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	<u>(4,394)</u>	<u>(4,385)</u>	<u>9</u>
Total other financing sources (uses)	<u>(4,394)</u>	<u>(4,385)</u>	<u>9</u>

Measure K Sales Tax			City-County Library			Special Assessments		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,666	\$ 3,985	\$ 1,319	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	126	81	(45)
-	-	-	-	-	-	-	-	-
23,368	6,744	(16,624)	3,866	3,851	(15)	-	-	-
-	-	-	159	164	5	931	841	(90)
-	245	245	-	-	-	-	-	-
-	72	72	-	-	-	-	-	-
-	-	-	20	25	5	-	-	-
-	-	-	-	-	-	-	2	2
<u>26,034</u>	<u>11,046</u>	<u>(14,988)</u>	<u>4,045</u>	<u>4,040</u>	<u>(5)</u>	<u>1,057</u>	<u>924</u>	<u>(133)</u>
-	-	-	-	-	-	146	79	67
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,148	643	505
-	-	-	9,377	9,102	275	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
32,062	11,241	20,821	-	-	-	-	-	-
-	-	-	806	113	693	-	-	-
<u>32,062</u>	<u>11,241</u>	<u>20,821</u>	<u>10,183</u>	<u>9,215</u>	<u>968</u>	<u>1,294</u>	<u>722</u>	<u>572</u>
<u>(6,028)</u>	<u>(195)</u>	<u>5,833</u>	<u>(6,138)</u>	<u>(5,175)</u>	<u>963</u>	<u>(237)</u>	<u>202</u>	<u>439</u>
-	-	-	5,522	5,522	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	5,522	5,522	-	-	-	-

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CITY OF STOCKTON

SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON A BUDGETARY BASIS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

	Other Special Revenue			Totals		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes:						
Sales and use	\$-	\$-	\$ -	\$ 2,666	\$ 3,985	\$ 1,319
Other:						
Transportation	-	-	-	100	154	54
Business improvement	-	-	-	126	81	(45)
Federal grants and subsidies	-	-	-	5,496	2,606	(2,890)
Intergovernmental	37	221	184	31,649	16,981	(14,668)
Charges for services	156	158	2	1,246	1,163	(83)
Investment income:						
Interest income	-	15	15	14	423	409
Net increase in fair value of investments	-	5	5	-	112	112
Refunds and reimbursement	-	3	3	20	28	8
Miscellaneous	-	-	-	-	2	2
Total revenues	<u>193</u>	<u>402</u>	<u>209</u>	<u>41,317</u>	<u>25,535</u>	<u>(15,782)</u>
EXPENDITURES:						
Current:						
General government	-	-	-	146	79	67
Public safety	78	74	4	78	74	4
Public works	-	-	-	1,148	643	505
Library	-	-	-	9,377	9,102	275
Parks and recreation	155	155	-	155	155	
Capital outlay:						
Public safety	2	2		2	2	-
Public works	-	-	-	39,926	14,163	25,763
Library	-	-	-	806	113	693
Total expenditures	<u>235</u>	<u>231</u>	<u>4</u>	<u>51,638</u>	<u>24,331</u>	<u>27,307</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(42)</u>	<u>171</u>	<u>213</u>	<u>(10,321)</u>	<u>1,204</u>	<u>11,525</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	-	5,522	5,522	-
Operating transfers out	-	-	-	(4,394)	(4,385)	9
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,128</u>	<u>1,137</u>	<u>9</u>

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CITY OF STOCKTON

**SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND
 ACTUAL ON A BUDGETARY BASIS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2001
 (Dollar amounts in thousands)**

	Gas Tax		
	Final Budget	Actual	Variance Favorable (Unfavorable)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)	(2,270)	1,816	4,086
BASIS ADJUSTMENTS:			
Encumbrances	<u>-</u>	<u>14</u>	<u>14</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(2,270)	1,830	4,100
FUND BALANCES, BEGINNING OF YEAR	1,220	1,220	-
Residual equity transfers out	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ (1,050)</u>	<u>\$ 3,050</u>	<u>\$ 4,100</u>

Measure K Sales Tax			City-County Library			Special Assessments		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
(6,028)	(195)	5,833	(616)	347	963	(237)	202	439
<u>-</u>	<u>322</u>	<u>322</u>	<u>-</u>	<u>271</u>	<u>271</u>	<u>-</u>	<u>62</u>	<u>62</u>
(6,028)	127	6,155	(616)	618	1,234	(237)	264	501
6,758 (201)	6,758 -	- 201	1,017 -	1,017 -	- -	1,325 -	1,325 -	- -
<u>\$ 529</u>	<u>\$ 6,885</u>	<u>\$ 6,356</u>	<u>\$ 401</u>	<u>\$ 1,635</u>	<u>\$ 1,234</u>	<u>\$ 1,088</u>	<u>\$ 1,589</u>	<u>\$ 501</u>

(continues)

CITY OF STOCKTON

SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON A BUDGETARY BASIS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

	Other Special Revenue			Totals		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)	(42)	171	213	(9,193)	2,341	11,534
BASIS ADJUSTMENTS:						
Encumbrances	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>	<u>672</u>	<u>672</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(42)	174	216	(9,193)	3,013	12,206
FUND BALANCES, BEGINNING OF YEAR	184	184	-	10,504	10,504	-
Residual equity transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(201)</u>	<u>-</u>	<u>201</u>
FUND BALANCES, END OF YEAR	<u>\$ 142</u>	<u>\$ 358</u>	<u>\$ 216</u>	<u>\$ 1,110</u>	<u>\$ 13,517</u>	<u>\$ 12,407</u>

DEBT SERVICE FUNDS

The funds established to account for the accumulation of resources for, and the retirement of, principal and interest on general long-term debt.

DEBT SERVICE FUNDS

Mello-Roos Districts

To account for the accumulation of resources for, and the retirement of principal and interest on general long-term debt for Mello-Roos District bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982.

Stockton Public Financing Authority

To account for the accumulation of resources for, and the retirement of, principal and interest on general long-term debt for Mello-Roos and Mark-Roos district bonds.

1915 Act Assessment District

The fund established to account for the accumulation of resources for, and the retirement of, principal and interest on general long-term debt for 1915 Act Assessment District bonds.

CITY OF STOCKTON

DEBT SERVICE FUNDS COMBINING BALANCE SHEET

JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	Mello- Roos Districts	1915 Act Assessment District	Stockton Public Financing Authority	Totals	
				2001	2000
ASSETS					
ASSETS:					
Cash and temporary investments	\$ 7,735	\$ 6,443	\$ 840	\$ 15,018	\$ 17,060
Cash with fiscal agents	5,339	3,310	3,006	11,655	11,014
Receivables:					
Taxes and special assessments	2,205	1,448	298	3,951	886
Accounts and other receivables	<u>97</u>	<u>91</u>	<u>10</u>	<u>198</u>	<u>211</u>
Total assets	<u>\$ 15,376</u>	<u>\$ 11,292</u>	<u>\$ 4,154</u>	<u>\$ 30,822</u>	<u>\$ 29,171</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 9	\$ 4	\$ 1	\$ 14	\$ 6
Due to other governments	-	52	-	52	112
Matured bonds and interest payable	-	8	-	8	8
Deferred revenue	<u>468</u>	<u>417</u>	<u>-</u>	<u>885</u>	<u>887</u>
Total liabilities	<u>477</u>	<u>481</u>	<u>1</u>	<u>959</u>	<u>1,013</u>
FUND BALANCES:					
Reserved:					
Debt service	14,899	10,811	4,153	29,863	28,148
Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>
Total fund balances	<u>14,899</u>	<u>10,811</u>	<u>4,153</u>	<u>29,863</u>	<u>28,158</u>
Total liabilities and fund balances	<u>\$ 15,376</u>	<u>\$ 11,292</u>	<u>\$ 4,154</u>	<u>\$ 30,822</u>	<u>\$ 29,171</u>

CITY OF STOCKTON

DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Mello- Roos Districts	1915 Act Assessment District	Stockton Public Financing Authority	Totals	
				2001	2000
REVENUES:					
Taxes:					
Other	\$ 8,959	\$ 5,346	\$ 1,491	\$ 15,796	\$ 15,599
Charges for services	130	-	-	130	338
Investment income:					
Interest income	698	471	235	1,404	951
Net increase (decrease) in fair value of investments	125	173	12	310	(104)
Miscellaneous	19	70	-	89	-
Total revenues	<u>9,931</u>	<u>6,060</u>	<u>1,738</u>	<u>17,729</u>	<u>16,784</u>
EXPENDITURES:					
General government	230	167	55	452	445
Debt service:					
Principal retirement	3,045	3,440	600	7,085	5,198
Interest and fiscal charges	<u>5,521</u>	<u>3,134</u>	<u>1,775</u>	<u>10,430</u>	<u>9,479</u>
Total expenditures	<u>8,796</u>	<u>6,741</u>	<u>2,430</u>	<u>17,967</u>	<u>15,122</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,135</u>	<u>(681)</u>	<u>(692)</u>	<u>(238)</u>	<u>1,662</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	-	1,983	805	2,788	2,382
Operating transfers out	<u>-</u>	<u>(687)</u>	<u>(158)</u>	<u>(845)</u>	<u>(2,246)</u>
Total other financing sources (uses)	<u>-</u>	<u>1,296</u>	<u>647</u>	<u>1,943</u>	<u>136</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,135	615	(45)	1,705	1,798
FUND BALANCES, BEGINNING OF YEAR	<u>13,764</u>	<u>10,196</u>	<u>4,198</u>	<u>28,158</u>	<u>26,360</u>
FUND BALANCES, END OF YEAR	<u>\$ 14,899</u>	<u>\$ 10,811</u>	<u>\$ 4,153</u>	<u>\$ 29,863</u>	<u>\$ 28,158</u>

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CAPITAL PROJECTS FUNDS

The funds used to account for the financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary and trust funds.

CAPITAL PROJECTS FUNDS

Public Facilities Impact Fees

To account for the collection of and expenditure of fees imposed as a condition of new development within the City. Impact fees have been established for each of the following types of public facilities:

- Traffic Signals
- Street Improvements
- Community Recreation Centers
- City Office Space
- Fire Stations
- Libraries
- Police Stations
- Parkland, Street Tree/Street Signs
- Street Light In-Lieu
- Air Quality Mitigation
- Habitat & Open Space Conservation
- Infrastructure Financing District 92-1 Administration
- Public Facilities Fees - Administration

Capital Improvement

To account for the acquisition, construction and improvement of capital facilities financed by grants and operating transfers from other City funds.

Redevelopment Agency

To account for the acquisition, relocation, demolition, and sale of land for those portions of the City earmarked for redevelopment. Projects are financed from proceeds of bonds sold and loans from other city funds and eventually from property tax increment revenue.

Mello-Roos Districts

To account for the acquisition and construction of facilities in various Mello-Roos districts. Financing is provided by property owners through the issuance of special tax bonds as provided for in the 1982 Mello-Roos Community Facilities Act.

1915 Act Assessment Districts

To account for the acquisition and construction of facilities in various districts. Improvement districts are financed by property owners through the issuance of special assessment bonds as provided in the Municipal Improvement Act of 1915.

Stockton Public Financing Authority

To account for the refunding of existing debt in various districts. Financing is provided by property owners through issuance of reassessment revenue bonds as provided in Mark-Roos Local Bond Pooling Act of 1985.

CITY OF STOCKTON

CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET

JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency	Mello-Roos Districts
ASSETS				
ASSETS:				
Cash and temporary investments	\$ 48,168	\$ 14,979	\$ -	\$ 5,517
Cash with fiscal agents	-	402	-	3,796
Receivables:				
Interest	660	222	32	77
Taxes and special assessments	-	-	331	7
Accounts and other receivables	2,121	2	2	-
Due from other funds	-	-	19	-
Due from other governments	36	6,926	24	-
Due from other agencies	-	1,797	-	-
Deposits	-	-	38	-
Advances to other funds	8,947	12,994	1,830	-
Advances to property owners	406	-	-	-
	<u>60,338</u>	<u>37,322</u>	<u>2,276</u>	<u>9,397</u>
Total assets	<u>\$ 60,338</u>	<u>\$ 37,322</u>	<u>\$ 2,276</u>	<u>\$ 9,397</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 2,915	\$ 540	\$ 681	\$ 20
Due to other funds	-	-	371	-
Due to other governments	-	30	-	-
Deposits and other liabilities	-	-	60	-
Deferred revenue	-	449	-	-
Advances from other funds	3,134	-	438	-
	<u>6,049</u>	<u>1,019</u>	<u>1,550</u>	<u>20</u>
Total liabilities	<u>6,049</u>	<u>1,019</u>	<u>1,550</u>	<u>20</u>
FUND BALANCES:				
Reserved:				
Capital projects	36,862	18,437	1,721	9,377
Encumbrances	8,074	4,872	604	-
Advances to other funds	8,947	12,994	1,830	-
Advances for loans	406	-	-	-
Other items	-	-	40	-
Unreserved:				
Undesignated	-	-	(3,469)	-
	<u>54,289</u>	<u>36,303</u>	<u>726</u>	<u>9,377</u>
Total fund balances	<u>54,289</u>	<u>36,303</u>	<u>726</u>	<u>9,377</u>
Total liabilities and fund balances	<u>\$ 60,338</u>	<u>\$ 37,322</u>	<u>\$ 2,276</u>	<u>\$ 9,397</u>

1915 Act Assessment Districts	Stockton Public Financing Authority	Totals	
		2001	2000
\$ 7,611	\$ 10	\$ 76,285	\$ 57,855
55	604	4,857	12,991
97	-	1,088	1,037
-	-	338	-
-	-	2,125	5,710
-	-	19	519
-	-	6,986	3,571
-	-	1,797	-
-	-	38	38
-	-	23,771	23,454
-	-	406	446
<u>\$ 7,763</u>	<u>\$ 614</u>	<u>\$ 117,710</u>	<u>\$ 105,621</u>
\$ 947	\$ 2	\$ 5,105	\$ 3,967
-	-	371	1,914
-	-	30	30
-	-	60	3
-	-	449	825
-	-	3,572	3,667
<u>947</u>	<u>2</u>	<u>9,587</u>	<u>10,406</u>
6,816	612	73,825	49,059
-	-	13,550	23,794
-	-	23,771	23,454
-	-	406	446
-	-	40	40
-	-	(3,469)	(1,578)
<u>6,816</u>	<u>612</u>	<u>108,123</u>	<u>95,215</u>
<u>\$ 7,763</u>	<u>\$ 614</u>	<u>\$ 117,710</u>	<u>\$ 105,621</u>

CITY OF STOCKTON

CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency	Mello-Roos Districts
REVENUES:				
Taxes:				
Property	\$ -	\$ -	\$ 1,762	\$ 35
Other:				
Amusement	-	20	-	-
Federal grants and subsidies	-	161	2	-
Intergovernmental	-	5,134	-	-
Charges for services	12,093	-	-	-
Fines and forfeitures	1	-	-	-
Use of money and property	95	321	53	-
Investment income:				
Interest income	2,564	1,558	135	497
Net increase (decrease) in fair value of investments	1,034	225	(23)	142
Refunds and reimbursements	-	600	-	-
Miscellaneous	-	36	300	-
Total revenues	<u>15,787</u>	<u>8,055</u>	<u>2,229</u>	<u>674</u>
EXPENDITURES:				
Capital outlay:				
General government	470	8,363	1,452	23
Public safety	5,628	503	-	-
Public works	7,884	5,478	8,915	1,468
Library	270	-	-	-
Parks and recreation	1,392	838	-	-
Debt service:				
Current refunding	-	-	-	-
Repayment of advances from other funds	783	-	84	-
Total expenditures	<u>16,427</u>	<u>15,182</u>	<u>10,451</u>	<u>1,491</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(640)</u>	<u>(7,127)</u>	<u>(8,222)</u>	<u>(817)</u>

1915 Act Assessment Districts	Stockton Public Financing Authority	Totals	
		2001	2000
\$ -	\$ -	\$ 1,797	\$ 1,504
-	-	20	20
-	-	163	111
-	-	5,134	8,347
-	-	12,093	12,400
-	-	1	2
-	-	469	410
400	70	5,224	4,008
177	-	1,555	(591)
321	-	921	41
-	-	336	361
<u>898</u>	<u>70</u>	<u>27,713</u>	<u>26,613</u>
356	-	10,664	11,691
-	-	6,131	4,026
3,518	-	27,263	19,010
-	-	270	251
-	-	2,230	2,412
680	-	680	3,000
-	-	867	374
<u>4,554</u>	<u>-</u>	<u>48,105</u>	<u>40,764</u>
<u>(3,656)</u>	<u>70</u>	<u>(20,392)</u>	<u>(14,151)</u>

(continues)

CITY OF STOCKTON

CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency	Mello-Roos Districts
OTHER FINANCING SOURCES (USES):				
Operating transfers in	20	4,755	8,255	-
Operating transfers out	(121)	(502)	(995)	-
Proceeds of long-term debt	-	-	-	-
Proceeds of refunding bonds	-	-	-	-
Payment to refunded bond escrow agent - current refunding	-	-	-	-
Total other financing sources (uses)	<u>(101)</u>	<u>4,253</u>	<u>7,260</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(741)	(2,874)	(962)	(817)
FUND BALANCES, BEGINNING OF YEAR	55,030	23,226	1,688	10,194
Residual equity transfers in	<u>-</u>	<u>15,951</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 54,289</u>	<u>\$ 36,303</u>	<u>\$ 726</u>	<u>\$ 9,377</u>

1915 Act Assessment Districts	Stockton Public Financing Authority	Totals	
		2001	2000
680	93	13,803	6,048
(1,976)	-	(3,594)	(4,182)
6,275	-	6,275	16,945
2,744	-	2,744	11,610
<u>(1,879)</u>	<u>-</u>	<u>(1,879)</u>	<u>(10,320)</u>
<u>5,844</u>	<u>93</u>	<u>17,349</u>	<u>20,101</u>
2,188	163	(3,043)	5,950
4,628	449	95,215	89,265
<u>-</u>	<u>-</u>	<u>15,951</u>	<u>-</u>
<u>\$ 6,816</u>	<u>\$ 612</u>	<u>\$ 108,123</u>	<u>\$ 95,215</u>

CITY OF STOCKTON

CAPITAL PROJECTS FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON A BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

	<u>Public Facilities Impact Fees</u>		
	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Other:			
Amusement	\$ -	\$ -	\$ -
Federal grants and subsidies	-	-	-
Intergovernmental	66	-	(66)
Charges for services	8,290	12,093	3,803
Fines and forfeitures	-	1	1
Use of money and property	-	95	95
Investment income:			
Interest income	1,613	2,564	951
Net increase in fair value of investments	-	1,034	1,034
Refunds and reimbursement	-	-	-
Miscellaneous	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>9,969</u>	<u>15,787</u>	<u>5,818</u>
EXPENDITURES:			
Capital outlay:			
General government	563	469	94
Public safety	6,192	5,628	564
Public works	32,470	7,909	24,561
Library	832	270	562
Parks and recreation	7,029	1,563	5,466
Debt service:			
Repayment of advances from other funds	1,137	783	354
	<u>1,137</u>	<u>783</u>	<u>354</u>
Total expenditures	<u>48,223</u>	<u>16,622</u>	<u>31,601</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(38,254)</u>	<u>(835)</u>	<u>37,419</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	20	20	-
Operating transfers out	(127)	(121)	6
	<u>(107)</u>	<u>(101)</u>	<u>6</u>
Total other financing sources (uses)	<u>(107)</u>	<u>(101)</u>	<u>6</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)	<u>(38,361)</u>	<u>(936)</u>	<u>37,425</u>

Capital Improvement			Totals		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 21	\$ 20	\$ (1)	\$ 21	\$ 20	\$ (1)
598	161	(437)	598	161	(437)
12,869	5,134	(7,735)	12,935	5,134	(7,801)
-	-	-	8,290	12,093	3,803
-	-	-	-	1	1
-	321	321	-	416	416
15	1,558	1,543	1,628	4,122	2,494
-	225	225	-	1,259	1,259
418	600	182	418	600	182
5	36	31	5	36	31
<u>13,926</u>	<u>8,055</u>	<u>(5,871)</u>	<u>23,895</u>	<u>23,842</u>	<u>(53)</u>
21,882	8,883	12,999	22,445	9,352	13,093
2,122	597	1,525	8,314	6,225	2,089
13,803	5,542	8,261	46,273	13,451	32,822
-	-	-	832	270	562
2,980	943	2,037	10,009	2,506	7,503
-	-	-	1,137	783	354
<u>40,787</u>	<u>15,965</u>	<u>24,822</u>	<u>89,010</u>	<u>32,587</u>	<u>56,423</u>
<u>(26,861)</u>	<u>(7,910)</u>	<u>18,951</u>	<u>(65,115)</u>	<u>(8,745)</u>	<u>56,370</u>
4,755	4,755	-	4,775	4,775	-
(502)	(502)	-	(629)	(623)	6
<u>4,253</u>	<u>4,253</u>	<u>-</u>	<u>4,146</u>	<u>4,152</u>	<u>6</u>
(22,608)	(3,657)	18,951	(60,969)	(4,593)	56,376

(continues)

CITY OF STOCKTON

**CAPITAL PROJECTS FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND
 ACTUAL ON A BUDGETARY BASIS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2001
 (Dollar amounts in thousands)**

	Public Facilities Impact Fees		
	Final Budget	Actual	Variance Favorable (Unfavorable)
BASIS ADJUSTMENTS:			
Encumbrances	<u>-</u>	<u>195</u>	<u>195</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(38,361)	(741)	37,620
FUND BALANCES, BEGINNING OF YEAR	55,030	55,030	-
Residual equity transfers in	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 16,669</u>	<u>\$ 54,289</u>	<u>\$ 37,620</u>

Capital Improvement			Totals		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
-	783	783	-	978	978
(22,608)	(2,874)	19,734	(60,969)	(3,615)	57,354
23,226	23,226	-	78,256	78,256	-
<u>15,951</u>	<u>15,951</u>	<u>-</u>	<u>15,951</u>	<u>15,951</u>	<u>-</u>
<u>\$ 16,569</u>	<u>\$ 36,303</u>	<u>\$ 19,734</u>	<u>\$ 33,238</u>	<u>\$ 90,592</u>	<u>\$ 57,354</u>

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ENTERPRISE FUND

The funds used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City Council is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council had decided that periodic determination of income is appropriate for accountability purposes.

ENTERPRISE FUNDS

Water Utility

To account for activities associated with the acquisition or construction of water facilities, production, distribution and transmission of potable water to users.

Sanitary Wastewater Utility

To account for activities associated with the acquisition or construction, and operation and maintenance of wastewater facilities for drainage, treatment, and disposal of sanitary wastewater.

Stormwater Utility

To account for activities associated with the acquisition or construction, and operation and maintenance of stormwater facilities for drainage and disposal of stormwater wastewater.

Solid Waste

To account for activities associated with the operation and maintenance, closure and post-closure of the Austin Road and French Camp landfill sites, and garden refuse collection.

Golf Courses

To account for activities associated with the improvement and operation and maintenance of Swenson, Van Buskirk and Lyons golf courses.

Central Parking District

To account for activities associated with the acquisition or construction, operation and maintenance of off-street parking facilities.

CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING BALANCE SHEET

JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility	Solid Waste
ASSETS				
CURRENT ASSETS:				
Cash and temporary investments	\$ 22,384	\$ 60,533	\$ 7,847	\$ 4,319
Cash with fiscal agents	-	220	-	-
Receivables:				
Interest	320	817	107	50
Taxes and special assessments	183	15	-	-
Accounts and other receivables	1,521	4,362	529	338
Allowance for uncollectibles	(210)	(1,658)	(160)	(112)
Due from other governments	-	-	-	-
Inventory of supplies	-	1,244	-	-
	<u>24,198</u>	<u>65,533</u>	<u>8,323</u>	<u>4,595</u>
Total current assets				
RESTRICTED ASSETS:				
Cash and temporary investments	-	-	-	69
Cash and temporary investments with fiscal agents	1,492	16,108	-	-
Receivables:				
Interest	-	253	-	2
	<u>1,492</u>	<u>16,361</u>	<u>-</u>	<u>71</u>
Total restricted assets				
NONCURRENT ASSETS:				
Loans receivable	<u>16</u>	<u>47</u>	<u>-</u>	<u>-</u>
	<u>16</u>	<u>47</u>	<u>-</u>	<u>-</u>
Total noncurrent assets				
FIXED ASSETS:				
Land	1,022	758	412	-
Buildings and improvements	63,559	181,403	51,966	5
Machinery and equipment	4,440	4,358	65	16
Construction in progress	<u>3,562</u>	<u>102,937</u>	<u>70</u>	<u>-</u>
	<u>72,583</u>	<u>289,456</u>	<u>52,513</u>	<u>21</u>
Total fixed assets				
Accumulated depreciation	<u>(17,415)</u>	<u>(59,469)</u>	<u>(19,360)</u>	<u>(18)</u>
	<u>55,168</u>	<u>229,987</u>	<u>33,153</u>	<u>3</u>
Net fixed assets				
DEFERRED CHARGES				
	<u>323</u>	<u>1,392</u>	<u>-</u>	<u>-</u>
	<u>323</u>	<u>1,392</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 81,197</u>	<u>\$ 313,320</u>	<u>\$ 41,476</u>	<u>\$ 4,669</u>

Golf Courses	Central Parking District	Totals	
		2001	2000
\$ 676	\$ 7	\$ 95,766	\$ 80,357
-	-	220	209
-	11	1,305	1,354
-	97	295	-
4	60	6,814	6,469
-	(8)	(2,148)	(907)
-	-	-	-
-	-	1,244	1,228
<u>680</u>	<u>167</u>	<u>103,496</u>	<u>88,710</u>
-	1,032	1,101	7,057
-	294	17,894	20,727
-	-	255	549
-	1,326	19,250	28,333
-	-	63	85
-	-	63	85
360	3,768	6,320	3,360
3,733	12,076	312,742	294,300
75	31	8,985	9,203
<u>1,321</u>	<u>831</u>	<u>108,721</u>	<u>91,489</u>
5,489	16,706	436,768	398,352
<u>(3,316)</u>	<u>(4,163)</u>	<u>(103,741)</u>	<u>(93,457)</u>
2,173	12,543	333,027	304,895
-	53	1,768	1,785
<u>\$ 2,853</u>	<u>\$ 14,089</u>	<u>\$ 457,604</u>	<u>\$ 423,808</u>

(continues)

CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING BALANCE SHEET (Continued) JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility	Solid Waste
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Current liabilities:				
Accounts payable	\$ 758	\$ 2,252	\$ 67	\$ 14
Due to other governments	100	-	-	-
Deposits and other liabilities	674	-	-	-
Matured bonds and interest payable	5	15	-	-
Accrued interest	374	1,900	24	-
Long-term debt - current	381	1,855	147	-
Compensated absences - current	136	544	40	111
Deferred revenue	1	16	-	-
	<u>2,429</u>	<u>6,582</u>	<u>278</u>	<u>125</u>
Total current liabilities				
LONG-TERM DEBT (LESS CURRENT PORTION):				
Compensated absences	210	895	26	286
Advances from other funds	-	-	-	-
Advances from other governments	1,029	-	636	-
Certificates of participation	15,273	105,007	-	-
Bonds payable	-	-	-	-
Landfill closure/postclosure	-	-	-	-
	<u>16,512</u>	<u>105,902</u>	<u>662</u>	<u>286</u>
Total long-term debt				
Total liabilities	<u>18,941</u>	<u>112,484</u>	<u>940</u>	<u>411</u>
FUND EQUITY:				
Contributed capital	34,865	135,704	42,287	693
Retained earnings:				
Unreserved	<u>27,391</u>	<u>65,132</u>	<u>(1,751)</u>	<u>3,565</u>
Total fund equity	<u>62,256</u>	<u>200,836</u>	<u>40,536</u>	<u>4,258</u>
Total liabilities and fund equity	<u>\$ 81,197</u>	<u>\$ 313,320</u>	<u>\$ 41,476</u>	<u>\$ 4,669</u>

Golf Courses	Central Parking District	Totals	
		2001	2000
\$ 202	\$ 31	\$ 3,324	\$ 5,059
-	-	100	54
-	45	719	585
-	45	65	20
-	228	2,526	2,349
-	590	2,973	2,699
79	6	916	922
-	-	17	18
<u>281</u>	<u>945</u>	<u>10,640</u>	<u>11,706</u>
161	16	1,594	1,585
1,224	-	1,224	-
-	-	1,665	1,855
-	-	120,280	122,143
-	6,415	6,415	-
-	-	-	10,011
<u>1,385</u>	<u>6,431</u>	<u>131,178</u>	<u>135,594</u>
<u>1,666</u>	<u>7,376</u>	<u>141,818</u>	<u>147,300</u>
400	-	213,949	213,949
<u>787</u>	<u>6,713</u>	<u>101,837</u>	<u>62,559</u>
<u>1,187</u>	<u>6,713</u>	<u>315,786</u>	<u>276,508</u>
<u>\$ 2,853</u>	<u>\$ 14,089</u>	<u>\$ 457,604</u>	<u>\$ 423,808</u>

CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility	Solid Waste
OPERATING REVENUES:				
Charges for services	\$ 14,135	\$ 27,594	\$ 4,151	\$ 3,221
Miscellaneous	256	499	75	402
Total operating revenues	<u>14,391</u>	<u>28,093</u>	<u>4,226</u>	<u>3,623</u>
OPERATING EXPENSES:				
Operation and maintenance	4,618	13,394	2,137	4,603
General and administrative	3,022	5,036	1,409	-
Depreciation and amortization	1,356	4,149	1,042	9
Purchased water	3,665	-	-	-
Total operating expenses	<u>12,661</u>	<u>22,579</u>	<u>4,588</u>	<u>4,612</u>
OPERATING INCOME (LOSS)	<u>1,730</u>	<u>5,514</u>	<u>(362)</u>	<u>(989)</u>
NONOPERATING REVENUES (EXPENSES):				
Taxes	-	-	-	-
Federal grants and subsidies	-	3	-	-
Intergovernmental	-	1	-	-
Loans and mortgage interest	3	31	-	-
Investment income:				
Interest income	1,275	3,972	403	238
Net increase (decrease) in fair value of investments	495	1,221	159	112
Gain (loss) from disposal of property	-	-	-	23,928
Interest and fiscal charges	(952)	(608)	4	-
Total nonoperating revenues (expenses)	<u>821</u>	<u>4,620</u>	<u>566</u>	<u>24,278</u>
CAPITAL CONTRIBUTIONS	<u>2,840</u>	<u>11,302</u>	<u>1,074</u>	<u>-</u>
INCOME BEFORE OPERATING TRANSFERS	5,391	21,436	1,278	23,289
Operating transfers in	1,145	7,451	-	-
Operating transfers out	(1,158)	(7,733)	-	-
NET INCOME	5,378	21,154	1,278	23,289
FUND EQUITY, BEGINNING OF YEAR, AS RESTATED	56,878	179,929	39,258	(781)
Residual equity transfers out	-	(247)	-	(18,250)
Increase in contributed capital	-	-	-	-
FUND EQUITY, END OF YEAR	<u>\$ 62,256</u>	<u>\$ 200,836</u>	<u>\$ 40,536</u>	<u>\$ 4,258</u>

Golf Courses	Central Parking District	Totals	
		2001	2000
\$ 1,862	\$ 1,770	\$ 52,733	\$ 51,675
289	18	1,539	1,001
<u>2,151</u>	<u>1,788</u>	<u>54,272</u>	<u>52,676</u>
2,071	1,192	28,015	28,818
-	-	9,467	8,343
78	319	6,953	6,532
-	-	3,665	3,189
<u>2,149</u>	<u>1,511</u>	<u>48,100</u>	<u>46,882</u>
<u>2</u>	<u>277</u>	<u>6,172</u>	<u>5,794</u>
-	601	601	-
-	-	3	-
-	-	1	1
-	-	34	43
-	63	5,951	6,398
-	1	1,988	(821)
(2)	-	23,926	(1)
<u>-</u>	<u>(537)</u>	<u>(2,093)</u>	<u>(2,334)</u>
<u>(2)</u>	<u>128</u>	<u>30,411</u>	<u>3,286</u>
<u>-</u>	<u>-</u>	<u>15,216</u>	<u>-</u>
-	405	51,799	9,080
-	98	8,694	8,656
<u>(37)</u>	<u>(684)</u>	<u>(9,612)</u>	<u>(8,656)</u>
(37)	(181)	50,881	9,080
1,224	6,894	283,402	252,378
-	-	(18,497)	(75)
<u>-</u>	<u>-</u>	<u>-</u>	<u>15,125</u>
<u>\$ 1,187</u>	<u>\$ 6,713</u>	<u>\$ 315,786</u>	<u>\$ 276,508</u>

CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 1,730	\$ 5,514	\$ (362)	\$ (989)
Noncash adjustment to operating income:				
Depreciation and amortization	1,356	4,149	1,042	9
Provision for uncollectible accounts	7	1,011	121	94
Landfill closure/postclosure	-	-	-	-
Changes in assets and liabilities:				
Accounts and other receivables	(203)	(81)	48	(55)
Due from other governments	(183)	(15)	-	-
Inventory of supplies	-	(16)	-	-
Loans receivable	5	17	-	-
Accounts payable	542	(2,009)	16	(471)
Due to other governments	46	-	-	-
Deposits and other liabilities	89	-	-	-
Compensated absences	(2)	(57)	8	36
Deferred revenue	-	(1)	-	-
Advances from other governments	(42)	-	(144)	-
	<u>3,345</u>	<u>8,512</u>	<u>729</u>	<u>(1,376)</u>
Net cash provided (used) by operating activities				
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	1,794	5,460	563	446
Proceeds from sale of investments	1,299	3,007	-	-
	<u>3,093</u>	<u>8,467</u>	<u>563</u>	<u>446</u>
Net cash provided by investing activities				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of property and equipment	-	-	-	14,999
Repayment of debt	(353)	(1,830)	-	-
Purchases of property and equipment	(2,841)	(14,139)	-	-
Interest paid on capital debt	(959)	(647)	(1)	-
Capital contributions	919	9,320	-	-
Residual equity transfers out	-	(247)	-	(18,250)
	<u>(3,234)</u>	<u>(7,543)</u>	<u>(1)</u>	<u>(3,251)</u>
Net cash used by capital and related financing activities				

Golf Courses	Central Parking District	Totals	
		2001	2000
\$ 2	\$ 277	\$ 6,172	\$ 5,794
78	319	6,953	6,532
-	-	1,233	171
-	-	-	253
6	(18)	(303)	711
-	(97)	(295)	90
-	-	(16)	73
-	-	22	22
156	10	(1,756)	(1,767)
-	-	46	(10)
-	9	98	(1,879)
(4)	1	(18)	(10)
-	-	(1)	(1)
-	-	(186)	(179)
<u>238</u>	<u>501</u>	<u>11,949</u>	<u>9,800</u>
-	80	8,343	5,579
-	<u>969</u>	<u>5,275</u>	<u>14,373</u>
-	<u>1,049</u>	<u>13,618</u>	<u>19,952</u>
-	-	14,999	2,937
-	(555)	(2,738)	(2,235)
(1,280)	(202)	(18,462)	(31,089)
-	(553)	(2,160)	(2,387)
-	-	10,239	7,898
-	-	(18,497)	-
<u>(1,280)</u>	<u>(1,310)</u>	<u>(16,619)</u>	<u>(24,876)</u>

(continues)

CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility	Solid Waste
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	1,145	7,451	-	-
Operating transfers out	(1,158)	(7,733)	-	-
Advances from other funds	-	-	-	-
Proceeds from taxes	-	-	-	-
Intergovernmental	-	1	-	-
Federal grants and subsidies	-	3	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by noncapital financing activities	<u>(13)</u>	<u>(278)</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,191	9,158	1,291	(4,181)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>20,685</u>	<u>52,014</u>	<u>6,556</u>	<u>8,569</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 23,876</u>	<u>\$ 61,172</u>	<u>\$ 7,847</u>	<u>\$ 4,388</u>
NONCASH TRANSACTIONS:				
Contributions of fixed assets	<u>\$ 1,921</u>	<u>\$ 1,982</u>	<u>\$ 1,074</u>	<u>\$ -</u>

Golf Courses	Central Parking District	Totals	
		2001	2000
-	98	8,694	8,656
(37)	(684)	(9,612)	(8,656)
1,224	-	1,224	-
-	601	601	-
-	-	1	1
-	-	3	43
<u>1,187</u>	<u>15</u>	<u>911</u>	<u>44</u>
145	255	9,859	4,920
<u>531</u>	<u>1,078</u>	<u>89,433</u>	<u>83,435</u>
<u>\$ 676</u>	<u>\$ 1,333</u>	<u>\$ 99,292</u>	<u>\$ 88,355</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,977</u>	<u>\$ 7,151</u>

(continues)

CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility	Solid Waste	Golf Courses	Central Parking District
Reconciliation of cash and cash equivalents to the balance sheet:						
Unrestricted cash and investments on balance sheet:						
Cash and temporary investments	\$ 22,384	\$ 60,533	\$ 7,847	\$ 4,319	\$ 676	\$ 7
Cash with fiscal agents	-	220	-	-	-	-
Restricted cash and investments on balance sheet:						
Cash and temporary investments	-	-	-	69	-	1,032
Cash and temporary investments with fiscal agents	<u>1,492</u>	<u>16,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294</u>
Total cash and investments	23,876	76,861	7,847	4,388	676	1,333
Less investments:						
Cash and temporary investments with fiscal agents	<u>-</u>	<u>15,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash and cash equivalents	<u>\$ 23,876</u>	<u>\$ 61,172</u>	<u>\$ 7,847</u>	<u>\$ 4,388</u>	<u>\$ 676</u>	<u>\$ 1,333</u>

INTERNAL SERVICE FUNDS

The funds established to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, and to other government units on a cost reimbursement basis.

INTERNAL SERVICE FUNDS

Central Garage

The fund established to account for the financing, operating and maintenance of vehicles and similar equipment provided to City departments on a cost reimbursement basis.

Computer Equipment

To provide accounting of the financing, service and maintenance of all computer and related equipment to City departments on a cost reimbursement basis.

Radio Equipment

To account for the financing, service, and maintenance of radio equipment provided to various City departments on a cost reimbursement basis.

Other Equipment

The fund established to account for financing, operating and maintenance of other, comparatively smaller equipment funds on a cost reimbursement basis. Included are telephone, other office equipment and printing and mailing.

General Insurance

To account for premiums and claims paid, and administration of the fund established to provide general liability insurance coverage to City departments on a cost reimbursement basis.

Workers' Compensation Insurance

The fund established to account for workers' compensation premiums and claims paid, and administration of the fund on behalf of all City departments on a cost reimbursement basis.

Health Benefits Insurance

The fund established to account for health benefits insurance premiums and claims paid, and administration of the fund on behalf of all City departments on a cost reimbursement basis.

Other Insurance

To account for the premiums and claims paid, and administration of comparatively smaller insurance funds on a cost reimbursement, long-term disability, life insurance and retirement.

CITY OF STOCKTON

INTERNAL SERVICE FUNDS COMBINING BALANCE SHEET

JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
ASSETS				
CURRENT ASSETS:				
Cash and temporary investments	\$ 3,980	\$ 4,949	\$ 3,278	\$ 1,856
Accounts and other receivables	403	-	-	-
Allowance for uncollectibles	(374)	-	-	-
Prepaid expenses	-	-	-	-
Due from other governments	-	396	-	-
	<u>4,009</u>	<u>5,345</u>	<u>3,278</u>	<u>1,856</u>
Total current assets				
	<u>4,009</u>	<u>5,345</u>	<u>3,278</u>	<u>1,856</u>
FIXED ASSETS:				
Improvements other than buildings	129	-	-	-
Machinery and equipment	23,889	9,757	5,072	1,834
	<u>24,018</u>	<u>9,757</u>	<u>5,072</u>	<u>1,834</u>
Total fixed assets				
	<u>24,018</u>	<u>9,757</u>	<u>5,072</u>	<u>1,834</u>
Accumulated depreciation	(16,246)	(5,662)	(2,608)	(943)
	<u>7,772</u>	<u>4,095</u>	<u>2,464</u>	<u>891</u>
Net fixed assets				
	<u>7,772</u>	<u>4,095</u>	<u>2,464</u>	<u>891</u>
DEFERRED CHARGES	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 11,781</u>	<u>\$ 9,440</u>	<u>\$ 5,742</u>	<u>\$ 2,747</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				2001	2000
\$ 3,441	\$ 4,447	\$ 302	\$ 1,706	\$ 23,959	\$ 21,791
100	59	1	7	570	599
-	-	-	-	(374)	(355)
-	-	-	-	-	36
-	-	-	-	396	121
<u>3,541</u>	<u>4,506</u>	<u>303</u>	<u>1,713</u>	<u>24,551</u>	<u>22,192</u>
-	-	-	-	129	129
<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,554</u>	<u>38,801</u>
2	-	-	-	40,683	38,930
<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,461)</u>	<u>(25,406)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,222</u>	<u>13,524</u>
<u>-</u>	<u>-</u>	<u>61</u>	<u>-</u>	<u>61</u>	<u>61</u>
<u>\$ 3,541</u>	<u>\$ 4,506</u>	<u>\$ 364</u>	<u>\$ 1,713</u>	<u>\$ 39,834</u>	<u>\$ 35,777</u>

(continues)

CITY OF STOCKTON

INTERNAL SERVICE FUNDS COMBINING BALANCE SHEET (Continued) JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Current liabilities:				
Accounts payable	\$ 433	\$ 573	\$ 259	\$ 83
Accrued payroll benefits	-	-	-	-
Due to other governments	-	-	-	-
Long-term debt - current	-	-	-	-
Compensated absences - current	152	102	-	16
Self-insurance claims and judgments - current	-	-	-	-
Total current liabilities	<u>585</u>	<u>675</u>	<u>259</u>	<u>99</u>
LONG-TERM DEBT (LESS CURRENT PORTION):				
Compensated absences	270	178	-	41
Self-insurance claims and judgments	-	-	-	-
Total long-term debt	<u>270</u>	<u>178</u>	<u>-</u>	<u>41</u>
Total liabilities	<u>855</u>	<u>853</u>	<u>259</u>	<u>140</u>
FUND EQUITY:				
Contributed capital	4,018	5,565	2,225	860
Retained earnings:				
Unreserved	<u>6,908</u>	<u>3,022</u>	<u>3,258</u>	<u>1,747</u>
Total fund equity	<u>10,926</u>	<u>8,587</u>	<u>5,483</u>	<u>2,607</u>
Total liabilities and fund equity	<u>\$ 11,781</u>	<u>\$ 9,440</u>	<u>\$ 5,742</u>	<u>\$ 2,747</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				2001	2000
\$ 20	\$ 34	\$ 321	\$ 470	\$ 2,193	\$ 1,602
-	-	-	761	761	482
-	-	-	-	-	235
-	-	-	-	-	137
4	21	-	-	295	279
<u>1,462</u>	<u>3,396</u>	<u>1,932</u>	<u>-</u>	<u>6,790</u>	<u>5,645</u>
<u>1,486</u>	<u>3,451</u>	<u>2,253</u>	<u>1,231</u>	<u>10,039</u>	<u>8,380</u>
8	18	-	-	515	595
<u>3,650</u>	<u>15,601</u>	<u>-</u>	<u>-</u>	<u>19,251</u>	<u>15,826</u>
<u>3,658</u>	<u>15,619</u>	<u>-</u>	<u>-</u>	<u>19,766</u>	<u>16,421</u>
<u>5,144</u>	<u>19,070</u>	<u>2,253</u>	<u>1,231</u>	<u>29,805</u>	<u>24,801</u>
-	-	-	-	12,668	12,668
<u>(1,603)</u>	<u>(14,564)</u>	<u>(1,889)</u>	<u>482</u>	<u>(2,639)</u>	<u>(1,692)</u>
<u>(1,603)</u>	<u>(14,564)</u>	<u>(1,889)</u>	<u>482</u>	<u>10,029</u>	<u>10,976</u>
<u>\$ 3,541</u>	<u>\$ 4,506</u>	<u>\$ 364</u>	<u>\$ 1,713</u>	<u>\$ 39,834</u>	<u>\$ 35,777</u>

CITY OF STOCKTON

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
OPERATING REVENUES:				
Charges for services	\$ 6,883	\$ 5,509	\$ 974	\$ 1,392
Total operating revenues	<u>6,883</u>	<u>5,509</u>	<u>974</u>	<u>1,392</u>
OPERATING EXPENSES:				
Operation and maintenance	3,422	3,392	-	1,047
General and administration	1,668	-	-	-
Depreciation	<u>1,657</u>	<u>1,348</u>	<u>340</u>	<u>161</u>
Total operating expenses	<u>6,747</u>	<u>4,740</u>	<u>340</u>	<u>1,208</u>
OPERATING INCOME (LOSS)	<u>136</u>	<u>769</u>	<u>634</u>	<u>184</u>
NONOPERATING REVENUES (EXPENSES):				
Federal grants and subsidies	-	777	-	-
Intergovernmental	-	17	-	-
Investment Income:				
Interest Income	-	-	-	-
Net increase (decrease) in fair value of investments	-	-	-	-
Gain (loss) from disposal of property	28	(27)	(1)	(1)
Interest expense and fiscal charges	-	(10)	-	-
Other nonoperating revenues	-	-	-	-
Total nonoperating revenues (expenses)	<u>28</u>	<u>757</u>	<u>(1)</u>	<u>(1)</u>
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>83</u>	<u>-</u>	<u>-</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	164	1,609	633	183
Operating transfers in	-	-	-	600
Operating transfers out	<u>-</u>	<u>-</u>	<u>(600)</u>	<u>-</u>
NET INCOME (LOSS)	164	1,609	33	783
FUND EQUITY, BEGINNING OF YEAR	10,130	6,738	4,858	1,808
Residual equity transfers in	632	240	592	16
Increase in contributed capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY, END OF YEAR	<u>\$ 10,926</u>	<u>\$ 8,587</u>	<u>\$ 5,483</u>	<u>\$ 2,607</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				2001	2000
\$ 3,619	\$ 5,778	\$ 12,207	\$ 12,483	\$ 48,845	\$ 32,765
<u>3,619</u>	<u>5,778</u>	<u>12,207</u>	<u>12,483</u>	<u>48,845</u>	<u>32,765</u>
3,400	7,196	14,495	12,575	45,527	32,972
874	1,232	256	-	4,030	3,605
-	-	-	-	3,506	4,045
<u>4,274</u>	<u>8,428</u>	<u>14,751</u>	<u>12,575</u>	<u>53,063</u>	<u>40,622</u>
<u>(655)</u>	<u>(2,650)</u>	<u>(2,544)</u>	<u>(92)</u>	<u>(4,218)</u>	<u>(7,857)</u>
-	-	-	-	777	1,467
-	-	-	-	17	158
160	207	28	28	423	500
62	89	20	10	181	(91)
-	-	-	-	(1)	6
-	-	-	-	(10)	(19)
-	-	321	-	321	289
<u>222</u>	<u>296</u>	<u>369</u>	<u>38</u>	<u>1,708</u>	<u>2,310</u>
-	-	-	-	83	-
(433)	(2,354)	(2,175)	(54)	(2,427)	(5,547)
-	300	900	-	1,800	-
<u>(900)</u>	<u>-</u>	<u>-</u>	<u>(300)</u>	<u>(1,800)</u>	<u>-</u>
(1,333)	(2,054)	(1,275)	(354)	(2,427)	(5,547)
(270)	(12,510)	(614)	836	10,976	16,041
-	-	-	-	1,480	450
-	-	-	-	-	32
<u>\$ (1,603)</u>	<u>\$ (14,564)</u>	<u>\$ (1,889)</u>	<u>\$ 482</u>	<u>\$ 10,029</u>	<u>\$ 10,976</u>

CITY OF STOCKTON

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 136	\$ 769	\$ 634	\$ 184
Noncash adjustments to operating income (loss):				
Depreciation	1,657	1,348	340	161
Provision for uncollectible accounts	19	-	-	-
Self-insurance	-	-	-	-
Changes in assets and liabilities:				
Accounts and other receivables	(9)	-	-	-
Prepaid expenses	-	36	-	-
Due from other governments	-	(275)	-	-
Accounts payable	362	265	(391)	41
Accrued payroll and benefits	-	-	-	-
Due to other governments	-	-	-	-
Compensated absences	(15)	(59)	-	1
Net cash provided (used) by operating activities	<u>2,150</u>	<u>2,084</u>	<u>583</u>	<u>387</u>
CASH FLOW FROM INVESTING ACTIVITIES:				
Investment earnings	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of property and equipment	116	6	5	10
Repayment of debt	-	(137)	-	-
Purchases of property and equipment	(2,063)	(1,367)	(1,669)	(160)
Interest paid on capital debt	-	(10)	-	-
Capital contributions	-	-	-	-
Residual equity transfer in	632	240	592	16
Net cash used by capital and related financing activities	<u>(1,315)</u>	<u>(1,268)</u>	<u>(1,072)</u>	<u>(134)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	-	-	-	600
Operating transfers out	-	-	(600)	-
Other nonoperating revenues	-	-	-	-
Intergovernmental	-	17	-	-
Federal grants and subsidies	-	777	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>794</u>	<u>(600)</u>	<u>600</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				2001	2000
\$ (655)	\$ (2,650)	\$ (2,544)	\$ (92)	\$ (4,218)	\$ (7,857)
-	-	-	-	3,506	4,045
-	-	-	-	19	36
2,346	1,998	226	-	4,570	4,143
(2)	21	24	(5)	29	(12)
-	-	-	-	36	-
-	-	-	-	(275)	141
11	8	(94)	389	591	916
-	-	-	279	279	482
-	-	-	(235)	(235)	-
<u>2</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>(64)</u>	<u>145</u>
<u>1,702</u>	<u>(616)</u>	<u>(2,388)</u>	<u>336</u>	<u>4,238</u>	<u>2,039</u>
<u>222</u>	<u>296</u>	<u>48</u>	<u>38</u>	<u>604</u>	<u>409</u>
<u>222</u>	<u>296</u>	<u>48</u>	<u>38</u>	<u>604</u>	<u>409</u>
-	-	-	-	137	61
-	-	-	-	(137)	(178)
-	-	-	-	(5,259)	(4,841)
-	-	-	-	(10)	(19)
-	-	-	-	-	(328)
-	-	-	-	1,480	780
-	-	-	-	<u>(3,789)</u>	<u>(4,525)</u>
-	300	900	-	1,800	-
(900)	-	-	(300)	(1,800)	-
-	-	321	-	321	289
-	-	-	-	17	158
-	-	-	-	777	1,467
<u>(900)</u>	<u>300</u>	<u>1,221</u>	<u>(300)</u>	<u>1,115</u>	<u>1,914</u>

(continues)

CITY OF STOCKTON

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS (Continued) FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	835	1,610	(1,089)	853
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,145</u>	<u>3,339</u>	<u>4,367</u>	<u>1,003</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,980</u>	<u>\$ 4,949</u>	<u>\$ 3,278</u>	<u>\$ 1,856</u>
NONCASH TRANSACTIONS: Contribution of fixed assets	<u>\$ -</u>	<u>\$ 83</u>	<u>\$ -</u>	<u>\$ -</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				2001	2000
1,024	(20)	(1,119)	74	2,168	(163)
<u>2,417</u>	<u>4,467</u>	<u>1,421</u>	<u>1,632</u>	<u>21,791</u>	<u>21,954</u>
<u>\$ 3,441</u>	<u>\$ 4,447</u>	<u>\$ 302</u>	<u>\$ 1,706</u>	<u>\$ 23,959</u>	<u>\$ 21,791</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83</u>	<u>\$ 32</u>

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TRUST AND AGENCY FUNDS

The funds used to account for assets held by the City as a trustee or agent for individuals, private organizations, and other governmental units.

TRUST AND AGENCY FUNDS

Nonexpendable Trust Fund

Miscellaneous

To account for assets wherein the principal must remain intact, but earnings may be spent.

Expendable Trust Fund

Miscellaneous

To account for assets held by the City as trustee. The principal and interest earnings of the trust may be spent by the City in accordance with the trust agreement.

Agency Funds

Holiday Park

To account for the special assessment levy to benefited property owners, and corresponding expenditures to maintain and operate a swimming pool and park complex in the Holiday Park area.

City as Agent

To account for all resources received by the City while acting as fiscal agent.

CITY OF STOCKTON

TRUST AND AGENCY FUNDS COMBINING BALANCE SHEET

JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	Nonexpendable Trust Fund Miscellaneous	Expendable Trust Fund Miscellaneous	Agency Funds	
			Holiday Park	City As Agent
ASSETS				
ASSETS:				
Cash and temporary investments	\$ 1,530	\$ 687	\$ 12	\$ 7,968
Receivables:				
Interest	-	-	-	91
Taxes and special assessments	-	-	9	74
Accounts and other receivables	19	12	-	77
Due from other governments	-	-	-	-
Total assets	<u>\$ 1,549</u>	<u>\$ 699</u>	<u>\$ 21</u>	<u>\$ 8,210</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ -	\$ 23	\$ -	\$ 213
Due to other governments	-	-	-	2,105
Deposits and other liabilities	-	-	21	5,892
Total liabilities	<u>-</u>	<u>23</u>	<u>21</u>	<u>8,210</u>
FUNDS BALANCES:				
Reserved:				
Encumbrances	-	27	-	-
Other items	1,549	649	-	-
Total fund balances	<u>1,549</u>	<u>676</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,549</u>	<u>\$ 699</u>	<u>\$ 21</u>	<u>\$ 8,210</u>

Totals	
2001	2000
\$ 10,197	\$ 8,218
91	95
83	-
108	123
<u>-</u>	<u>7</u>
<u>\$ 10,479</u>	<u>\$ 8,443</u>

\$ 236	\$ 97
2,105	2,258
<u>5,913</u>	<u>5,349</u>
<u>8,254</u>	<u>7,704</u>

27	11
<u>2,198</u>	<u>728</u>
<u>2,225</u>	<u>739</u>
<u>\$ 10,479</u>	<u>\$ 8,443</u>

CITY OF STOCKTON

MISCELLANEOUS NONEXPENDABLE TRUST FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	2001	2000
OPERATING EXPENSES:		
Operation and maintenance	<u>\$ 1,015</u>	<u>\$ -</u>
OPERATING LOSS	<u>(1,015)</u>	<u>-</u>
NONOPERATING REVENUES:		
Investment income:		
Interest income	92	4
Net increase in fair value of investments	<u>32</u>	<u>1</u>
Total nonoperating revenues	<u>124</u>	<u>5</u>
NET INCOME (LOSS)	(891)	5
FUND BALANCE, BEGINNING OF YEAR	140	135
Residual equity transfers in	<u>2,300</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,549</u>	<u>\$ 140</u>

CITY OF STOCKTON

MISCELLANEOUS NONEXPENDABLE TRUST FUND STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	\$ (1,015)	\$ -
Changes in assets and liabilities:		
Accounts and other receivables	<u>(19)</u>	<u>-</u>
Net cash used by investing activities	<u>(1,034)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	<u>124</u>	<u>5</u>
Net cash provided by investing activities	<u>124</u>	<u>5</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Residual equity transfer in	<u>2,300</u>	<u>-</u>
Net cash provided by capital and related financing activities	<u>2,300</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,390	5
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>140</u>	<u>135</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,530</u>	<u>\$ 140</u>

CITY OF STOCKTON

MISCELLANEOUS EXPENDABLE TRUST FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2001 (With comparative totals for June 30, 2000) (Dollar amounts in thousands)

	2001	2000
REVENUES:		
Investment income:		
Interest income	\$ 27	\$ 25
Net increase (decrease) in fair value of investments	15	(5)
Miscellaneous	<u>702</u>	<u>613</u>
Total revenues	<u>744</u>	<u>633</u>
EXPENDITURES:		
Current:		
General government	151	57
Public safety	82	62
Library	278	229
Parks and recreation	<u>136</u>	<u>192</u>
Total expenditures	<u>647</u>	<u>540</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>97</u>	<u>93</u>
OTHER FINANCING USE:		
Operating transfers out	<u>(20)</u>	<u>-</u>
Total other financing use	<u>(20)</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USE	77	93
FUND BALANCE, BEGINNING OF YEAR	599	535
Residual equity transfers out	<u>-</u>	<u>(29)</u>
FUND BALANCE, END OF YEAR	<u>\$ 676</u>	<u>\$ 599</u>

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CITY OF STOCKTON

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

	Holiday Park			Balance 6/30/01
	Balance 7/1/00	Additions	Deductions	
ASSETS				
Cash and temporary investments	\$ 10	\$ 36	\$ 34	\$ 12
Receivables:				
Interest	-	-	-	-
Taxes and special assessments	-	46	37	9
Accounts and other receivables	-	-	-	-
Due from other governments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 10</u>	<u>\$ 82</u>	<u>\$ 71</u>	<u>\$ 21</u>
LIABILITIES				
Accounts payable	\$ -	\$ 52	\$ 52	\$ -
Due to other governments	-	-	-	-
Deposits and other liabilities	10	61	50	21
	<u>10</u>	<u>61</u>	<u>50</u>	<u>21</u>
Total liabilities	<u>\$ 10</u>	<u>\$ 113</u>	<u>\$ 102</u>	<u>\$ 21</u>

City as Agent				Total Agency Funds			
Balance 7/1/00	Additions	Deductions	Balance 6/30/01	Balance 7/1/00	Additions	Deductions	Balance 6/30/01
\$ 7,423	\$ 8,083	\$ 7,538	\$ 7,968	\$ 7,433	\$ 8,119	\$ 7,572	\$ 7,980
-	91	-	91	-	91	-	91
-	74	-	74	-	120	37	83
208	90	221	77	208	90	221	77
<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>
<u>\$ 7,638</u>	<u>\$ 8,338</u>	<u>\$ 7,766</u>	<u>\$ 8,210</u>	<u>\$ 7,648</u>	<u>\$ 8,420</u>	<u>\$ 7,837</u>	<u>\$ 8,231</u>
\$ 41	\$ 6,067	\$ 5,895	\$ 213	\$ 41	\$ 6,119	\$ 5,947	\$ 213
2,258	5,536	5,689	2,105	2,258	5,536	5,689	2,105
<u>5,339</u>	<u>2,390</u>	<u>1,837</u>	<u>5,892</u>	<u>5,349</u>	<u>2,451</u>	<u>1,887</u>	<u>5,913</u>
<u>\$ 7,638</u>	<u>\$ 13,993</u>	<u>\$ 13,421</u>	<u>\$ 8,210</u>	<u>\$ 7,648</u>	<u>\$ 14,106</u>	<u>\$ 13,523</u>	<u>\$ 8,231</u>

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ACCOUNT GROUPS

General Fixed Assets Account Group

The General Fixed Assets account group is established to record the City's assets other than those accounted for in proprietary fund types or trust funds.

General Long-Term Debt Account Group

The General Long-Term Debt account group is established to account for the principal amount of all general long-term liabilities, excluding those of proprietary fund types and trust funds.

CITY OF STOCKTON

SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE

JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	2001	2000
GENERAL FIXED ASSETS:		
Land	\$ 13,920	\$ 13,890
Buildings and improvements	48,778	48,357
Equipment	1,765	1,693
Construction in progress	<u>33,852</u>	<u>19,577</u>
Total	<u>\$ 98,315</u>	<u>\$ 83,517</u>
INVESTMENT IN GENERAL FIXED ASSETS:		
From governmental fund types	\$ 97,711	\$ 82,913
From other sources	<u>604</u>	<u>604</u>
Total	<u>\$ 98,315</u>	<u>\$ 83,517</u>

CITY OF STOCKTON

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION FOR THE YEAR ENDED JUNE 30, 2001 (Dollar amounts in thousands)

	Balance 7/1/00	Additions	Deletions	Transfers & Adjustments	Balance 6/30/01
General government	\$ 4,172	\$ -	\$ 2	\$ (2)	\$ 4,168
Public safety	12,795	307	1,071	(2)	12,029
Public works	2,353	2	2	-	2,353
Library	8,058	-	16	22	8,064
Parks and recreation	33,129	719	8	2	33,842
Other property	3,433	605	11	(22)	4,005
Municipal utilities	-	-	-	2	2
Construction in progress	<u>19,577</u>	<u>14,279</u>	<u>4</u>	<u>-</u>	<u>33,852</u>
Total	<u>\$ 83,517</u>	<u>\$ 15,912</u>	<u>\$ 1,114</u>	<u>\$ -</u>	<u>\$ 98,315</u>

CITY OF STOCKTON

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION

JUNE 30, 2001

(Dollar amounts in thousands)

	Land	Buildings & Improvements	Equipment	Total
General government	\$ 357	\$ 3,699	\$ 112	\$ 4,168
Public safety	1,355	9,606	1,068	12,029
Public works	66	2,099	188	2,353
Library	1,122	6,873	69	8,064
Parks and recreation	7,989	25,605	248	33,842
Other property	3,031	896	78	4,005
Municipal utilities	-	-	2	2
Construction in progress	<u>-</u>	<u>33,852</u>	<u>-</u>	<u>33,852</u>
Total	<u>\$ 13,920</u>	<u>\$ 82,630</u>	<u>\$ 1,765</u>	<u>\$ 98,315</u>

CITY OF STOCKTON

STATEMENT OF GENERAL LONG-TERM DEBT

JUNE 30, 2001

(With comparative totals for June 30, 2000)

(Dollar amounts in thousands)

	2001	2000
AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
1915 Act Special Assessment Bonds	\$ 10,811	\$ 10,196
Mello-Roos Special Tax Bonds	14,899	13,764
Revenue Bonds	3,112	3,144
Certificates of Participation	1,041	1,054
AMOUNTS TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
1915 Act Special Assessment Bonds	13,195	9,361
Mello-Roos Special Tax Bonds	12,581	14,501
Revenue Bonds	107,893	112,001
Certificates of Participation	13,819	13,806
Compensated Absences	18,402	18,121
Payable from Other Special Revenue Fund	71	71
Payable from Redevelopment Agency	23,619	23,702
Payable from Public Facilities Impact Fees Fund	<u>11,505</u>	<u>12,288</u>
Total	<u>\$ 230,948</u>	<u>\$ 232,009</u>
GENERAL LONG-TERM DEBT:		
Compensated Absences	\$ 18,402	\$ 18,121
Advance payable to General Fund	291	368
Advance payable to Urban Development Actions Grant Fund	4,686	4,686
Advance payable to Community Development Block Grant Fund	10,304	10,304
Advance payable to Community Development Loan Fund	564	564
Advance payable to Public Facilities Impact Fees Fund	8,947	8,947
Advance payable to Capital Improvement Fund	8,573	9,362
Advance payable to Redevelopment Agency	1,830	1,830
Certificates of Participation	14,860	14,860
1915 Act Special Assessment Bonds	24,006	19,557
Mello-Roos Special Tax Bonds	27,480	28,265
Revenue Bonds	<u>111,005</u>	<u>115,145</u>
Total	<u>\$ 230,948</u>	<u>\$ 232,009</u>

STATISTICAL SECTION

The contents of the statistical section are presented for the purpose of additional analysis and are not a required part of the general-purpose financial statements. However, this section does contain data that may provide the viewer with valuable insight regarding the demographics and financial position of the City.

CITY OF STOCKTON

**TABLE 1
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)**

Fiscal Year	General Government	Public Safety	Public Works	Library	Parks and Recreation	Capital Outlay	Debt Service	Total (1)
1992	\$ 10,168	\$ 59,649	\$ 10,442	\$ 8,272	\$ 8,076	\$ 43,578	\$ 17,051	\$157,236 <i>157,236</i>
1993	9,841	61,037	8,721	7,978	8,054	27,087	17,407	140,125 <i>136,097</i>
1994	9,806	63,283	9,393	7,225	8,048	25,554	34,280	157,589 <i>150,992</i>
1995	10,356	67,433	9,359	7,015	8,148	23,970	18,569	144,850 <i>135,493</i>
1996	11,131	69,566	10,912	6,908	7,932	20,098	17,636	144,183 <i>131,827</i>
1997	11,038	77,107	11,264	7,526	8,300	37,214	18,470	170,919 <i>151,584</i>
1998	11,037	79,432	11,152	7,619	8,905	29,315	16,439	163,899 <i>140,527</i>
1999	11,370	80,296	10,059	8,187	9,449	32,199	15,791	167,351 <i>138,225</i>
2000	13,128	85,400	12,183	8,571	10,461	49,950	15,051	194,744 <i>154,295</i>
2001	14,440	91,226	12,721	9,358	11,898	65,957	19,062	224,662 <i>166,996</i>

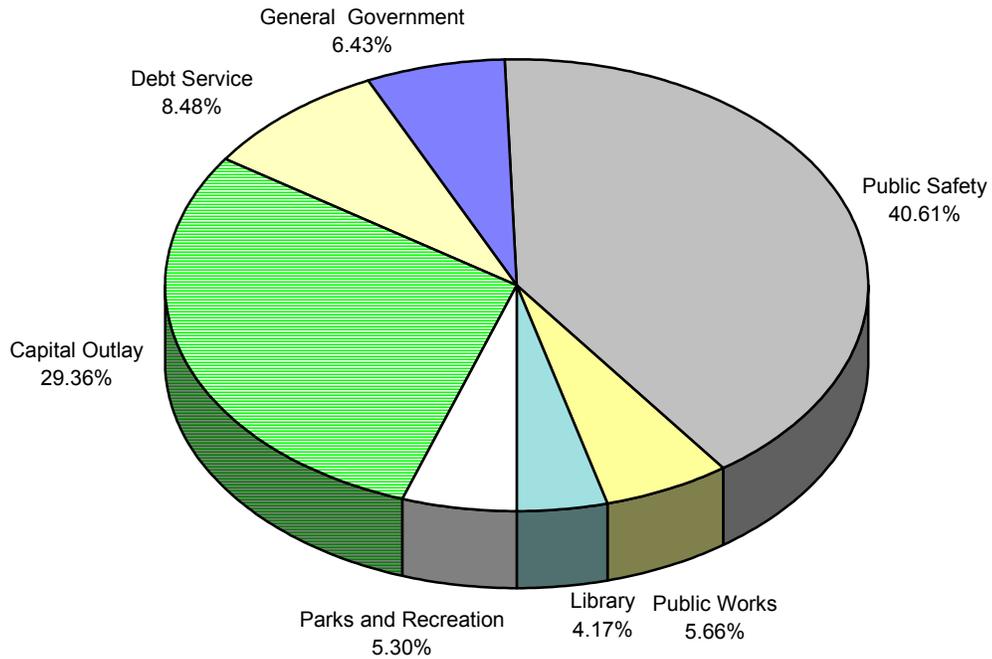
General Governmental Expenditures includes General, Special Revenue, Debt Service and Capital Projects Funds; excludes Expendable Trust Fund.

(1) Italicized numbers represent "constant dollars" based on the annual average (June to July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1992 as the base period (100%). Data provided by the United States Department of Labor, Bureau of Labor Statistics.

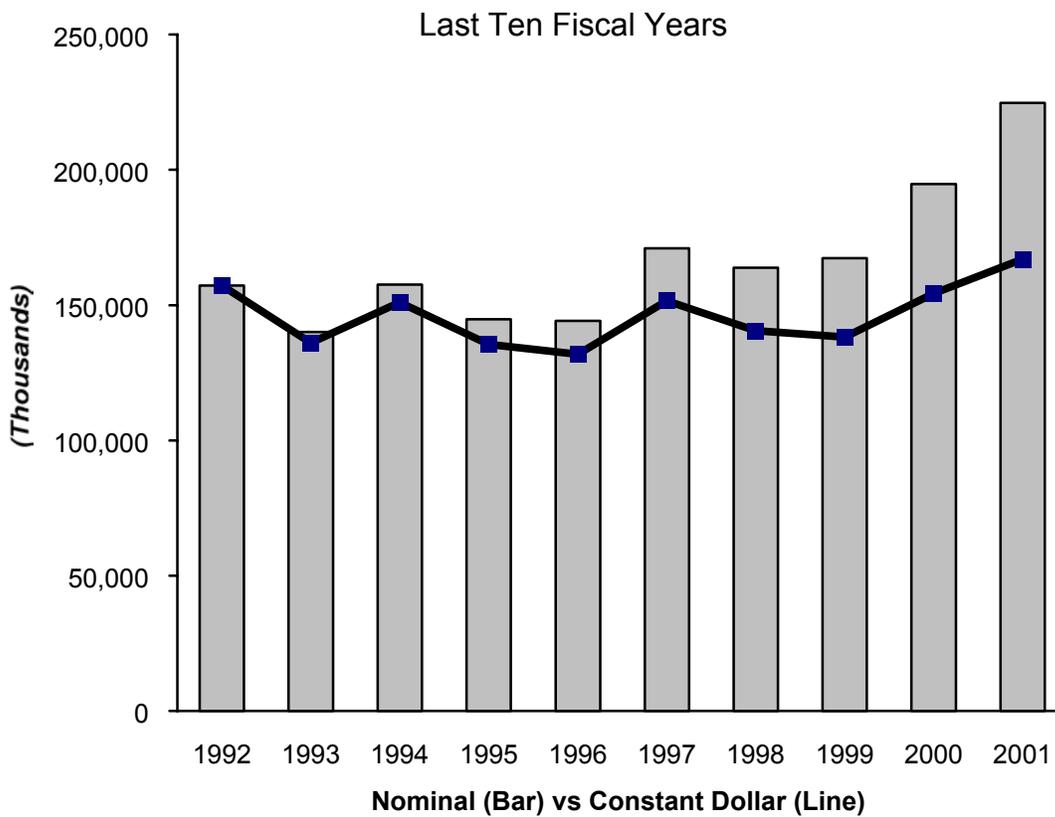
Source: City of Stockton Administrative Services Department

General Governmental Expenditures

By Function
(in Thousands)



Total Expenditures = \$224,662



CITY OF STOCKTON

**TABLE 2
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)**

Fiscal Year	Taxes	Licenses & Permits	Federal Grants & Subsidies	Inter-governmental	Charges for Services	Fines & Forfeitures	Use of Money & Property	Investment Income (1)	Refunds & Reimbursements	Misc .	Total (2)
1992	\$ 76,883	\$ 2,198	\$ 4,565	\$ 16,660	\$ 11,144	\$ 786	\$ 8,030	\$ -	\$ 5,031	\$ 1,773	\$127,070 <i>127,070</i>
1993	84,557	2,216	4,428	16,770	12,799	733	5,980	-	6,514	4,424	138,421 <i>134,442</i>
1994	89,530	2,217	3,301	16,557	14,033	632	4,673	-	2,065	4,060	137,068 <i>131,330</i>
1995	90,481	2,127	6,583	16,898	13,482	575	5,656	-	1,783	3,874	141,459 <i>132,321</i>
1996	89,402	2,281	9,943	17,977	16,051	612	6,809	-	6,611	5,017	154,703 <i>141,446</i>
1997	91,381	2,064	12,996	18,657	16,789	545	1,373	5,861	5,717	4,221	159,604 <i>141,549</i>
1998	93,902	2,337	13,269	26,275	19,051	511	2,170	5,596	988	5,226	169,325 <i>145,180</i>
1999	97,719	2,507	11,838	24,804	20,665	899	1,701	4,501	7,098	5,870	177,602 <i>146,692</i>
2000	103,000	3,333	8,535	38,588	26,044	1,115	1,467	5,494	1,250	6,908	195,734 <i>155,079</i>
2001	117,181	3,758	18,073	40,706	26,557	1,445	1,416	11,893	2,822	5,182	229,033 <i>170,245</i>

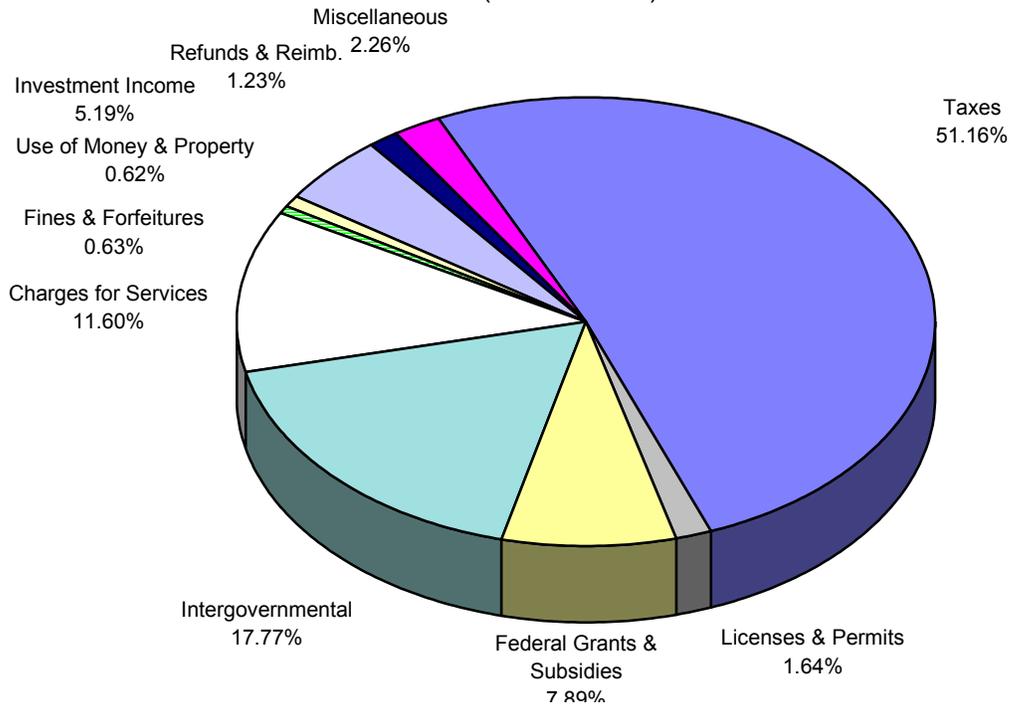
General Governmental Revenues includes General, Special Revenue, Debt Service and Capital Projects Funds; excludes Expendable Trust Fund.

- (1) The recognition of fair value as an element of investment income, beginning in fiscal year 1997 (as restated) is a result of the implementation of GASB 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".
- (2) Italicized numbers represent "constant dollars" based on annual average (June to July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1992 as the base period (100%). Data provided by the United States Department of Labor, Bureau of Labor Statistics.

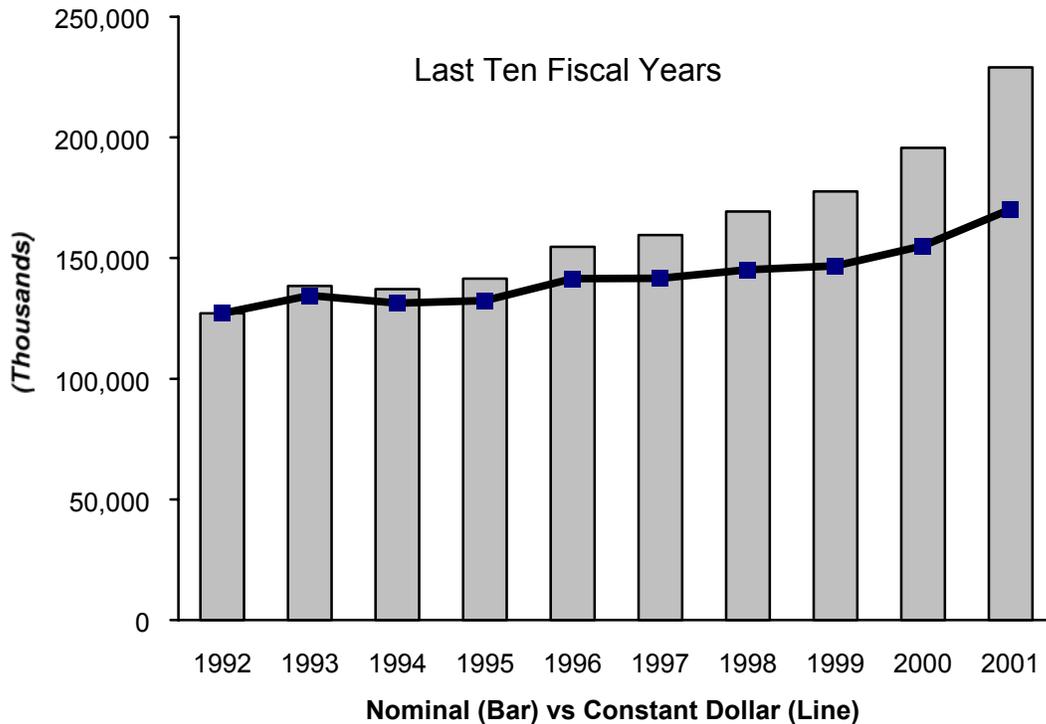
Source: City of Stockton Administrative Services Department

General Governmental Revenues

By Source
(in Thousands)



Total Revenues = \$229,033



CITY OF STOCKTON

**TABLE 2A
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)**

Fiscal Year	Property	Sales & Use	Utility	Franchise	Business License	Transient Occupancy	Document Transfer	OTHER			Total (1)
								Special Assmts.	Transit	Misc.	
1992	\$ 18,231	\$ 20,528	\$ 16,731	\$ 3,097	\$ 4,733	\$ 1,149	\$ 1,092	\$ 11,220	\$ 87	\$ 15	76,883 76,883
1993	17,703	21,017	18,719	3,414	4,990	1,107	1,266	16,237	83	21	84,557 82,126
1994	18,841	22,416	20,466	3,203	4,820	1,044	1,469	17,253	-	18	89,530 85,782
1995	15,684	22,984	21,706	3,935	4,927	1,121	1,395	18,470	176	83	90,481 84,636
1996	16,207	23,710	21,141	3,350	4,964	1,106	1,230	17,439	-	255	89,402 81,741
1997	15,820	23,983	22,271	3,951	5,459	1,136	1,391	17,160	192	18	91,381 81,044
1998	16,270	25,290	22,994	4,056	5,244	1,280	1,689	16,945	114	20	93,902 80,512
1999	16,747	27,265	24,160	4,630	5,714	1,385	1,095	16,591	111	21	97,719 80,712
2000	17,584	31,722	25,468	4,222	6,133	1,559	478	15,680	134	20	103,000 81,606
2001	18,997	36,323	31,188	5,255	6,643	1,994	692	15,877	154	20	117,143 87,075

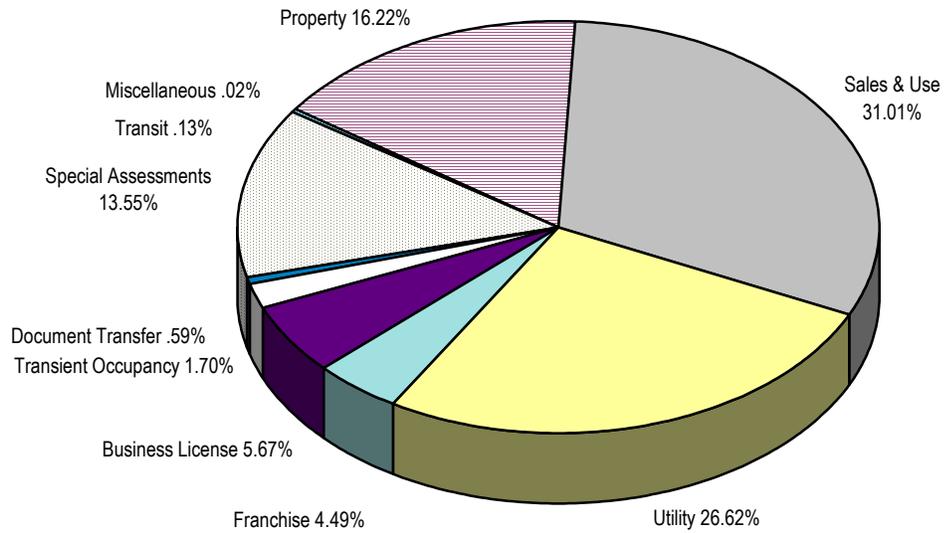
General Governmental Tax Revenues includes General, Special Revenue, Debt Service and Capital Projects Funds; excludes Expendable Trust Fund.

(1) Italicized numbers represent "constant dollars" based on the annual average (June – July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1992 as the base period (100%). Data provided by the United States Department of Labor, Bureau of Labor Statistics.

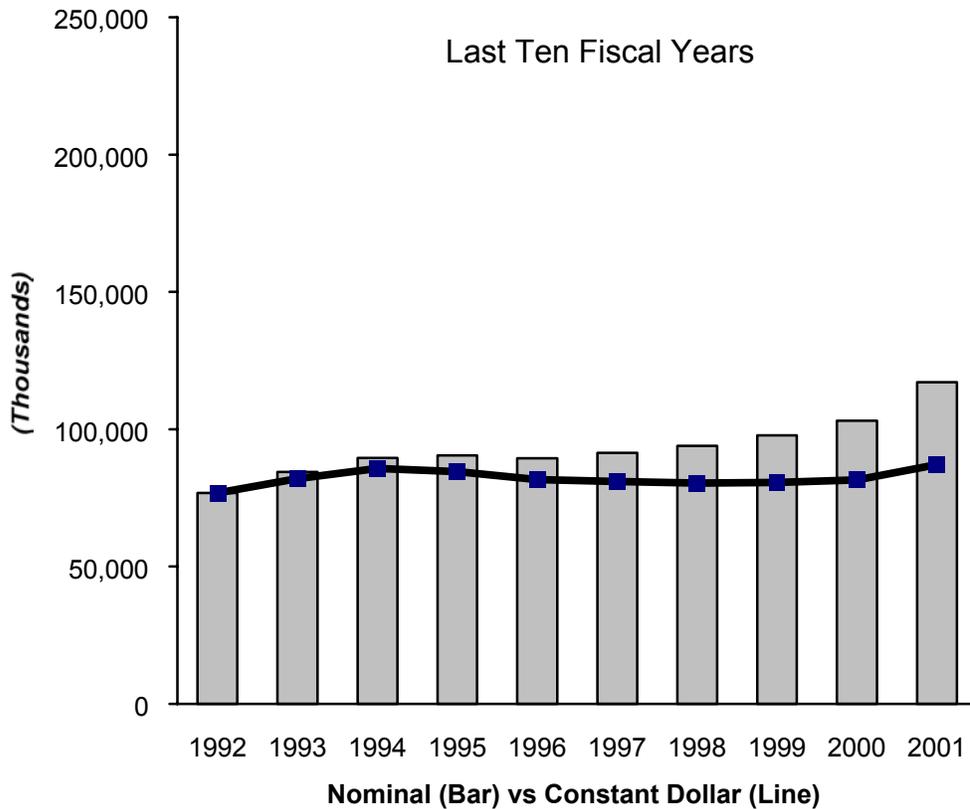
Source: City of Stockton Administrative Services Department

General Governmental Tax Revenues

By Source
(in Thousands)



Total Governmental Tax Revenues = \$117,143



CITY OF STOCKTON

**TABLE 3
SECURED PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected (1)	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Tax Levy
1992	\$ 15,333	\$ 14,567	95.00 %	\$ 595	\$ 15,162	98.88 %
1993	14,758	14,021	95.01	746	14,767	100.06
1994	14,959	13,237	88.49	2,319	15,556	103.99
1995	13,539	13,146	97.10	-	13,146	97.10
1996	13,763	13,763	100.00	-	13,763	100.00
1997	13,626	13,626	100.00	-	13,626	100.00
1998	14,268	14,268	100.00	-	14,268	100.00
1999	14,518	14,518	100.00	-	14,518	100.00
2000	15,164	15,164	100.00	-	15,164	100.00
2001	16,132	16,132	100.00	-	16,132	100.00

(1) Per agreement with San Joaquin County; the County provides the City of Stockton with 100% of the amount owed to the City of Stockton for secured properties, regardless of collection status. In exchange, the County is entitled to 100% of revenues collected for interest and penalties. This agreement is commonly referred to as the Teeter Plan.

Source: San Joaquin County Auditor/Controller's Office

CITY OF STOCKTON

**TABLE 4
ASSESSED FULL CASH VALUE OF ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)**

Fiscal Year	Secured Roll	Mineral	Utility Roll	Unsecured Roll	Gross Assessed Value	Less Exemptions (1)	Net Assessed Value
1992	\$ 6,898,650	\$ 47	\$ 12,390	\$ 695,175	\$ 7,606,262	\$ 621,045	\$ 6,985,217
1993	7,332,787	47	8,628	714,270	8,055,732	640,394	7,415,338
1994	7,701,613	0	10,645	730,770	8,443,029	647,588	7,795,441
1995	7,808,294	0	11,171	755,919	8,575,384	678,052	7,897,332
1996	8,001,731	0	11,523	801,470	8,814,724	710,256	8,104,468
1997	7,995,188	0	11,644	783,505	8,790,337	733,337	8,057,000
1998	8,165,852	0	14,893	786,120	8,966,865	755,604	8,211,261
1999	8,347,987	0	17,038	775,627	9,140,653	780,309	8,360,344
2000	8,719,177	0	15,364	799,923	9,534,464	902,578	8,631,886
2001	10,201,671	0	13,536	834,424	11,049,631	952,815	10,096,816

Fiscal Year	Land	Improvements	Personal Property	Gross Assessed Value	Less Exemptions (1)	Net Assessed Value
1992	\$ 2,080,789	\$ 4,914,778	\$ 610,695	\$ 7,606,262	\$ 621,045	\$ 6,985,217
1993	2,224,227	5,214,891	616,614	8,055,732	640,394	7,415,338
1994	2,308,510	5,511,138	623,380	8,443,029	647,588	7,795,441
1995	2,296,566	5,659,621	619,197	8,575,384	678,052	7,897,332
1996	2,348,413	5,802,491	663,820	8,814,724	710,256	8,104,468
1997	2,297,478	5,848,754	644,105	8,790,337	733,337	8,057,000
1998	2,329,276	5,984,645	652,944	8,966,865	755,604	8,211,261
1999	2,373,758	6,089,228	677,666	9,140,653	780,309	8,360,344
2000	2,439,069	6,384,457	713,937	9,534,464	902,578	8,631,886
2001	2,756,278	7,579,417	713,936	11,049,631	952,815	10,096,816

Note: Net assessed value includes homeowners and other exemptions, and excludes redevelopment area incremental credits.

(1) Exemptions are: homeowners (\$244,560) and other (\$708,255)

Source: San Joaquin County Auditor/Controller's Office

CITY OF STOCKTON

**TABLE 5
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	Basic Countywide Levy	City	Stockton Unified School District (1)	Groundwater Investigation (2)	Total
1992	1.0000 %	0.0028 %	0.0313 %	0.0034 %	1.0375 %
1993	1.0000	0.0027	0.0346	0.0034	1.0407
1994	1.0000	0.0024	0.0304	0.0034	1.0362
1995	1.0000	0.0000	0.0129	0.0034	1.0163
1996	1.0000	0.0000	0.0332	0.0034	1.0366
1997	1.0000	0.0000	0.0223	0.0034	1.0257
1998	1.0000	0.0000	0.0103	0.0034	1.0137
1999	1.0000	0.0000	0.0206	0.0034	1.0240
2000	1.0000	0.0000	0.0003	0.0034	1.0037
2001	1.0000	0.0000	0.0000	0.0000	1.0000

Note: On June 6, 1978, California voters approved an amendment to the Article XIII A of the California Constitution. The amendment, commonly known as Proposition 13, limits the taxing power of California public agencies. The California Legislature enacted legislation to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) providing that local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each county will levy the maximum tax permitted of \$1.00 per 100 of full assessed value

(1) Stockton Unified School District Building Loan Repayment

(2) Approved by the San Joaquin County Board of Supervisors, for testing groundwater quality and investigating causes of contamination. Effective July 1, 2000 Groundwater investigation is being charged as a benefit assessment.

Source: San Joaquin County Tax Rate Book, 2000/01

CITY OF STOCKTON

TABLE 6
PRINCIPAL SECURED PROPERTY TAXPAYERS
June 30, 2001
(Dollar amounts in thousands)

Taxpayer	Nature of Business	2001 Assessed Valuation	Percentage of Total Assessed Valuation
Corn Products, Inc.	Food Processing	\$ 86,039	0.875 %
Diamond Walnut Growers, Inc.	Food Processing	49,843	0.547
Washington Mutual Bank	Office Building	26,896	0.313
TRU Properties	Warehouse	24,664	0.288
Cargill Inc.	Flour Mill	23,609	0.252
American Honda	Warehouse	19,105	0.206
Sumiden Wire Products	Warehouse	17,568	0.189
Iris U S A	Light Industrial	17,545	0.189
Southern Pacific Properties	Railroad	16,920	0.182
Campbell Soup	Food Processing	16,422	0.177
Principal Secured Property Valuation		298,620	3.900
Other Secured Taxpayers		<u>8,978,906</u>	<u>96.100</u>
Total Secured Property Valuation- Net of Exemptions (1)		<u>\$9,277,526</u>	<u>100.000</u>

(1) Exemptions relative to the secured tax roll are: homeowners (\$244,363) and others (\$693,319)

Source: San Joaquin County Assessor's Office

CITY OF STOCKTON

**TABLE 7
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)**

Fiscal Year	Current Assessments Due	Current Assessments Collected	Total Collection As Percentage of Current Assessments Due	Total Outstanding Current and Delinquent Assessments
1992	\$ 12,880	\$ 11,114	86.29%	\$ 1,766
1993	17,677	14,994	84.82	2,631
1994	18,596	16,441	88.41	2,815
1995	18,941	17,869	94.34	2,168
1996	17,241	16,845	97.70	1,909
1997	16,763	16,379	97.71	1,620
1998	15,928	15,928	100.00	1,748
1999	17,546	17,436	99.00	942
2000	16,431	16,318	99.00	887
2001	18,724	18,672	99.72	885

Note: Includes Central Parking District; excludes Water and Sanitary Wastewater Utilities

Source: City of Stockton Administrative Services Department

CITY OF STOCKTON

TABLE 8
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2001
(Dollar amounts in thousands)

Total Assessed Valuation (less other exemptions)	\$10,341,376
Less: Redevelopment Tax Increments	<u>166,026</u>
Basis of Levy	<u>\$10,175,350</u>
Debt Limit - 15 Percent of Assessed Valuation (1)	\$1,551,206
Amount of Debt Applicable to Debt Limit	<u>0</u>
Legal Debt Margin	<u><u>\$1,551,206</u></u>

(1) Section 43605 California Government Code

Source: San Joaquin County Auditor/Controller's Office and California Municipal Statistics

CITY OF STOCKTON

**TABLE 9
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO TAXABLE ASSESSED VALUE AND
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)**

Fiscal Year	Population (1)	Gross Assessed Value	Gross Bonded Debt	Debt Payable from Enterprise Revenue	Net Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1992	221,585	\$ 7,606,262	\$ 265	\$ 0	\$ 265	0.003 %	\$ 1.1959
1993	226,300	8,055,732	135	0	135	0.002	0.5966
1994	228,733	8,443,029	0	0	0	0.000	0.0000
1995	232,770	8,575,384	0	0	0	0.000	0.0000
1996	233,600	8,814,724	0	0	0	0.000	0.0000
1997	236,500	8,790,337	0	0	0	0.000	0.0000
1998	240,100	8,966,865	0	0	0	0.000	0.0000
1999	243,700	9,140,653	0	0	0	0.000	0.0000
2000	247,300	9,534,464	0	0	0	0.000	0.0000
2001	251,100	11,049,631	0	0	0	0.000	0.0000

2000 Federal Census Population – 243,771

(1) Population data estimates are as of January 1 of the corresponding year and are not in thousands.

Source: State of California, Department of Finance, Demographic Research Unit
City of Stockton Administrative Services Department
San Joaquin County Auditor/Controller's Office

CITY OF STOCKTON

TABLE 10
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1992	\$ 125	\$ 14	\$ 139	\$ 157,236	0.088%
1993	130	9	139	140,125	0.099
1994	135	3	138	157,589	0.087
1995	0	0	0	144,850	N/A
1996	0	0	0	144,183	N/A
1997	0	0	0	170,919	N/A
1998	0	0	0	163,899	N/A
1999	0	0	0	167,351	N/A
2000	0	0	0	194,744	N/A
2001	0	0	0	224,489	N/A

Source: City of Stockton Administrative Services Department

CITY OF STOCKTON

**TABLE 11
DIRECT AND OVERLAPPING BONDED DEBT (1)
June 30, 2001**

<u>OVERLAPPING TAX AND ASSESSMENT BONDED DEBT (1)</u>	Percentage Applicable to City	City Share of Debt
Lincoln Unified School District Community Facilities District #1	86.433 %	\$ 14,684,967
Manteca Unified School District Community Facilities District #89-1	100.000	11,290,000
City of Stockton Parking District	100.000	7,005,000
City of Stockton Community Facilities District #1	100.000	35,575,000
City of Stockton Community Facilities District #90-1	97.282	13,293,585
City of Stockton Community Facilities District #90-2	100.000	35,290,000
City of Stockton Community Facilities District #90-4	100.000	15,559,654
City of Stockton Community Facilities District #96-1	100.000	5,060,000
City of Stockton Community Facilities District #99-02	100.000	2,085,000
City of Stockton 1915 Act Bonds	100.000	54,545,000
Reclamation District #2042 Community Facilities District No. 2000-1	18.211	1,501,468
San Joaquin Area Flood Control Assessment District	84.019	39,686,375
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 235,576,049
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</u>		
San Joaquin County Certificates of Participation	34.230 %	\$ 58,726,700
San Joaquin Delta Community College District Certificates of Participation	31.377	2,099,121
Lincoln Unified School District Certificates of Participation	86.433	3,336,314
Lodi Unified School District Certificates of Participation	22.137	2,011,146
Stockton Unified School District Certificates of Participation	84.095	13,366,900
City of Stockton Certificates of Participation	100.000	30,550,000
South San Joaquin Irrigation District Certificates of Participation	0.207	17,957
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		\$ 110,108,138
Less: South San Joaquin Irrigation District (100% self supporting)		(17,957)
City of Stockton Water Enterprise Certificates of Participation (100% self supporting)		(15,690,000)
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		\$ 94,400,181
Total Gross Debt		\$ \$345,684,187 (1)
Total Net Debt		\$ <u>\$329,976,230</u>

2000-01 Assessed Valuation: \$ 8,622,937,286
(after deducting \$166,026,334 redevelopment incremental valuation and other exemptions of \$693,318,833)

2000-01 Population 251,100

Debt Ratios		Per Capita	Ratio to Assessed Value	
Total Gross Debt	\$ 345,684,187	\$ 1,377	4.01	%
Total Net Debt	\$ 329,976,230	\$ 1,314	3.83	%

State School Building Aid Repayment as of 6/30/01 \$ 26,073

(1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations

Source: California Municipal Statistics, Inc. San Francisco, CA
San Joaquin County Auditor/Controller's Office
State of California, Department of Finance, Demographic Research Unit

CITY OF STOCKTON

**TABLE 12
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Square Miles	Population	Population Percent Change	County	City Population Percent of County	Rank in Size of California City
1992	55.10%	221,585	3.015%	502,031	44.138%	12
1993	55.50	226,300	2.128	514,500	43.984	12
1994	55.50	228,733	1.075	522,300	43.793	12
1995	55.50	232,770	1.765	530,700	43.861	12
1996	55.50	233,600	0.357	529,300	44.134	12
1997	55.50	236,500	1.241	535,400	44.173	12
1998	55.90	240,100	1.522	545,200	44.039	12
1999	56.49	243,700	1.499	554,400	43.960	12
2000	56.49	247,300	1.477	566,600	43.646	12
2001	57.74	251,100	1.537	583,700	43.019	13

2000 Federal Census Population: 243,771 (City)
563,598 (County)

Note: Population estimates are as of January 1 of the corresponding year and are not in thousands.

Source: City of Stockton Community Development Department
State of California, Department of Finance, Demographic Research Unit
San Joaquin Council of Governments

CITY OF STOCKTON

**TABLE 13
CONSTRUCTION ACTIVITY AND BANK DEPOSITS
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)**

Fiscal Year	Building Permits Issued	Percent Change	Estimated Valuation	Percent Change	Deposits: Banks Savings & Loans Credit Unions (1)	Percent Change
1992	5,097	-4.871%	\$ 158,443	-33.511%	\$ 3,446,481	-4.581%
1993	4,890	-4.061	173,374	9.424	3,157,126	-8.396
1994	4,783	-2.188	191,629	10.529	3,008,735	-4.700
1995	4,775	-0.167	149,383	-22.046	3,240,633	7.707
1996	5,841	22.325	211,338	41.474	2,905,214	-10.350
1997	5,730	-1.900	211,016	-0.152	3,029,472	4.277
1998	5,514	-3.770	236,854	12.245	3,228,462	6.568
1999	6,321	14.635	277,659	17.228	4,729,720	46.501
2000	7,397	17.023	406,693	46.472	4,671,407	-1.233
2001	7,459	0.838	437,740	7.634	N/A	N/A

(1) Current fiscal year data becomes available the following year

Source: City of Stockton Community Development Department
The Findlay Reports on Financial Institutions, Anaheim, California

CITY OF STOCKTON

**TABLE 14
MISCELLANEOUS STATISTICS
June 30, 2001**

GEOGRAPHICAL LOCATION

Situated 345 Miles north of Los Angeles and 78 Miles east of San Francisco, Stockton is nestled between the Sierra Nevadas and the Pacific Ocean. It is the seat of San Joaquin County, which is in the heart of the San Joaquin Valley – one of the world's most productive agricultural regions.

<u>GENERAL</u>		<u>POLICE PROTECTION</u>		<u>PUBLIC EDUCATION FACILITIES</u>	
Date of Incorporation	July 25, 18550	<u>Personnel:</u>		Elementary Schools	46
City Charter Adopted	January 15, 1889	Sworn	401	Enrollment	30,001
Form of Government	Council-Manager	Non-Sworn	171	K-8 Schools	8
Area/Square Miles	57.74	Animal Control	14	Enrollment	5,259
Elevation	23	Reserve/Volunteer		Secondary Schools	11
		Police Officers	24	Enrollment	8,079
		Other Volunteers (VIPS)	59	High Schools	10
<u>LAND USE – SQUARE MILES</u>		<u>Facilities:</u>		Enrollment	14,553
Residential	16.00	Stations and Substations	4	Special Education	1
Commercial	2.94	Animal Control Facility	1	Enrollment	78
Industrial	6.25	Police Training Facility	1	Alternative Education and Occupational	
Institutional	7.78	<u>Vehicles:</u>		Training classes are offered at many of	
Vacant/Agricultural	17.00	Automobiles	205	the facilities listed above.	
All Other Use	7.77	Motorcycles	19		
		Animal Control Vehicles	9	<u>COLLEGES & UNIVERSITIES</u>	
<u>PUBLIC WORKS</u>		VIPS Vehicles	10	Junior Colleges	1
Miles of Streets	674	Other Mobile Units	59	4-Year Colleges	5
Miles of Storm Sewers	510			4-Year Colleges (Satellite Campuses)	3
Miles of Sanitary Sewers	1,180	<u>FIRE PROTECTION</u>			
Miles of Water Lines	626	Firefighters- Sworn	229	<u>CULTURE & RECREATION</u>	
Traffic Signals	262	Firefighters- Auxiliary	30	Parks and Squares	53
		Non-Sworn Personnel	28	Park Acreage	540
<u>LIBRARIES</u>		Paramedic Teams (2/Team)	12	Boating Facilities- Lane	10
Central Library	1	Fire Stations	12	Municipal Golf Courses	4
Branches	3	Training Facilities	1	Golf Course Acreage	408
Library Mobile Units	2	Fire Insurance Class	1	Family Camps	1
S.J. County Branches	6	Fire Hydrants	7024	Museums	1
Total Volumes Held	1,722,301			Children's Activities	2
		<u>EMPLOYEES- ALL DEPARTMENTS</u>		Civic Auditorium (2,800 capacity)	1
<u>BUSINESS TAX CERTIFICATES</u>		Full Time-Civil Service	1,480	Senior Citizens Centers	3
Retail Sales & Service	7,484	Full Time- Noncompetitive	147	Ice Rinks	1
Wholesalers	315	Part Time- Exempt	970	Community Centers	6
Manufacturers & Processors	147	Total	2,597	Swimming Pools	4
Professions	1,974			Baseball/Softball-Diamonds	40
Misc. Contractors, Peddlers,		<u>HOSPITALS</u>		Tennis Courts	60
Delivery Vehicles, etc.	4,045	Acute Care Facilities	2		
		Patient Beds	485		
<u>DEMOGRAPHIC</u>					
Number of Housing Units	82,798				
Median Family Income	46,900				

Sources: City of Stockton, San Joaquin County Registrar of Voters, San Joaquin County Office of Education

CITY OF STOCKTON

**TABLE 15
SCHEDULE OF INSURANCE IN FORCE
June 30, 2001**

(continues)

Type of Coverage	Company	Period	Amount/Limits
GENERAL LIABILITY EXCESS	California Joint Powers Authority	07/01/2000 to 07/01/2001	\$5,000,000 XS SIR
WORKER'S COMP EXCESS	Continental Casualty	01/01/2001 to 06/30/2002	\$10,000,000 - per Accident/per employee \$1,000,000 - employer's Liability
PROPERTY COVERAGE Including Library Comprehensive Business Policy	US Fidelity & Guaranty	07/01/1999 to 07/01/2001	\$5,000,000
BOILER & MACHINERY	Hartford Steam Boilers	07/01/2000 to 07/01/2001	\$21,250,000
SWIMMING POOL INSURANCE	Scottsdale Insurance Co	05/15/2001 to 09/15/2001	\$100,000 CSL GI, PL incl \$100,000 Aggregate
ADMIN SERVICES OFFICER/ACCT MGR BOND	The Hartford	07/08/2000 to 07/08/2003	\$100,000
EMPLOYEES BLANKET BOND	Travelers	09/22/2000 to 09/22/2003	\$500,000 \$65,000 inside premises \$25,000 outside premises
PUBLIC OFFICIAL BOND	Continental Insurance	01/01/2001 to 01/01/2002	\$5,000
BLANKET NOTARY	Western Surety	04/19/2001 to 04/18/2002	\$100,000
MEDICAL PLAN STOP LOSS AND CONVERSION PLAN	Zenith Administrators & U.L.L.I.C.O.	05/01/2001 to 04/30/2002	\$825,000 per covered individual per coverage year
TRAVEL POLICY Accident Insurance	AIG Life Insurance	01/24/2001 to 01/24/2002	\$200,000 per person \$600,000 per accident
TRAVEL POLICY Accident Insurance	AIG Life Insurance	03/05/2001 to 03/05/2002	\$200,000 per person \$600,000 per accident

Deductible	Premium	Details of Coverage
\$ 1,000,000 SIR	\$ 466,946.00	Excess auto-comp, general liability errors and omissions liability and excess non-owned aircraft liability
\$ 250,000 each Accident, each Employee	\$ 0.1527/\$100.00 Payroll	Covers worker's comp claims in excess of self-insured retention
\$ 25,000	\$ 43,500.83	Real/personal property, rental value, extra expense, leasehold interest, valuable papers & records, A/R, fine arts, transit, demolition, and increased cost of construction. Automatic acquisition for the perils of all risk.
\$ 5,000	\$ 6,436.00	Boilers; compressed air storage tanks
\$ 0	\$ 18,069.50	OL&T liability coverage owned, non-owned pools (6)
\$ 0	\$ 500.00	Public Official's Bond
\$ 10,000 \$ 2,500	\$ 10,708.00	Employee dishonesty, forgery, FP, theft, & disappearance
\$ 0	\$ 700.00	Faithful performance by Council members
\$ 0	\$ 1,650.00	Errors and omissions
\$ 190,000 per covered Individual per coverage Year	\$ 19.33 –19.66 per active Employee (or under 65 retiree) per month \$ 6.18-6.42 per retiree over 65 per month	Medical plan claims in excess of self-insured retention, and conversion benefit plan option
\$ 0	\$ 2,017.50	Travel accident coverage when on City business for management employees
\$ 0	\$ 735	Travel accident coverage when on City business for non-management employees