



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

CITY OF STOCKTON, CALIFORNIA

The Seal of the City of Stockton featuring the tule elk was originally designed and adopted by the City Council in 1851. The design also portrays a sailing vessel on the San Joaquin River and mountains in the background. It has been common belief that the mountains portray Mt. Diablo to the west; however, research indicates that they may be the Sierra Nevadas to the east. We leave this presumption to the viewer.

Through the years, several changes were made in an attempt to modernize the appearance of the tule elk.

To bring back a part of Stockton's early history, the City Clerk suggested, and the Stockton City Council approved the reversion to the original seal in March 1994.

The City Seal is used with permission of the City Clerk of the City of Stockton



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

CITY OF STOCKTON, CALIFORNIA

FOR THE FISCAL YEAR ENDED JUNE 30, 1996

***Prepared and Issued by
The Finance Department***

***L. PATRICK SAMSELL
Director of Finance***

Stockton



INTRODUCTORY SECTION

CITY OF STOCKTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 1996

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CITY OF STOCKTON

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FINANCE DEPARTMENT
CITY HALL
425 NORTH EL DORADO STREET
STOCKTON, CA 95202-1997

December 4, 1996

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

In accordance with the provisions of Section 11, Article XXII of the City Charter, I hereby submit the Comprehensive Annual Financial Report of the City of Stockton, California for the fiscal year ended June 30, 1996. This report was prepared by the City's Finance Department. 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 includes this transmittal letter, financial presentation awards, the government's organization chart and list of principal officials. The financial section includes the general purpose financial statements and the combining individual fund and account group financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

THE REPORTING ENTITY AND ITS SERVICES

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 deemed dependent upon the City and controlled by the City Council. Component units are legally separate entities for which the primary government is financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the primary governments' operations and are included as part of the primary government for financial reporting purposes. Accordingly, the Redevelopment Agency, Stockton Recreation Corporation, and Stockton Public Financing Authority are reported as part of the Capital Projects and Enterprise funds of the primary government.



Discretely presented component units are reported separately in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operation, and cash flows from those of the primary government. The Central Parking District and Stockton-Vacaville Home Financing Authority are reported as discretely presented component units.

The City provides the full range of municipal services contemplated by the statute or charter. These include public safety (police, fire, paramedics, building), sanitation (solid waste disposal, sanitary wastewater and stormwater utility), water utility, community development, library, parks and recreation, and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

- The summary of local economy development continues to improve. The latest unemployment rates published are the best in five years. This is also true for California as a whole.

Agriculture production continues at record levels with over \$1.2 billion in crop value. For the first time, grape production has supplanted dairy products as the number one crop. Almonds, tomatoes, and walnuts follow in that order.

Real estate continues to improve slowly. Residential construction surged with an increase of 33% in building permits during the first six months of 1996. A total of 1312 housing units had permits issued. Supporting this increase are lower interest rates, new job creation, especially in the retail sector, and a net migration to the county.

- The State's economy is predicted to produce employment growth of 3% per year through 1997, with Stockton and San Joaquin County near the middle of the pack. With demand for California's exports rising, Stockton's growing reputation as a warehousing and distribution center should serve well. Stockton and San Joaquin County will also benefit from the fact they are near the two fastest job growth areas in the State, San Jose and Sacramento.

Consumer confidence in the county, however, remains somewhat lukewarm for the present with somewhat better expectations for the remainder of the year.

MAJOR INITIATIVES

The specific new or expanded activities in the General Fund portion of the budget which reflect the City Council's goals are:

- Add six police officer positions to the police department from the 1995/96 Federal Grant funding, including four police officers for the School Resource Program, and two in Juvenile Investigations - Truancy and Child Abuse/Sexual Units.

- Add one Crime Analyst staff position to the police department to increase efforts in the Safe Stockton Program by updating crime statistics in the land master computer system files for immediate use by police officers in the field.
- Add two positions to complete the addition of a second full-time recreation employee at each of the six community centers to improve recreation outreach programs and one position to expand and coordinate the Safe Youth After School Programs.
- Focus efforts toward creating a new waterfront through reallocation of staff and resources from the Public Works, Economic Development, Housing and Redevelopment, and Parks and Recreation departments.
- Add two Code Enforcement positions to assist with removal of blight, improvement of property maintenance, as well as the Graffiti Clean-up Program.

For the Future

Major initiatives for the future center around two major areas. Waterfront revival in the downtown area and wastewater treatment plant expansion due to growth and more stringent State and Federal regulations.

The waterfront improvement is intended to be the cornerstone of a totally revitalized downtown area. It is planned to include public and private sector investment and will be undertaken during the next five years.

The wastewater treatment plant expansion will provide an additional \$150 million primarily from bond proceeds for improvements to the main plant.

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 governments' 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, 1996, and the amount and percentage of increase and decrease in relation to prior year revenues.

<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1995</u>	<u>Percent Increase (Decrease)</u>
Taxes				
Property	\$ 16,207	10.48%	\$ 523	3.33%
Sales and Use	23,710	15.33	726	3.16
Utility	21,141	13.67	(565)	(2.60)
Franchise	3,350	2.17	(585)	(14.87)
Business License	4,964	3.17	51	1.05
Other	20,030	12.99	(1,229)	(5.76)
Licenses and Permits	2,281	1.47	154	7.24
Federal Grants and Subsidies	9,943	6.43	3,360	51.04
Intergovernmental	17,977	11.62	1,079	6.39
Charges for Services	16,051	10.38	2,569	19.06
Fines and Forfeitures	612	.40	37	6.43
Use of Money and Property	6,809	4.40	1,153	20.39
Refunds and Reimbursements	6,611	4.27	4,828	270.78
Miscellaneous	5,017	3.24	1,143	29.50
	<u>\$ 154,703</u>	<u>100.00%</u>	<u>\$ 13,244</u>	<u>9.36%</u>

Property, sales and use, and utility taxes increased by 1.13 percent or \$684, and they continue to be a major source of revenue. The increase in the refunds and reimbursements category is attributed to a credit from the Public Employees' Retirement System.

Net assessed full cash value of all taxable property was \$8,104,468 and increased 2.62 percent over the preceding year.

Current year's secured tax collections were 100.00% of the tax levy. For the last ten years, percent of current taxes collected to tax levy, ranged from 88.49 percent to 100.00 percent, and due to the teeter plan, the amount collected in relation to the secured property tax levy will continue to be at 100.00%.

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, 1996, and the percentage of increase and decrease in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1995</u>	<u>Percent Increase (Decrease)</u>
Current:				
General Government	\$ 11,131	7.72%	\$ 775	7.48%
Public Safety	69,566	48.27	2,133	3.16
Public Works	10,912	7.57	1,553	16.59
Culture and Recreation	14,840	10.30	(323)	(2.13)
Capital Outlay	20,098	13.90	(3,812)	(15.94)
Debt Service				
Principal	5,082	3.53	(778)	(13.28)
Interest and				
Fiscal Charges	12,554	8.71	(155)	(1.22)
	<u>\$ 144,183</u>	<u>100.00%</u>	<u>\$ (607)</u>	<u>(.42)%</u>

Total expenditures decreased by .42 percent or \$607. The decrease in expenditures is due primarily to cost cutting measures and completion of some capital projects.

General Fund Balance

The fund balance of the general fund decreased by \$1,347. The decrease can be attributed to an increase in operating transfers out to fund library operations, and to provide funding for the loan to the San Joaquin Area Flood Control Agency for pre-construction costs. The unreserved fund balance of \$11,722 is 8.13 percent of fiscal year 1995/96 total expenditures.

ENTERPRISE OPERATIONS (Excluding Stockton-Vacaville Home Financing and Central Parking District)

Fiscal year 1995/96 ended with a total net increase of \$13,983 in total fund equity, 7.35 percent more than last year. An increase in utility user charges accounts for most of the net increase. The increase also reflects a prior period adjustment of \$4,008 (See note 2 of the general purpose financial statements)

Selected financial data for the current fiscal year are presented below:

	<u>Water</u>	<u>Sanitary Wastewater</u>	<u>Stormwater</u>	<u>Solid Waste</u>	<u>Golf Courses</u>
Operating Revenue	\$ 11,401	\$ 25,129	\$ 4,022	\$ 5,941	\$ 1,703
Operating Income	2,018	636	425	747	150
Bonds and Other Long-Term Liabilities Payable From Operating Revenue	19,150	65,948	1,763	6,895	--
Net Book Value of Fixed Assets	47,753	132,943	26,691	1,114	1,367
Total Assets	62,997	200,944	32,979	8,730	1,844
Fund Equity	42,083	128,261	31,033	1,215	1,661

FIDUCIARY OPERATIONS

The City contributed to the Public Employees' Retirement System (PERS) \$11,784 (for employer and employees). The gross reportable payroll for employees covered by PERS was \$67,690. The 1995/96 combined employer-employee rates as a percentage of payroll are as follows:

Miscellaneous Members	16.140%
Public Safety	
Police	18.934
Fire	18.934

The contribution rates will meet all ongoing costs and fund the unfunded actuarial liabilities for miscellaneous employees by the year 2011.

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 1995/96, the City had no net general obligation bonded debt.

CASH MANAGEMENT

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 operates 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 U. S. 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 \$11,589. \$1,181 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 \$325 with excess coverage to \$10,000. General liability is self-insured to \$1,000 with excess coverage to \$10,000. 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 Deloitte and Touche 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 of 1984 and related Circular A-128. The auditors' 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, 1995. 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 seven 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 fifth consecutive year from the California Society of Municipal Finance Officers (CSMFO) for its CAFR for the fiscal year ended June 30, 1995. 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 Division and the entire Finance Department takes great pride in the preparation of this report. The professional expertise and commitment of John Geer, Deputy Director of Finance, and the efforts of all of the Accounting staff under the direction of Janet Salvetti, Accounting Manager and Cathy Lucas, Supervising Accountant, continue to make this presentation possible.

I would also like to thank 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,

A handwritten signature in black ink, appearing to read "L. Patrick Samse", written in a cursive style.

**L. PATRICK SAMSELL
DIRECTOR OF FINANCE**

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, 1995. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local governments financial reports.

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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, 1995**

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.



Arthur R. Lynch
President
Jeffrey L. Esser
Executive Director



Mayor
Richard T. Dixon

Mayor Pro Tem
Helen Wilson

Council Members
Peter Herzog
Kathryn McCullough
Ann Van Haun

City Manager
Robert C. Dunek

City Clerk
Jeri L. Stately

Mr. L. Patrick Samsell
Director of Finance
City of Stockton
425 North El Dorado Street
Stockton, CA 95202

Dear Patrick:

Congratulations! Your 1994-95 Comprehensive Annual Financial Report (CAFR) has qualified for an Award for Outstanding Financial Reporting from the California Society of Municipal Finance Officers (CSMFO).

A list of comments and suggestions, based on our review, is enclosed. These comments will assist you in the preparation of your 1995-96 CAFR.

Your efforts to enhance the quality of financial reporting by municipalities in California are recognized and appreciated by your peers. We hope you will continue to participate in this program.

Sincerely,

David A. Bass
Chairman, CSMFO Professional
and Technical Standards Committee

DAB/te

Enclosure

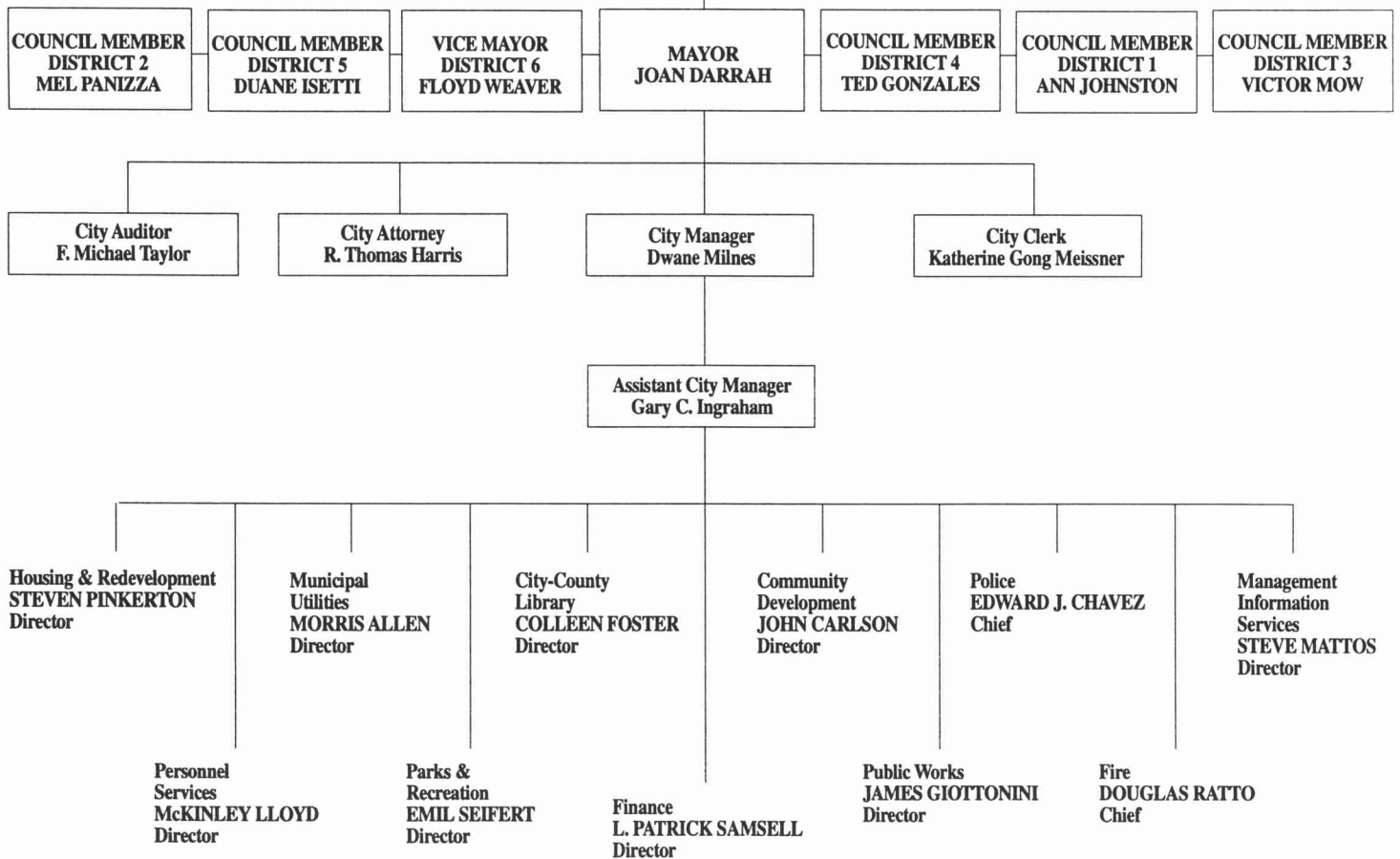


23778 Mercury Road
Lake Forest, CA 92630
(714) 707-5583
FAX (714) 707-5723

CITY OF STOCKTON
ORGANIZATION CHART / LIST OF PRINCIPAL OFFICIALS
JUNE 30, 1996

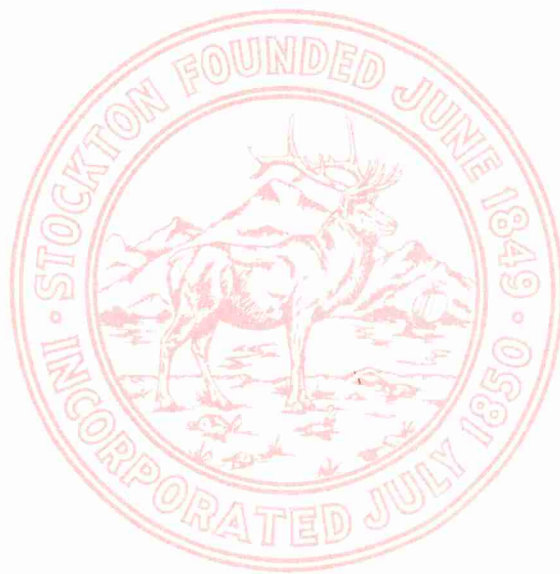
CITIZENS OF STOCKTON

CITY COUNCIL





Stockton



FINANCIAL SECTION
Combined Statements - Overview

FINANCIAL SECTION

Combined Statements - Overview

These 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 - Overview

Primary Government

Governmental Fund Types

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

Proprietary Fund Types

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

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, City as Agent and Deferred Compensation Plan.

Account Groups

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

Component Units

Discretely presented component units represent implementation of GASB 14. Component units presented in this manner are briefly described below.

Central Parking District

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

Stockton-Vacaville Home Financing Authority

To account for home mortgage loans issued to incorporated areas of the two cities, and the repayment of mortgage revenue bonds which were authorized and issued to finance the home mortgage loans.





INDEPENDENT AUDITORS' REPORT

The Honorable City Council
City of Stockton, California

Suite 300
Fig Garden Financial Center
5260 North Palm
Fresno, California 93704

Telephone: (209) 449-6300
Facsimile: (209) 431-5244

We have audited the accompanying general purpose financial statements of the City of Stockton, California (the "City") as of June 30, 1996, and for the year then ended, listed in the foregoing 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 generally accepted auditing standards and 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the City as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 25, 1996 on our consideration of the City's internal control structure and a report dated October 25, 1996 on its compliance with laws and regulations.

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 foregoing 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. These financial statements and schedules are also the responsibility of the management of the City. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical section listed in the foregoing 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 on it.

Deloitte + Touche LLP

October 25, 1996

**Deloitte Touche
Tohmatsu
International**

CITY OF STOCKTON

COMBINED BALANCE SHEET ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS JUNE 30, 1996 (With comparative totals for June 30, 1995) (Dollar amounts in thousands)

	Governmental Fund Type				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
ASSETS AND OTHER DEBITS						
ASSETS:						
Cash and temporary investments	\$ 8,770	\$10,163	\$12,357	\$59,150	\$ 42,482	\$25,839
Cash with fiscal agents	69	-	8	3,190	489	-
Receivables:						
Interest	260	90	-	698	619	-
Taxes and special assessments	43	-	1,910	-	-	-
Accounts and other receivables	5,726	5	195	2,093	6,541	511
Allowance for uncollectibles	(451)	-	-	-	(903)	(56)
Prepaid expenses	-	-	-	-	-	205
Due from other funds	773	-	-	4,678	1,000	-
Due from other governments	6,109	3,325	2,669	58	180	-
Due from other agencies	4,700	-	-	-	-	-
Inventory of supplies	249	-	-	-	1,208	-
Restricted assets:						
Cash and temporary investments	-	-	-	-	4,343	-
Cash and temporary investments with fiscal agents	-	-	-	-	36,359	-
Interest receivable	-	-	-	-	374	-
Accounts and other receivables	-	-	-	-	27	-
Deposits	-	-	-	47	-	-
Loans receivable	-	-	-	-	164	-
Advances to other funds	546	15,098	-	13,875	385	-
Advances to other agencies	1,600	-	-	-	-	-
Advances to property owners	-	20,994	-	40	-	-
Property held for resale	-	69	-	-	-	-
Net fixed assets	-	-	-	-	212,868	13,296
Deferred charges	-	-	-	-	1,358	61
OTHER DEBITS:						
Amount available in the debt service and capital project funds	-	-	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-	-	-
Total assets and other debits	<u>\$ 28,394</u>	<u>\$ 49,744</u>	<u>\$ 17,139</u>	<u>\$ 83,829</u>	<u>\$ 307,494</u>	<u>\$ 39,856</u>

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

Fiduciary Fund Types Trust and Agency	Account Groups		Primary Government Totals (Memorandum Only)	Discretely Presented Component Units		Reporting Entity Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt		Central Parking District	Stockton- Vacaville Home Financing Authority	1996	1995 (As restated)
\$75,653	\$ -	\$ -	\$234,414	\$ 1,265	\$ -	\$235,679	\$220,535
-	-	-	3,756	10	-	3,766	5,807
-	-	-	1,667	25	-	1,692	1,412
-	-	-	1,953	-	-	1,953	2,234
180	-	-	15,251	30	-	15,281	13,179
-	-	-	(1,410)	(3)	-	(1,413)	(639)
-	-	-	205	-	-	205	97
-	-	-	6,451	-	-	6,451	2,824
9	-	-	12,350	97	-	12,447	11,055
-	-	-	4,700	-	-	4,700	-
-	-	-	1,457	-	-	1,457	1,381
-	-	-	4,343	778	-	5,121	4,306
-	-	-	36,359	45	-	36,404	47,324
-	-	-	374	-	-	374	712
-	-	-	27	-	-	27	2
-	-	-	47	-	-	47	47
-	-	-	164	-	-	164	181
-	-	-	29,904	-	-	29,904	28,897
-	-	-	1,600	-	-	1,600	-
-	-	-	21,034	-	-	21,034	16,915
-	-	-	69	-	-	69	52
-	60,387	-	286,551	13,244	-	299,795	277,467
-	-	-	1,419	80	-	1,499	1,556
-	-	26,058	26,058	-	-	26,058	24,124
-	-	185,846	185,846	-	-	185,846	182,229
\$ 75,842	\$ 60,387	\$ 211,904	\$ 874,589	\$ 15,571	\$ -	\$ 890,160	\$ 841,697

CITY OF STOCKTON

COMBINED BALANCE SHEET ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS JUNE 30, 1996 (With comparative totals for June 30, 1995) (Dollar amounts in thousands)

	Governmental Fund Type				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
LIABILITIES, EQUITY AND OTHER CREDITS						
LIABILITIES:						
Accounts payable	\$ 1,347	\$ 887	\$ -	\$ 1,390	\$ 4,590	\$ 819
Accrued payroll and benefits	2,906	-	-	-	-	-
Due to other funds	4,700	868	-	883	-	-
Due to other governments	-	399	-	30	51	-
Due to other agencies	130	-	-	-	-	-
Deposits and other liabilities	3	528	-	3	811	-
Matured bonds and interest payable	-	-	8	3	20	-
Accrued interest	-	-	-	-	1,747	-
Long-term debt - current	-	-	-	-	1,606	5,860
Compensated absences - current	-	-	-	-	844	141
Deferred revenue	3,347	-	1,910	-	1	1
Compensated absences - long-term	-	-	-	-	1,421	290
Advances from other funds	-	-	-	-	385	-
Advances from other governments	-	-	-	-	2,597	-
Certificates of participation	-	-	-	-	74,850	-
Lease obligation - long-term	-	-	-	-	-	181
Water extension agreements	-	-	-	-	27	-
Bonds payable and other long-term debt	-	-	-	-	14,291	7,772
Total liabilities	12,433	2,682	1,918	2,309	103,241	15,064
EQUITY AND OTHER CREDITS:						
Investment in general fixed assets	-	-	-	-	-	-
Contributed capital	-	-	-	-	172,943	11,283
Retained earnings - unreserved	-	-	-	-	31,310	13,509
Fund balances (deficit):						
Reserved	4,239	45,730	539	81,520	-	-
Unreserved:						
Designated	11,722	2,794	14,682	-	-	-
Undesignated	-	(1,462)	-	-	-	-
Total equity and other credits	15,961	47,062	15,221	81,520	204,253	24,792
Total liabilities, equity and other credits	\$28,394	\$49,744	\$17,139	\$83,829	\$307,494	\$39,856

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

Fiduciary Fund Types Trust and Agency	Account Groups		Primary Government Totals (Memorandum Only)	Discretely Presented Component Units		Reporting Entity Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt		Central Parking District	Stockton- Vacaville Home Financing Authority	1996	1995 (As restated)
\$ 25	\$ -	\$ -	\$ 9,058	\$ 88	\$ -	\$ 9,146	\$ 7,696
-	-	-	2,906	-	-	2,906	2,733
-	-	-	6,451	-	-	6,451	2,824
1,087	-	-	1,567	-	-	1,567	1,070
-	-	-	130	-	-	130	-
74,202	-	-	75,547	24	-	75,571	67,967
-	-	-	31	45	-	76	76
-	-	-	1,747	297	-	2,044	2,370
-	-	-	7,466	435	-	7,901	7,307
-	-	-	985	7	-	992	843
-	-	-	5,259	-	-	5,259	9,363
-	-	15,647	17,358	-	-	17,358	15,564
-	-	29,519	29,904	-	-	29,904	28,897
-	-	-	2,597	-	-	2,597	2,630
-	-	190	75,040	-	-	75,040	76,251
-	-	-	181	-	-	181	341
-	-	-	27	-	-	27	27
-	-	166,548	188,611	9,030	-	197,641	197,518
75,314	-	211,904	424,865	9,926	-	434,791	423,477
-	60,387	-	60,387	-	-	60,387	57,682
-	-	-	184,226	-	-	184,226	176,484
-	-	-	44,819	-	-	44,819	43,321
528	-	-	132,556	-	-	132,556	114,021
-	-	-	29,198	-	-	29,198	28,109
-	-	-	(1,462)	5,645	-	4,183	(1,397)
528	60,387	-	449,724	5,645	-	455,369	418,220
\$75,842	\$60,387	\$211,904	\$874,589	\$15,571	\$ -	\$890,160	\$841,697

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, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	Governmental Fund Type				Fiduciary Fund Type Expendable Trust
	General	Special Revenue	Debt Service	Capital Projects	
REVENUES:					
Taxes:					
Property	\$14,944	\$ -	\$ -	\$ 1,263	\$ -
Sales and use	21,640	2,070	-	-	-
Utility	21,141	-	-	-	-
Other	10,794	90	17,439	21	-
Licenses and permits	2,281	-	-	-	-
Federal grants and subsidies	834	9,109	-	-	-
Intergovernmental	9,437	8,321	-	219	-
Charges for services	7,449	830	-	7,772	-
Fines and forfeitures	604	-	-	8	-
Use of money and property	1,822	775	457	3,755	17
Refunds and reimbursements	5,873	48	-	690	-
Miscellaneous	3,718	38	557	704	334
Total revenues	<u>100,537</u>	<u>21,281</u>	<u>18,453</u>	<u>14,432</u>	<u>351</u>
EXPENDITURES:					
Current:					
General government	10,631	380	120	-	57
Public safety	68,750	816	-	-	12
Public works	10,484	428	-	-	-
Library	-	6,908	-	-	115
Parks and recreation	7,804	128	-	-	134
Capital outlay	121	8,396	-	11,581	-
Debt service:					
Principal retirement	-	-	5,082	-	-
Interest and fiscal charges	-	-	12,554	-	-
Total expenditures	<u>97,790</u>	<u>17,056</u>	<u>17,756</u>	<u>11,581</u>	<u>318</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>2,747</u>	<u>4,225</u>	<u>697</u>	<u>2,851</u>	<u>33</u>

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

Totals (Memorandum Only)	
1996	1995

\$ 16,207	\$ 15,684
23,710	22,984
21,141	21,706
28,344	30,107
2,281	2,127
9,943	6,583
17,977	16,958
16,051	13,482
612	575
6,826	5,672
6,611	1,783
<u>5,351</u>	<u>4,163</u>

<u>155,054</u>	<u>141,824</u>
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11,188	10,401
69,578	67,440
10,912	9,359
7,023	7,048
8,066	8,321
20,098	23,970

5,082	5,860
<u>12,554</u>	<u>12,709</u>

<u>144,501</u>	<u>145,108</u>
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<u>10,553</u>	<u>(3,284)</u>
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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, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	Governmental Fund Type				Fiduciary Fund Type Expendable Trust
	General	Special Revenue	Debt Service	Capital Projects	
OTHER FINANCING SOURCES					
(USES):					
Operating transfers in	4,600	8,277	807	6,374	-
Operating transfers out	(8,693)	(8,157)	(240)	(2,968)	-
Operating transfers out to component unit	(98)	-	-	-	-
Sale of fixed assets	9	-	-	-	-
Proceeds of long-term debt	-	-	-	7,860	-
Advances from other funds	-	-	-	1,400	-
Repayment of advances from other funds	-	-	-	(278)	-
Total other financing sources (uses)	(4,182)	120	567	12,388	-
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,435)	4,345	1,264	15,239	33
FUND BALANCES, BEGINNING OF YEAR	17,308	42,725	13,686	66,562	372
Residual equity transfers in	-	-	271	-	-
Residual equity transfer in from component unit	88	-	-	-	-
Residual equity transfers out	-	(8)	-	(281)	-
FUND BALANCES, END OF YEAR	<u>\$15,961</u>	<u>\$47,062</u>	<u>\$15,221</u>	<u>\$81,520</u>	<u>\$405</u>

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

Totals	
(Memorandum Only)	
1996	1995
20,058	18,261
(20,058)	(17,261)
(98)	(98)
9	39
7,860	6,025
1,400	1,368
<u>(278)</u>	<u>(632)</u>
<u>8,893</u>	<u>7,702</u>
19,446	4,418
140,653	135,920
271	840
88	-
<u>(289)</u>	<u>(525)</u>
<u>\$ 160,169</u>	<u>\$ 140,653</u>

CITY OF STOCKTON

**COMBINED SCHEDULE 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, 1996
(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	\$ 15,010	\$ 14,944	\$ (66)	\$ -	\$ -	\$ -
Utility	21,930	21,141	(789)	-	-	-
Sales and use	21,660	21,640	(20)	2,174	2,070	(104)
Other	11,460	10,794	(666)	205	90	(115)
Licenses and permits	2,408	2,281	(127)	-	-	-
Federal grants and subsidies	1,205	834	(371)	3,334	897	(2,437)
Intergovernmental	8,578	9,437	859	18,524	7,222	(11,302)
Charges for services	7,480	7,449	(31)	748	794	46
Fines and forfeitures	726	604	(122)	-	-	-
Use of money and property	1,702	1,822	120	205	383	178
Refunds and reimbursements	762	5,873	5,111	36	48	12
Miscellaneous	3,626	3,718	92	6	38	32
Total revenues	<u>96,547</u>	<u>100,537</u>	<u>3,990</u>	<u>25,232</u>	<u>11,542</u>	<u>(13,690)</u>
EXPENDITURES:						
Current:						
General government	17,327	15,994	1,333	174	149	25
Public safety	71,683	69,004	2,679	168	75	93
Public works	11,500	11,003	497	542	526	16
Library	-	-	-	7,010	6,675	335
Parks and recreation	8,859	8,023	836	87	84	3
Capital outlay	<u>171</u>	<u>158</u>	<u>13</u>	<u>23,611</u>	<u>9,173</u>	<u>14,438</u>
Total expenditures	<u>109,540</u>	<u>104,182</u>	<u>5,358</u>	<u>31,592</u>	<u>16,682</u>	<u>14,910</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,993)</u>	<u>(3,645)</u>	<u>9,348</u>	<u>(6,360)</u>	<u>(5,140)</u>	<u>1,220</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)
\$ -	\$ -	\$ -	\$15,010	\$ 14,944	\$ (66)
-	-	-	21,930	21,141	(789)
-	-	-	23,834	23,710	(124)
-	21	21	11,665	10,905	(760)
-	-	-	2,408	2,281	(127)
-	-	-	4,539	1,731	(2,808)
42	219	177	27,144	16,878	(10,266)
4,899	7,708	2,809	13,127	15,951	2,824
-	8	8	726	612	(114)
334	2,232	1,898	2,241	4,437	2,196
-	-	-	798	5,921	5,123
(50)	(50)	-	3,582	3,706	124
<u>5,225</u>	<u>10,138</u>	<u>4,913</u>	<u>127,004</u>	<u>122,217</u>	<u>(4,787)</u>
-	-	-	17,501	16,143	1,358
-	-	-	71,851	69,079	2,772
-	-	-	12,042	11,529	513
-	-	-	7,010	6,675	335
-	-	-	8,946	8,107	839
<u>18,154</u>	<u>7,914</u>	<u>10,240</u>	<u>41,936</u>	<u>17,245</u>	<u>24,691</u>
<u>18,154</u>	<u>7,914</u>	<u>10,240</u>	<u>159,286</u>	<u>128,778</u>	<u>30,508</u>
<u>(12,929)</u>	<u>2,224</u>	<u>15,153</u>	<u>(32,282)</u>	<u>(6,561)</u>	<u>25,721</u>

CITY OF STOCKTON

**COMBINED SCHEDULE 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, 1996
(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	4,600	4,600	-	4,182	4,182	-
Operating transfers out	(8,693)	(8,693)	-	(4,665)	(4,665)	-
Operating transfers out to component unit	(98)	(98)	-	-	-	-
Sale of fixed assets	12	9	(3)	-	-	-
Advances from other funds	-	-	-	16	-	(16)
Repayment of advances	-	-	-	-	-	-
Total other financing sources (uses)	<u>(4,179)</u>	<u>(4,182)</u>	<u>(3)</u>	<u>(467)</u>	<u>(483)</u>	<u>(16)</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(17,172)	(7,827)	9,345	(6,827)	(5,623)	1,204
BASIS ADJUSTMENTS:						
Encumbrances	-	1,692	1,692	-	5,084	5,084
Loan budgeted on a cash basis	<u>4,700</u>	<u>4,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (GAAP BASIS)	(12,472)	(1,435)	11,037	(6,827)	(539)	6,288
FUND BALANCES, BEGINNING OF YEAR	17,308	17,308	-	9,917	9,917	-
Residual equity transfers in from component unit	<u>-</u>	<u>88</u>	<u>88</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,836</u>	<u>\$15,961</u>	<u>\$11,125</u>	<u>\$3,090</u>	<u>\$9,378</u>	<u>\$6,288</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)
4,929	4,839	(90)	13,711	13,621	(90)
(460)	(460)	-	(13,818)	(13,818)	-
-	-	-	-	-	-
-	-	-	(98)	(98)	-
-	-	-	12	9	(3)
750	750	-	766	750	(16)
(84)	(84)	-	(84)	(84)	-
<u>5,135</u>	<u>5,045</u>	<u>(90)</u>	<u>489</u>	<u>380</u>	<u>(109)</u>
(7,794)	7,269	15,063	(31,793)	(6,181)	25,612
-	1,780	1,780	-	8,556	8,556
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,700</u>	<u>4,700</u>	<u>-</u>
(7,794)	9,049	16,843	(27,093)	7,075	34,168
40,878	40,878	-	68,103	68,103	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88</u>	<u>88</u>
<u>\$33,084</u>	<u>\$49,927</u>	<u>\$16,843</u>	<u>\$41,010</u>	<u>\$75,266</u>	<u>\$34,256</u>

CITY OF STOCKTON

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - ALL PROPRIETARY
FUND TYPES, NONEXPENDABLE TRUST FUND AND
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	Proprietary Fund Types		Fiduciary Fund Type	Primary Government Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
OPERATING REVENUES:				
Intergovernmental	\$ -	\$ 37	\$ -	\$ 37
Charges for services	47,146	25,789	-	72,935
Loans and mortgage interest	172	-	-	172
Miscellaneous	878	-	43	921
	<u>48,196</u>	<u>25,826</u>	<u>43</u>	<u>74,065</u>
Total operating revenues				
OPERATING EXPENSES:				
Operation and maintenance	27,365	19,855	-	47,220
General and administrative	8,873	2,827	-	11,700
Depreciation and amortization	5,097	3,408	-	8,505
Purchased water	2,885	-	-	2,885
	<u>44,220</u>	<u>26,090</u>	<u>-</u>	<u>70,310</u>
Total operating expenses				
OPERATING INCOME (LOSS)	<u>3,976</u>	<u>(264)</u>	<u>43</u>	<u>3,755</u>
NON-OPERATING REVENUES (EXPENSES):				
Taxes	-	-	-	-
Federal grants and subsidies	175	-	-	175
Investment earnings	5,165	780	-	5,945
Gain from disposal of property	9	92	-	101
Interest expense and fiscal charges	(2,914)	(25)	-	(2,939)
Other non-operating revenues (expenses)	-	183	-	183
	<u>2,435</u>	<u>1,030</u>	<u>-</u>	<u>3,465</u>
Total non-operating revenues (expenses)				

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

CITY OF STOCKTON

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - ALL PROPRIETARY
FUND TYPES, NONEXPENDABLE TRUST FUND AND
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	Proprietary Fund Types		Fiduciary Fund Type Nonexpendable Trust	Primary Government Totals (Memorandum Only)
	Enterprise	Internal Service		
OPERATING REVENUES:				
Intergovernmental	\$ -	\$ 37	\$ -	\$ 37
Charges for services	47,146	25,789	-	72,935
Loans and mortgage interest	172	-	-	172
Miscellaneous	878	-	43	921
Total operating revenues	48,196	25,826	43	74,065
OPERATING EXPENSES:				
Operation and maintenance	27,365	19,855	-	47,220
General and administrative	8,873	2,827	-	11,700
Depreciation and amortization	5,097	3,408	-	8,505
Purchased water	2,885	-	-	2,885
Total operating expenses	44,220	26,090	-	70,310
OPERATING INCOME (LOSS)	3,976	(264)	43	3,755
NON-OPERATING REVENUES (EXPENSES):				
Taxes	-	-	-	-
Federal grants and subsidies	175	-	-	175
Investment earnings	5,165	780	-	5,945
Gain from disposal of property	9	92	-	101
Interest expense and fiscal charges	(2,914)	(25)	-	(2,939)
Other non-operating revenues (expenses)	-	183	-	183
Total non-operating revenues (expenses)	2,435	1,030	-	3,465

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

CITY OF STOCKTON

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - ALL PROPRIETARY
FUND TYPES, NONEXPENDABLE TRUST FUND AND
DISCRETELY PRESENTED COMPONENT UNITS (Continued)
FOR THE YEAR ENDED JUNE 30, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Primary Government Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	
INCOME (LOSS) BEFORE				
OPERATING TRANSFERS	6,411	766	43	7,220
Operating transfers in	5,458	500	-	5,958
Operating transfers in from				
primary government	-	-	-	-
Operating transfers out	<u>(5,458)</u>	<u>(500)</u>	<u>-</u>	<u>(5,958)</u>
NET INCOME (LOSS)	<u>6,411</u>	<u>766</u>	<u>43</u>	<u>7,220</u>
FUND EQUITY, BEGINNING OF YEAR	190,270	23,856	80	214,206
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY, RESTATED	190,270	23,856	80	214,206
Residual equity transfers in	1,019	121	-	1,140
Residual equity transfers out	(1,122)	-	-	(1,122)
Increase in contributed capital	<u>7,675</u>	<u>49</u>	<u>-</u>	<u>7,724</u>
FUND EQUITY, END OF YEAR	<u>\$204,253</u>	<u>\$24,792</u>	<u>\$ 123</u>	<u>\$229,168</u>

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

Discretely Presented Component Units		Reporting Entity Totals (Memorandum Only)	
Central Parking District	Stockton- Vacaville Home Financing Authority	1996	1995 (As restated)
(8)	(36)	7,176	1,068
-	-	5,958	2,303
98	-	98	98
-	-	(5,958)	(3,303)
90	(36)	7,274	166
5,555	124	219,885	210,953
-	-	-	2,308
5,555	124	219,885	213,261
-	-	1,140	1,051
-	(88)	(1,210)	(1,366)
-	-	7,724	6,773
<u>\$5,645</u>	<u>\$ -</u>	<u>\$234,813</u>	<u>\$ 219,885</u>

CITY OF STOCKTON

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS FOR THE YEAR ENDED JUNE 30, 1996 (With comparative totals for June 30, 1995) (Dollar amounts in thousands)

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u> Nonexpendable Trust	Primary Government Totals (Memorandum Only)
	Enterprise	Internal Service		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 3,976	\$ (264)	\$ 43	\$ 3,755
Other nonoperating revenues (expenses)	-	184	-	184
Noncash adjustment to operating income:				
Depreciation and amortization	5,097	3,408	-	8,505
Allowance for uncollectible accounts	694	3	-	697
Self-insurance	-	(1,769)	-	(1,769)
Landfill closure	345	-	-	345
Changes in assets and liabilities:				
Taxes and assessments receivable	34	-	-	34
Accounts and other receivables	(1,875)	(58)	-	(1,933)
Due from other funds	(882)	-	-	(882)
Due from other governments	(180)	-	-	(180)
Due to other funds	(115)	-	-	(115)
Inventory of supplies	(69)	-	-	(69)
Loans and mortgages receivable	17	-	-	17
Deferred charges	50	4	-	54
Prepays	-	(120)	-	(120)
Accounts payable	841	19	-	860
Compensated absences	212	77	-	289
Due to other governments	38	-	-	38
Customer and other deposits	131	-	-	131
Advances from other governments	(33)	-	-	(33)
Deferred revenue	-	-	-	-
Accrued interest	(344)	-	-	(344)
Net cash provided (used) by operating activities	<u>7,937</u>	<u>1,484</u>	<u>43</u>	<u>9,464</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	5,165	780	-	5,945
Investment purchases	(59)	-	-	(59)
Proceeds from sale of investments	<u>13,159</u>	<u>-</u>	<u>-</u>	<u>13,159</u>
Net cash provided (used) by investing activities	<u>18,265</u>	<u>780</u>	<u>-</u>	<u>19,045</u>

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

Discretely Presented Component Units		Reporting Entity Totals (Memorandum Only)	
Central Parking District	Stockton- Vacaville Home Financing Authority	1996	1995 (As restated)
\$ 22	\$ (10)	\$ 3,767	\$ (2,736)
-	(29)	155	144
314	-	8,819	8,433
3	-	700	(42)
-	-	(1,769)	432
-	-	345	339
-	-	34	293
30	-	(1,903)	(109)
-	-	(882)	56
-	-	(180)	473
(97)	-	(212)	-
-	-	(69)	(45)
5	-	22	18
-	-	54	(610)
83	-	(37)	26
(2)	-	858	846
-	-	289	95
-	-	38	-
1	-	132	33
-	-	(33)	(35)
-	-	-	2
18	-	(326)	(166)
<u>377</u>	<u>(39)</u>	<u>9,802</u>	<u>7,447</u>
97	3	6,045	3,908
(41)	-	(100)	(38,983)
-	124	13,283	1,123
<u>56</u>	<u>127</u>	<u>19,228</u>	<u>(33,952)</u>

CITY OF STOCKTON

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE
TRUST FUND AND DISCRETELY PRESENTED
COMPONENT UNITS (Continued)
FOR THE YEAR ENDED JUNE 30, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)

	<u>Proprietary Fund Types</u>		<u>Fiduciary</u> <u>Fund Type</u> <u>Nonexpendable</u> <u>Trust</u>	<u>Primary</u> <u>Government</u> <u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>Enterprise</u>	<u>Internal</u> <u>Service</u>		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of property and equipment	17	147	-	164
Repayment of debt	(1,491)	(178)	-	(1,669)
Proceeds from borrowing	-	-	-	-
Purchases of property and equipment	(25,424)	(3,374)	-	(28,798)
Interest expense on capital debt	(2,434)	(25)	-	(2,459)
Capital contributions	7,674	49	-	7,723
Residual equity transfers in	<u>1,019</u>	<u>121</u>	<u>-</u>	<u>1,140</u>
Net cash provided (used) by capital and related financing activities	<u>(20,639)</u>	<u>(3,260)</u>	<u>-</u>	<u>(23,899)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	5,458	500	-	5,958
Operating transfers in from primary government	-	-	-	-
Operating transfers out	(5,458)	(500)	-	(5,958)
Proceeds from taxes	-	-	-	-
Proceeds from federal grants	175	-	-	175
Residual equity transfers out	<u>(1,122)</u>	<u>-</u>	<u>-</u>	<u>(1,122)</u>
Net cash provided (used) by noncapital financing activities	<u>(947)</u>	<u>-</u>	<u>-</u>	<u>(947)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,616	(996)	43	3,663
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>54,480</u>	<u>26,835</u>	<u>80</u>	<u>81,395</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$59,096</u>	<u>\$25,839</u>	<u>\$123</u>	<u>\$85,058</u>

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

Discretely Presented Component Units		Reporting Entity Totals (Memorandum Only)	
Central Parking District	Stockton- Vacaville Home Financing Authority	1996	1995 (As restated)
-	-	164	151
(410)	-	(2,079)	(1,238)
(113)	-	(113)	43,831
-	-	(28,798)	(19,629)
(722)	-	(3,181)	(2,018)
-	-	7,723	3,021
-	-	1,140	1,051
<u>(1,245)</u>	<u>-</u>	<u>(25,144)</u>	<u>25,169</u>
-	-	5,958	2,303
98	-	98	98
-	-	(5,958)	(3,303)
595	-	595	607
-	-	175	348
-	(88)	(1,210)	(1,366)
<u>693</u>	<u>(88)</u>	<u>(342)</u>	<u>(1,313)</u>
(119)	-	3,544	(2,649)
<u>1,439</u>	<u>-</u>	<u>82,834</u>	<u>85,483</u>
<u>\$1,320</u>	<u>\$ -</u>	<u>\$ 86,378</u>	<u>\$82,834</u>

CITY OF STOCKTON

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS (Continued)

June 30, 1996

(With comparative totals for June 30, 1995)

(Dollar amounts in thousands)

Reconciliation of cash and cash equivalents to the balance sheet:

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u> Trust and Agency	<u>Discretely Presented Component Units</u>	
	Enterprise	Internal Service		Central Parking District	Stockton- Vacaville Home Financing Authority
Unrestricted cash and investments on balance sheet:					
Cash and temporary investments	\$42,482	\$25,839	\$75,653	\$1,265	\$ -
Cash and temporary investments with fiscal agents	489	-	-	-	-
Restricted cash and investments on balance sheet:					
Cash and temporary investments	4,343	-	-	778	-
Cash and temporary investments with fiscal agents	<u>36,359</u>	<u>-</u>	<u>-</u>	55	<u>-</u>
Total cash and investments	<u>83,673</u>	<u>25,839</u>	<u>75,653</u>	<u>2,098</u>	<u>-</u>
Less investments:					
Cash and temporary investments with fiscal agents	24,577	-	-	-	-
Investment pool	-	-	-	778	-
Less expendable trust and agency funds cash:					
Expendable trust fund	-	-	418	-	-
Agency funds	<u>-</u>	<u>-</u>	<u>75,112</u>	<u>-</u>	<u>-</u>
Net cash and cash equivalents	<u>\$59,096</u>	<u>\$25,839</u>	<u>\$ 123</u>	<u>\$1,320</u>	<u>\$ -</u>

Noncash Capital and Related Financing Activities

1. Enterprise Funds - The City received donated fixed assets valued at \$2,834 during the year ended June 30, 1996.

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

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

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CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Stockton (the 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 storm water 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 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 discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City. Each blended and discretely presented component unit has a June 30 year end.

The San Joaquin Area Flood Control Agency (the Agency) 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 the Agency and had outstanding notes receivable on June 30, 1996 of \$4,700 which are expected to be repaid from the proceeds of limited obligation bonds.

Blended Component Units

The Redevelopment 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 Redevelopment Agency, and all accounting and administrative functions are performed by the City. The Agency is reported in the City's financial statements in the Capital Projects Fund, Special Revenue Fund, and General Long-Term Debt Account Group.

The Stockton Recreation Corporation (SRC) was created in August 1968 to carry out lease financing for the City Ice Rink and Golf Courses. The SRC governing board is the same as the City Council members. The SRC is reported in the Trust and Agency Funds.

The Stockton Public Financing Authority (SPFA) was created in June 1990 to carry out lease financing for the City of Stockton Sanitary Wastewater Utility, Water Utility, and Mello-Roos districts. The SPFA governing board is the same as the City Council members. The SPFA is reported in the Enterprise and Capital Projects Funds.

Discretely Presented Component Units

The Stockton-Vacaville Home Financing Authority (SVHFA) was formed through an agreement between the City of Stockton and the City of Vacaville pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, created on July 1, 1982. The purpose of the SVHFA was to provide low-income housing for the citizens of Stockton and Vacaville. The entire bond issue was paid off/retired early, and by resolution on September 25, 1995, the SVHFA voted to close the 1982 Mortgage Revenue Bond issue and to dissolve and terminate the Authority. The City had the voting majority of the component unit. However, the activity of the SVHFA served the citizens not the City. The SVHFA is reported as a proprietary fund type.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont.,

Reporting Entity, cont.,

Discretely Presented Component Units, cont.,

The Central Parking District (CPD) provides parking spaces for the public and encourages development in the central core of the City. It is operated by an advisory board of directors, not the City Council, but submits its budget to the City Council for approval. Sources of income include ad valorem assessments on all property located within the District, and charges for monthly and weekly parking privileges. The CPD is reported as a proprietary fund type.

Financial statements are available for the Redevelopment Agency. Financial information for each of the remaining component units may be obtained at the entity's administration offices.

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

Stockton Recreation Corporation
City of Stockton
425 North El Dorado Street
Stockton, CA 95202-1997

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

Central Parking District
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

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.

The **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).

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont.,

Basis of Presentation - Fund Accounting, cont.,

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.

The 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.

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 claim liabilities and 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

June 30, 1996

(Dollar amounts in thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont.,

Basis of Accounting - Measurement Focus, cont.,

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 collectible 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 based upon the expenditures recorded. 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 Governmental Accounting Standards Board 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 license, 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 (qualifying expenditures not yet incurred).

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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont.,

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.

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. 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.
- There is no budget for the Nonexpendable Trust Fund and Internal Service Funds. These fund types are accounted for on a cost of service (net income) or capital maintenance measurement focus. As a result, budget comparison is impractical. Additionally, 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, however, any revisions that alter the total appropriations of any department must be approved by the City Council. Supplemental appropriations are made during the year and 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, Special Revenue Funds, and Capital Projects Funds. Formal budgetary integration is not employed for the Debt Service Funds because effective budgetary control is alternatively achieved through general obligation 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

June 30, 1996

(Dollar amounts in thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont.,

Budgetary Data, cont.,

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

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont.,

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. Investments are carried at amortized cost, with the exception of deferred compensation investments which are reflected at market value. Cash and temporary investments reported under the deferred compensation plan are not part of the pooled investments. In addition, pooled investments do not include certain bond proceeds.

Interest income on pooled investments is allocated on the basis of average daily cash balances in the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, Water Utility Fund, Sanitary Wastewater Utility Fund, Stormwater Utility Fund, Solid Waste Fund, Central Parking District Fund, Internal Service Self-Insurance Funds, and Trust and Agency Funds as required by law or as directed by the City Council adopted budget. Interest income on pooled investments is not credited to certain funds because the General Fund has contributed funds for their operations and capital. This income is credited to the General Fund.

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 mutual funds are determined to be included as a cash and cash equivalent. Proceeds from debt and other cash and investments held by fiscal agents by agreement are classified as restricted assets in the proprietary funds.

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. The payables are classified as "advances from" in the proprietary funds and are reported in the general long-term debt account group for governmental funds.

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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont.,

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. Depreciation is provided using the straight line method based on the estimated useful life of the asset as follows:

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 materials)	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, 1996, capitalized interest costs equaled \$2,479 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 eligible for pay-off of accumulated sick leave after ten years of service upon termination. Police department sworn safety and management employees may sell back their remaining 50% of sick leave for additional PERS service credit upon termination due to service or disability retirement. White and blue collar employees are eligible for pay-off of 50% of accumulated sick leave upon separation of service due to death, service or disability retirement.

Police and Fire department safety employees are eligible for pay-off of 100% of accumulated earned time equal to one year's accrual upon retirement. Pay-off of accumulated earned time is eligible for additional PERS service credit.

The value of accumulated vacation, sick, and earned time are 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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont.,

Prepays

The City has the option of reporting an expenditure for prepaids (ie. insurance) either when purchased or during the benefit period. The City has elected not to recognize a prepaid in the governmental fund financial statement.

Contributed Capital

Water and sewer connection fees are recorded as additions to contributed capital 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.

Proprietary Fund Accounting

The City has made an election in accordance with Governmental Accounting Standards Board Statement 20, not to follow the statements of the Financial Accounting Standards Board after November 30, 1989, per paragraph 7 in Statement Number 20.

Accounting for Escheat Property

The City is in compliance with the Governmental Accounting Standards Board 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 generally accepted accounting principles, 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 at the date of the general purpose financial statements and revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain 1995 amounts have been reclassified to conform to the financial statement presentation for the 1996 fiscal year.

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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 2: PRIOR PERIOD ADJUSTMENTS

Enterprise Funds

Subsequent to the issuance of the City's 1995 general purpose financial statements, the City determined that in the Sanitary Wastewater Utility Fund, such statements understated fixed assets, long-term notes payable and contributed capital, as well as accumulated depreciation related to the assets. In addition, the City determined that its previously issued 1995 general purpose financial statements understated the accrual of the liability for closure and postclosure care costs in the Solid Waste Fund. Accordingly, the totals (memorandum only) for the year ended June 30, 1995 in the accompanying general purpose financial statements have been restated to properly record the assets, liabilities, fund equity and operating expenses. A summary of the effects of the restatement in the Enterprise Funds is as follows:

	<u>As Previously Reported</u>	<u>As Restated</u>
As of June 30, 1996:		
Net fixed assets	268,370	277,467
Bonds payable and other long-term debt	190,249	197,518
Contributed capital	172,476	176,484
Retained earnings - unreserved	45,501	43,321
For the year ended June 30, 1996		
Operation and maintenance expense	47,919	47,435
Depreciation and amortization expense	8,219	8,433
Net Income	646	166

NOTE 3: 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". The deposits and investments of the deferred compensation plan are separately held from other City funds. Except for the investment pool, the primary government cash and investments are broken out separately from the discretely presented component unit (Central Parking District).

Deposits

At June 30, 1996, the recorded amount of the City's deposits were \$29,979, and the bank balance was \$32,532. The recorded amount of the component unit deposits was \$1,320. The component unit deposits are included in the City's investment pool, thus there are no specific bank balances.

The bank balances are entirely insured or collateralized. 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 market 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. Each employee's deferred compensation deposit is fully insured up to \$100 by FDIC. Individual balances that exceed \$100 are collateralized in the same manner described above for the City's pooled cash deposits.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 3: CASH AND INVESTMENTS, cont.,

Deposits, cont.,

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

- Category 1 - Insured or collateralized with securities held by the City or its agent in the City's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- 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.

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 and medium term corporate notes
- Local Agency Investment Fund (State Pool) demand deposits
- Repurchase agreements (repos)
- Passbook savings account demand deposits
- Reverse repurchase agreements

The City's investments are categorized to give an indication of the level of 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 counter party's trust department or agent in the City's name.
- Category 3 - Uninsured and unregistered investments with securities held by the counter party or by its trust department or agent but not in the City's name.

The decrease in market value, as noted below, was determined to be a temporary decline, and therefore no adjustment has been made to the carrying amount at June 30, 1996.

During the year ended June 30, 1996, the City did not utilize investment types different from those categorized below.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 3: CASH AND INVESTMENTS, cont.,

A summary of cash and investments by such categories at June 30, 1996 is as follows:

<u>Investment Type:</u>	<u>Category</u>			<u>Non Categorized</u>	<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>			
<u>City Deposits</u>						
Cash	\$ 215	\$ 6,920	\$ --	\$ --	\$ 7,135	\$ 7,135
Total City Deposits	<u>215</u>	<u>6,920</u>	<u>--</u>	<u>--</u>	<u>7,135</u>	<u>7,135</u>
<u>City Investments</u>						
U.S. Government Securities	131,031	--	--	--	131,031	129,719
Certificates of Deposit	--	5,559	--	--	5,559	5,559
Mutual Funds	--	--	--	21,742	21,742	21,561
California LAIF	--	--	--	5,509	5,509	5,509
Total City Investments	<u>131,031</u>	<u>5,559</u>	<u>--</u>	<u>27,251</u>	<u>163,841</u>	<u>162,348</u>
<u>Component Unit Investments</u>						
California LAIF	--	--	--	778	778	778
Total Component Unit Investments	<u>--</u>	<u>--</u>	<u>--</u>	<u>778</u>	<u>778</u>	<u>778</u>
<u>Trust and Fiscal Agents</u>						
Cash	117	--	--	--	117	117
U.S. Government Securities	20,633	--	--	--	20,633	20,451
Commercial Paper	5,839	--	--	--	5,839	5,839
Mutual Funds	--	--	--	13,681	13,681	13,681
Total With Trust and Fiscal Agents	<u>26,589</u>	<u>--</u>	<u>--</u>	<u>13,681</u>	<u>40,270</u>	<u>40,088</u>
<u>Component Unit Fiscal Agents</u>						
Cash	55	--	--	--	55	55
Total - Component Unit Fiscal Agents	<u>55</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>55</u>	<u>55</u>
<u>Deferred Compensation Plan</u>						
Cash	18,421	1,065	--	--	19,486	19,486
Mutual Funds	--	--	--	50,458	50,458	50,458
Total Deferred Compensation Funds	<u>18,421</u>	<u>1,065</u>	<u>--</u>	<u>50,458</u>	<u>69,944</u>	<u>69,944</u>
Total Cash, Deposits and Investments	<u>\$176,311</u>	<u>\$13,544</u>	<u>\$ --</u>	<u>\$92,168</u>	<u>282,023</u>	<u>\$280,348</u>
				Outstanding Checks	\$ (2,198)	
				Deposits in Transit	1,145	
				Total	<u>\$ 280,970</u>	

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 3: CASH AND INVESTMENTS, cont.,

Cash and investments are reported on the balance sheet as follows:

Cash and temporary investments	\$ 235,679
Cash with fiscal agents	3,766
Restricted cash and temporary investments	5,121
Restricted cash and temporary investments with fiscal agents	<u>36,404</u>
Total	<u>\$ 280,970</u>

Restricted Cash and Investments

Certain proceeds of Enterprise Funds, special assessment bonds, 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, 1996, restricted cash and investments are as follows for the Enterprise Funds:

<u>Primary Government</u>	
Water Utility	\$ 1,560
Sanitary Wastewater Utility	34,799
Solid Waste	<u>4,343</u>
	<u>40,702</u>
<u>Component Unit</u>	
Central Parking District	<u>823</u>
Total	<u>\$ 41,525</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 4: INTERFUND ASSETS / LIABILITIES

Interfund receivables and payables are as follows at June 30, 1996:

	<u>Due From</u>	<u>Due To</u>	<u>Advances To</u>	<u>Advances From</u>
	\$	\$	\$	\$
General Fund	773	4,700	546	--
Special Revenue Funds				
Special Grants	--	376	--	--
Revenue Sharing	--	95	--	--
Urban Development Action Grant	--	--	4,686	--
Community Development Block Grant	--	283	10,412	--
Home Program	--	44	--	--
Other Special Revenue	--	70	--	--
Capital Projects Funds				
Public Facilities Impact Fees	783	783	750	--
Capital Improvement	3,895	--	11,975	--
Redevelopment Agency	--	100	1,150	--
Enterprise Funds				
Sanitary Wastewater Utility	--	--	385	--
Stormwater Utility	1,000	--	--	385
General Long-term Debt Account Group				
General Fund	--	--	--	1,300
Other Special Revenue	--	--	--	73
Redevelopment Agency	--	--	--	22,467
Public Facilities Impact Fees	--	--	--	5,679
Total	<u>\$ 6,451</u>	<u>\$ 6,451</u>	<u>\$ 29,904</u>	<u>\$ 29,904</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 5: 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 and residual equity transfers. Residual equity transfers are included in contributed capital on the balance sheet. The transfers are recorded in the fiscal period in which the transactions are approved. Operating/residual equity transfers for the year ended June 30, 1996 are summarized as follows:

	Operating Transfers		Residual Equity Transfers	
	In	Out	In	Out
Primary Government				
General Fund	\$ 4,600	\$ 8,693	\$ --	\$ --
Special Revenue Funds				
Special Grants	--	5	--	--
Revenue Sharing	3	--	--	--
Gas Tax	--	4,600	--	--
City-County Library	4,159	65	--	--
Redevelopment Agency Loan	1,355	--	--	--
Community Development Block Grant	237	1,900	--	8
Community Development Loan Fund	1,150	237	--	--
Home Program	1,350	1,350	--	--
Other Special Revenue	23	--	--	--
	<u>8,277</u>	<u>8,157</u>	<u>--</u>	<u>8</u>
Debt Service Funds				
1915 Act Assessment Districts	--	--	271	--
Mello-Roos Districts	95	240	--	--
Redevelopment Agency	513	--	--	--
General Obligation	199	--	--	--
	<u>807</u>	<u>240</u>	<u>271</u>	<u>--</u>
Capital Projects Funds				
Public Facilities Impact Fees	457	457	--	--
Capital Improvement	4,382	3	--	--
Redevelopment Agency	1,295	2,413	--	10
Mello-Roos Districts	240	95	--	--
1915 Act Assessment Districts	--	--	--	271
	<u>6,374</u>	<u>2,968</u>	<u>--</u>	<u>281</u>
Enterprise Funds				
Water Utility	1,084	1,084	--	29
Sanitary Wastewater Utility	4,374	4,374	1,019	1,081
Stormwater Utility	--	--	--	6
Golf Courses	--	--	--	6
	<u>5,458</u>	<u>5,458</u>	<u>1,019</u>	<u>1,122</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 5: OPERATING / RESIDUAL EQUITY TRANSFERS, cont.,

	Operating Transfers		Residual Equity Transfers	
	In	Out	In	Out
Internal Service Fund				
Central Garage	--	--	71	--
Computer Equipment	--	--	33	--
Radio Equipment	--	--	13	--
Other Equipment	--	--	4	--
Worker's Compensation	--	500	--	--
Other Insurance	500	--	--	--
	<u>500</u>	<u>500</u>	<u>121</u>	<u>--</u>
Total Primary Government	<u>\$ 26,016</u>	<u>\$ 26,016</u>	<u>\$ 1,411</u>	<u>\$ 1,411</u>
Component Units				
General Fund	\$ --	\$ 98	\$ 88	--
Central Parking District	98	--	--	--
Stockton-Vacaville Home Financing Authority	--	--	--	88
Total Component Units	<u>\$ 98</u>	<u>\$ 98</u>	<u>\$ 88</u>	<u>\$ 88</u>

NOTE 6: FIXED ASSETS

Fixed assets of the primary government at June 30, 1996 are as follows:

	Enterprise Funds	Internal Service Funds	General Fixed Assets	Total
Land	\$ 3,196	\$ --	\$ 11,953	\$ 15,149
Buildings and improvements	235,609	72	45,787	281,468
Machinery and equipment	8,768	31,235	1,651	41,654
Construction in progress	<u>34,545</u>	<u>--</u>	<u>996</u>	<u>35,541</u>
Total Fixed Assets	282,118	31,307	60,387	373,812
Accumulated depreciation	<u>(69,250)</u>	<u>(18,011)</u>	<u>--</u>	<u>(87,261)</u>
Net Fixed Assets	<u>\$ 212,868</u>	<u>\$ 13,296</u>	<u>\$ 60,387</u>	<u>\$ 286,551</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 6: FIXED ASSETS, cont.,

General Fixed Assets

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

	Balance 07/01/95	Additions	Deletions	Balance 06/30/96
Land	\$ 11,675	\$ 300	\$ 22	\$ 11,953
Buildings and improvements	43,305	2,482	--	45,787
Machinery and equipment	1,541	190	80	1,651
Construction in progress	<u>1,161</u>	<u>600</u>	<u>765</u>	<u>996</u>
Total	<u>\$ 57,682</u>	<u>\$ 3,572</u>	<u>\$ 867</u>	<u>\$ 60,387</u>

Capitalized Leases

Capitalized leased assets included in the fixed assets are as follows:

	<u>Internal Service Funds</u>
Machinery and equipment	\$ 766
Accumulated depreciation	<u>(609)</u>
Net Fixed Assets	<u>\$ 157</u>

The following is a summary of proprietary fund type fixed assets for the Central Parking District (a component unit) at June 30, 1996:

Land	\$ 3,768
Buildings and improvements	11,961
Machinery and equipment	50
Construction in progress	<u>90</u>
Total Fixed Assets	15,869
Accumulated depreciation	<u>(2,625)</u>
Net Fixed Assets	<u>\$ 13,244</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 7: 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 07/01/95	Additions	Reductions	Balance 06/30/96
1915 Act Special Assessment Bonds	\$ 60,910	\$ 2,850	\$ 2,822	\$ 60,938
Mello-Roos Special Tax Bonds	100,910	5,010	1,680	104,240
Compensated Absences	13,996	1,651	--	15,647
Advance Payable to:				
Urban Development Action Grant Fund	4,686	--	--	4,686
Community Development Block Grant Fund	10,490	--	78	10,412
General Fund	573	--	27	546
Capital Improvement Fund	12,148	--	173	11,975
Public Facilities Impact Fees	--	750	--	750
Redevelopment Agency	500	650	--	1,150
Revenue Bonds	1,770	--	400	1,370
Certificates of Participation	370	--	180	190
Total	<u>\$ 206,353</u>	<u>\$ 10,911</u>	<u>\$ 5,360</u>	<u>\$ 211,904</u>

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 35 bonds authorized and issued with interest rates ranging from 4.5% to 11.75% and final maturity in September 2021. Remaining debt service will be paid from assessments to property owners.

\$ 60,938

Community Facilities Districts Special Tax Bonds were authorized pursuant to the Mello-Roos Community Facilities Act of 1982, to provide funds to: 1) pay cost 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 eight bonds authorized and issued with interest rates ranging from 4.50% to 8.75% and final maturity in September 2024. Remaining debt service will be paid from assessments to property owners.

\$ 104,240

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 are paid to the employee upon separation of employment from the City.

\$ 15,647

The Advance Payable to the City of Stockton Urban Development Action Grant Fund represents loans from the City to the Redevelopment Agency 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 these loans is 10%. Accumulated interest which totals \$13,138 through June 30, 1996 will be recognized as an expenditure when repaid. These loans plus interest are to be repaid to the Urban Development Action Grant Fund from excess tax increment allocations as they become available.

\$ 4,686

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 7: GENERAL LONG - TERM DEBT, cont.,

The Advance Payable to the City of Stockton Community Development Block Grant Fund represents loans from the City to the Redevelopment Agency to provide funds for the McKinley, Sharps Lane Villa, Eastland, and West End Redevelopment Projects. These are non-interest bearing loans that are to be repaid to the Community Development Block Grant Fund from excess tax increment allocations as they become available.

\$ 10,412

The Advance Payable to the General Fund represents loans to the Buckley Cove Marina for \$73 which will be repaid from user fees, and a loan to the Eastland Redevelopment project for \$473 which will be repaid from excess tax increment revenues in the future.

\$ 546

The Advance Payable to the City of Stockton Capital Improvement Fund represents loans to: 1) The Redevelopment Agency to provide funds for the All Nations, and West End Redevelopment Projects. These are non-interest bearing loans that are to be repaid to the Capital Improvement Fund from excess tax increment allocations as they become available - \$6,246; 2) The Public Facilities Impact Fees Funds for construction costs related to the southeast branch library, fire stations 1, 5, and 14, expansion of city office space, and related administrative expenditures. These are interest bearing loans based on the average annual interest earned by the City of Stockton. The loans will be repaid to the Capital Improvement Fund from excess public facilities impact fees as they become available - \$4,929; 3) The General Fund for the San Joaquin Area Flood Control Agency. The loan will be repaid from the proceeds of the sale of bonds by the San Joaquin Area Flood Control Agency - \$800.

\$ 11,975

The Advance Payable to the Public Facilities Impact Fees Fund represents a loan from Street Improvements Fee Area #6 to Street Improvements Fee Area #1 for the I-5/March Lane interchange improvements. The loan will be repaid as excess public facilities impact fees become available. These are interest bearing loans based on the average annual interest earned by the City of Stockton.

\$ 750

The Advance Payable to the Redevelopment Agency represents loans to: 1) The General Fund for the San Joaquin Area Flood Control Agency - \$500; the loan will be repaid from the proceeds of the sale of bonds; 2) To provide funds for the West End Redevelopment Project - \$650; to be from excess tax increment allocations as they become available. These loans are interest bearing at a rate equal to the Eleventh District Cost of Funds (plus one percent for the loan to the General Fund).

\$ 1,150

Revenue Bonds were authorized and issued by the City of Stockton Redevelopment Agency Fund to repay debt previously issued to finance the West End Urban Renewal Project. Bonds authorized and issued at July 1, 1990 have interest rates ranging from 6.6% to 7.25% and mature July, 1998. The loan will be repaid from tax increment revenues to be derived from the West End Urban Renewal Project.

\$ 1,370

Certificates of Participation (COP) were issued to finance a street lighting acquisition project for the City of Stockton. The COP has interest that is due annually ranging from 6.5% to 8.9% and matures July 1996. Remaining debt service will be paid out of the General Fund.

\$ 190

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 7: GENERAL LONG - TERM DEBT, cont.,

At June 30, 1996, the revenue bond, Certificates of Participation and special assessment debt service requirements to maturity are as follows:

	Principal				
	Revenue Bonds	Certificates of Participation	Special Assessment	Mello-Roos	Total
1996-1997	\$ 425	\$ 190	\$ 2,231	\$ 1,825	\$ 4,671
1997-1998	455	--	2,489	1,975	4,919
1998-1999	490	--	2,535	2,140	5,165
1999-2000	--	--	1,800	2,355	4,155
2000-2001	--	--	1,945	2,660	4,605
Thereafter	--	--	49,938	93,285	143,223
Total	<u>\$ 1,370</u>	<u>\$ 190</u>	<u>\$ 60,938</u>	<u>\$ 104,240</u>	<u>\$ 166,738</u>

	Interest				
	Revenue Bonds	Certificates of Participation	Special Assessment	Mello-Roos	Total
1996-1997	\$ 99	\$ 14	\$ 4,154	\$ 8,009	\$ 12,276
1997-1998	69	--	4,192	7,898	12,159
1998-1999	36	--	4,016	7,748	11,800
1999-2000	--	--	3,868	7,580	11,448
2000-2001	--	--	3,740	7,391	11,131
Thereafter	--	--	35,629	73,042	108,671
Total	<u>\$ 204</u>	<u>\$ 14</u>	<u>\$ 55,599</u>	<u>\$ 111,668</u>	<u>\$ 167,485</u>

	Principal and Interest				
	Revenue Bonds	Certificates of Participation	Special Assessment	Mello-Roos	Total
1996-1997	\$ 524	\$ 204	\$ 6,385	\$ 9,834	\$ 16,947
1997-1998	524	--	6,681	9,873	17,078
1998-1999	526	--	6,551	9,888	16,965
1999-2000	--	--	5,668	9,935	15,603
2000-2001	--	--	5,685	10,051	15,736
Thereafter	--	--	85,567	166,327	251,894
Total	<u>\$ 1,574</u>	<u>\$ 204</u>	<u>\$ 116,537</u>	<u>\$ 215,908</u>	<u>\$ 334,223</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 8: LONG-TERM DEBT - ENTERPRISE FUNDS

The following is a summary of all long-term debt in the primary government Enterprise Funds at June 30, 1996:

	<u>Long-Term</u>	<u>Current</u>	<u>Total</u>
Compensated Absences	\$ 1,421	\$ 844	\$ 2,265
Advance payable to Sanitary Wastewater Utility Fund	385	--	385
Advance from federal agencies	2,597	--	2,597
Certificates of Participation	76,480	1,140	77,620
Unamortized discount	(526)	--	(526)
Unamortized extraordinary loss Sanitary Wastewater Fund	(1,104)	--	(1,104)
Water extension agreements	27	11	38
Special assessment bonds	1,970	455	2,425
Unamortized discount	(14)	--	(14)
Developer agreement	5,440	--	5,440
Solid Waste Landfill Closure/Postclosure Liability	<u>6,895</u>	<u>--</u>	<u>6,895</u>
Total	<u>\$ 93,571</u>	<u>\$ 2,450</u>	<u>\$ 96,021</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 has been recorded.

Advance Payable to Sanitary Wastewater Utility Fund

The Advance Payable to the Sanitary Wastewater Utility Fund represents a loan to the Stormwater Fund to help pay for the cost of compliance with the newly mandated federal regulations on stormwater. This loan will be repaid as excess funds become available in the Stormwater Utility Fund at an interest rate of 7% per year.

Advance From Federal Agencies

	<u>Water Utility</u>	<u>Stormwater Utility</u>	<u>Total</u>
Federal Drought Relief Act	\$ 1,219	\$ --	\$ 1,219
Federal Clean Water Act	--	1,378	1,378
Total	<u>\$ 1,219</u>	<u>\$ 1,378</u>	<u>\$ 2,597</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 Fund (Enterprise Fund). As of June 30, 1996, advances totaled \$1,219. The loan will bear interest at 5% per annum and shall be for a term not to exceed 40 years.
- 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, 1996 advances totaled \$1,378. The loan will bear interest at 3.1% per annum and shall be for a term not to exceed 10 years after the completion of the City's three-year program.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 8: LONG-TERM DEBT - ENTERPRISE FUNDS, cont.,

Certificates of Participation

	<u>Water Utility</u>	<u>Sanitary Waste- Water Utility</u>	<u>Total</u>
Principal amount outstanding at June 30, 1996	<u>\$ 17,300</u>	<u>\$ 60,320</u>	<u>\$ 77,620</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1996-1997	\$ 1,140	\$ 4,740	\$ 5,880
1997-1998	1,190	4,690	5,880
1998-1999	1,250	4,633	5,883
1999-2000	1,310	4,571	5,881
2000-2001	1,380	4,504	5,884
Thereafter	<u>71,350</u>	<u>65,752</u>	<u>137,102</u>
Total	<u>\$ 77,620</u>	<u>\$ 88,890</u>	<u>\$ 166,510</u>

Water Utility

The Stockton Public Financing Authority (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.

Principal amount outstanding at June 30, 1996	\$ 17,300
Less issue discount	<u>58</u>
Total	<u>\$ 17,242</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 (see defeasance section in these notes to the financial statements). 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 Lease Agreement with the City (lessee), the lessee covenanted to make all rental payments to the lessor. 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.

\$1,555 of the cash with fiscal agents 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. In accordance with Governmental Accounting Standards Board Statement 14 - Reporting Entity, SPFA is combined with Water Utility (Enterprise Fund).

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 8: LONG-TERM DEBT - ENTERPRISE FUNDS, cont.,

Certificates of Participation, cont.,

Sanitary Wastewater Utility

The Stockton Public Financing Authority (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, 1996	\$ 16,255
Less issue discount	<u>242</u>
Total	<u>\$ 16,013</u>

The Stockton Public Financing Authority (SPFA) (lessor) issued Certificates of Participation on January 1, 1995, in the amount of \$44,065, with interest rates ranging from 5.00% - 6.85%, the full amount maturing serially through September 1, 2024, in annual principal installments ranging from \$565 - \$4,330.

Principal amount outstanding at June 30, 1996	\$ 44,065
Less issue discount	<u>226</u>
Total	<u>\$ 43,839</u>

The proceeds of the 1993 issue were used to defease the 1990 Certificates of Participation issue that was to finance the design of an interceptor and make 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 in the 1994 fiscal year which will be amortized over the life of the 1993 Certificates; the balance of the extraordinary loss at June 30, 1996 was \$1,104. Interest with respect to the Certificates began on date of issuance, the first interest payment was due on March 1, 1994. The restrictive covenants include the requirement of a reserve for debt service by providing a surety bond provided by FDIC. The surety bond is in the amount of maximum annual debt service on the 1993 Certificates. The Certificates will be repaid from the net revenues of the Sanitary Wastewater Utility Fund.

\$2 of the cash with fiscal agent shown on the balance sheet, Enterprise-Sanitary Wastewater Utility Fund (restricted assets) is held by a fiscal agent (trustee) in charge of investments of idle funds and disbursements for the improvements and modifications of the project being financed. In accordance with Governmental Accounting Standards Board Statement 14 - Reporting Entity, the SPFA is combined with Sanitary Wastewater Utility (Enterprise Fund).

The proceeds of the 1995 issue were used to finance the design, improvements and modifications to the regional wastewater control facilities serving the citizens of the City of Stockton. Interest with respect to the Certificates began on September 1, 1995. The restrictive covenants include the requirement of a reserve for debt service by providing a surety bond provided by FDIC. The surety bond is in the amount of maximum annual debt service on the 1995 Certificates.

\$34,782 of the cash with fiscal agent shown on the balance sheet, Enterprise-Sanitary Wastewater Utility Fund (restricted assets) is held by a fiscal agent (trustee) in charge of investments of idle funds and disbursements for the improvements and modifications of the project being financed. In accordance with Governmental Accounting Standards Board Statement 14, Reporting Entity, the SPFA is combined with Sanitary Wastewater Utility (Enterprise Fund).

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 8: LONG-TERM DEBT - ENTERPRISE FUNDS, cont.,

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.

Special Assessment Bonds

Various special assessment bonds were issued for the enterprise funds. Debt service requirements will be paid from future revenues, mainly from users' charges. All special assessment bonds are limited obligation type bonds. Therefore the City is not obligated in any manner to repay the debt from general city revenues. Special assessment bonds currently outstanding at June 30, 1996 are as follows:

	<u>Series</u>	<u>Principal Interest Rate %</u>	<u>Date Issued</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Amount Outstanding</u>
Water Utility						
Service facilities		6.20	07-02-69	07-02-99	\$ 850	\$ 210
Service facilities	159 A	7.32	07-02-74	07-02-99	1,650	455
Sanitary Wastewater Utility	159 B					
Wastewater service facilities		7.19	07-02-75	07-02-00	4,700	1,760
Subtotal	181					2,425
Less issue discount						14
Total						<u>\$ 2,411</u>

Annual debt service requirements to maturity for special assessment bonds, are as follows:

	<u>Mature in Fiscal Year</u>						<u>Total</u>
	<u>1996-1997</u>	<u>1997-1998</u>	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>Thereafter</u>	
Principal							
Water Utility Fund	\$ 155	\$ 160	\$ 170	\$ 180	\$ --	\$ --	\$ 665
Sanitary Wastewater Utility Fund	<u>300</u>	<u>325</u>	<u>350</u>	<u>375</u>	<u>410</u>	<u>--</u>	<u>1,760</u>
Total Principal	<u>\$ 455</u>	<u>\$ 485</u>	<u>\$ 520</u>	<u>\$ 555</u>	<u>\$ 410</u>	<u>\$ --</u>	<u>\$ 2,425</u>
Interest							
Water Utility Fund	\$ 39	\$ 29	\$ 18	\$ 6	\$ --	\$ --	\$ 92
Sanitary Wastewater Utility Fund	<u>114</u>	<u>92</u>	<u>68</u>	<u>42</u>	<u>16</u>	<u>--</u>	<u>332</u>
Total Interest	<u>\$ 153</u>	<u>\$ 121</u>	<u>\$ 86</u>	<u>\$ 48</u>	<u>\$ 16</u>	<u>\$ --</u>	<u>\$ 424</u>
Total Principal and Interest							
Water Utility Fund	\$ 194	\$ 189	\$ 188	\$ 186	\$ --	\$ --	\$ 757
Sanitary Wastewater Utility Fund	<u>414</u>	<u>417</u>	<u>418</u>	<u>417</u>	<u>426</u>	<u>--</u>	<u>2,092</u>
Total	<u>\$ 608</u>	<u>\$ 606</u>	<u>\$ 606</u>	<u>\$ 603</u>	<u>\$ 426</u>	<u>\$ --</u>	<u>\$ 2,849</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 8: LONG-TERM DEBT - ENTERPRISE FUNDS, cont.,

Developer Agreement

The Developer Agreement represents a reimbursement agreement for the developer-constructed portion of the City's wastewater collection system called Phase I of the Northwest Sewer Project. The amount to be reimbursed will be determined on a yearly basis dependent upon the number of building permits issued within the property benefitted by the Northwest Sewer Project, plus interest at the rate equal to the 11th District Cost of Funds.

Solid Waste Landfill Closure/Postclosure Liability

The City has recorded the liability for future landfill closure and postclosure costs for the Austin Road and French Camp Landfills for the June 30, 1996 capacity filled. See notes 2 and 21 in these financial statements for the specific details of the calculation.

Component Unit - Long-Term Debt

The following is a summary of long-term debt of the Central Parking District (component unit) as of June 30, 1996:

	<u>Long-Term</u>	<u>Current</u>	<u>Total</u>
Special assessment bonds	\$ 9,030	\$ 435	\$ 9,465
Compensated absences	<u>--</u>	<u>7</u>	<u>7</u>
Total	<u>\$ 9,030</u>	<u>\$ 442</u>	<u>\$ 9,472</u>

Special assessment bonds of the Central Parking District currently outstanding at June 30, 1996 are as follows:

<u>Enterprise Fund</u>	<u>Series</u>	<u>Principal Interest Rate %</u>	<u>Date Issued</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Amount Outstanding</u>
Central Parking District						
Division 1	148 A	4.93	11-02-66	07-02-02	\$ 2,000	\$ 685
Division 2	148 B	5.35	02-02-68	07-02-02	1,000	330
Division 3	148 C	5.47	11-02-68	07-02-05	1,000	330
Division 4	148 D	7.00	04-02-70	07-02-05	583	545
District Bonds of 1991	148 E	5.5-7.9	08-01-91	08-01-11	8,475	7,575
Total						<u>\$ 9,465</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1996-1997	\$ 435	\$ 687	\$ 1,122
1996-1997	465	660	1,125
1997-1998	490	631	1,121
1998-1999	515	600	1,115
1999-2000	555	566	1,121
Thereafter	<u>7,005</u>	<u>3,396</u>	<u>10,401</u>
Total	<u>\$ 9,465</u>	<u>\$ 6,540</u>	<u>\$ 16,005</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 8: LONG-TERM DEBT - ENTERPRISE FUNDS, cont.,

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. 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, 1996, the outstanding balances considered defeased are as follows:

	<u>Amount</u>
Primary Government	
1990 Certificates of Participation - Sanitary Wastewater Utility Fund	\$ 14,430
1986 Certificates of Participation - Water Utility Fund	\$ 10,180
Component Unit	
1986 Revenue Bonds - Central Parking District (Note 22)	\$ 6,560

NOTE 9: LONG-TERM DEBT - INTERNAL SERVICE FUND

The following is a summary of all long-term debt included in the Internal Service Fund as of June 30, 1996:

	<u>Long-Term</u>	<u>Current</u>	<u>Total</u>
Self-insurance liabilities	\$ 7,772	\$ 5,723	\$ 13,495
Capitalized lease payable	181	137	318
Compensated absences	<u>290</u>	<u>141</u>	<u>431</u>
Total	<u>\$ 8,243</u>	<u>\$ 6,001</u>	<u>\$ 14,244</u>

Self-Insurance Liabilities

In accordance with GASB 10, 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 liability for unpaid claims for general liability and workers' compensation is discounted to reflect anticipated future investment earnings, assuming a five percent interest rate. 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:

	<u>Long-Term</u>	<u>Current</u>	<u>Total</u>
General liability	\$ 2,700	\$ 1,154	\$ 3,854
Workers' compensation	5,072	2,448	7,520
Health insurance	<u>--</u>	<u>2,121</u>	<u>2,121</u>
Total	<u>\$ 7,772</u>	<u>\$ 5,723</u>	<u>\$ 13,495</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 9: LONG - TERM DEBT - INTERNAL SERVICE FUND, cont.,

Capitalized Lease Payable

The City has entered into various capitalized lease agreements for computer equipment. These leases expire in various years through October 1998.

Future minimum lease payments under capitalized leases are as follows:

1996-97	\$ 154
1997-98	154
1998-99	<u>38</u>
	346
Less amounts representing interest	<u>28</u>
Present value of future minimum lease payments	318
Less current portion	<u>137</u>
Long-Term Portion	<u>\$ 181</u>

NOTE 10: NATURE AND PURPOSE OF REPORTED RESERVES AND DESIGNATIONS

A summary of reported reserves and designations by fund at June 30, 1996 follows:

Account Title	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
Reserves					
Encumbrances	\$ 1,692	\$ 5,761	\$ 9	\$ 1,947	\$ --
Continuing appropriations	--	3,739	--	54,640	--
Debt service	--	--	530	10,971	--
Advances to other funds	546	15,098	--	13,875	--
Advances for loans	--	20,994	--	--	--
Advances to other agencies	1,600	--	--	--	--
Other items	<u>401</u>	<u>138</u>	<u>--</u>	<u>87</u>	<u>528</u>
Total Reserves	<u>\$ 4,239</u>	<u>\$ 45,730</u>	<u>\$ 539</u>	<u>\$ 81,520</u>	<u>\$ 528</u>
Designations					
Administrative contingency	\$ 7,822	\$ --	\$ --		
Loans	--	1,906	--		
Library	--	488	--		
Compensated absences contingency	3,900	400	--		
Debt service	<u>--</u>	<u>--</u>	<u>14,682</u>		
Total Designations	<u>\$ 11,722</u>	<u>\$ 2,794</u>	<u>\$ 14,682</u>		

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 10: NATURE AND PURPOSE OF REPORTED RESERVES AND DESIGNATIONS, cont.,

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.

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

Continuing Appropriations - Special Revenue Funds for construction and maintenance of infrastructure projects. Capital Projects Funds for current and future infrastructure projects.

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

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; 4) provide funds for the loan to the San Joaquin Area Flood Control Agency.

Advances for Loans - Outstanding balance of loans approved and disbursed as of fiscal year end.

Advances to Other Agencies - Council approved loan to the San Joaquin Area Flood Control Agency for preconstruction costs required for a joint City/County flood control project.

Others - To offset miscellaneous assets that do not represent expendable available financial resources.

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.

NOTE 11: SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintained seven active enterprise funds effective this fiscal year. The Central Parking District and Stockton-Vacaville Home Financing Authority are reported as discrete component units in the Combined Financial Statements. Segment information for the year ended June 30, 1996 is as follows:

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 11: SEGMENT INFORMATION FOR ENTERPRISE FUNDS, cont.,

	Water Utility	Sanitary Waste- water Utility	Storm- water Utility	Solid Waste	Golf Courses	Central Parking District	Stockton- Vacaville Home Financing Authority
Operating revenue	\$ 11,401	\$ 25,129	\$ 4,022	\$ 5,941	\$ 1,703	\$ 1,891	\$ 3
Depreciation and amortization expense	1,043	3,042	876	18	118	314	--
Operating income (loss)	2,018	636	425	747	150	(105)	7
Operating transfers in	1,084	4,374	--	--	--	98	--
Operating transfers (out)	(1,084)	(4,374)	--	--	--	--	--
Net income (loss)	2,564	2,235	328	1,129	155	90	(36)
Current capital contributions/(deletions)	1,646	5,302	727	--	--	--	(88)
Fixed assets							
Additions	8,040	28,106	739	404	183	107	--
Deletions	4,860	7,727	--	2	5	--	--
Net working capital	11,199	24,367	3,172	2,811	397	528	--
Total assets	62,997	200,944	32,979	8,730	1,844	15,571	--
Bonds & other long-term liabilities payable from operating revenue	19,150	65,948	1,763	6,895	--	9,465	--
Total Equity	42,083	128,261	31,033	1,215	1,661	5,645	--

Types of Goods and Services

Primary Government

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 two municipal golf courses, Swenson Park and Van Buskirk. Both courses are 18 holes with Swenson also offering a 9-hole executive course.

Both courses are 18 holes with

Swenson also offering a 9-hole executive course.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 11: SEGMENT INFORMATION FOR ENTERPRISE FUNDS, cont.,

Types of Goods and Services, cont.,

Component Units

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

Stockton-Vacaville Home Financing Authority (SVHFA) - The purpose of SVHFA is to exercise the common powers of the two cities to undertake a home financing program.

NOTE 12: DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City's contribution ranges from 2.5% to 4.5% of the employees' base salary for management employees except for the City Manager. The City Manager's contribution is \$7.5 annually. The contribution for public safety management ranges from 1.0% to 2.0%. The City's contribution for blue collar and white collar employees, except for public safety, is 2.5% of the gross pay for the fifth step of their salary range. The employee may contribute up to a combined City and employee total of 25% of their gross pay not to exceed a combined total of \$7.5 for each year.

Beginning July 1, 1991, the City established a separate Deferred Compensation Fund for the Part-Time, Seasonal, and Temporary (PST) employees. The primary purpose of this plan is to provide a retirement plan alternative to Social Security for all PST employees. Further, this plan shall meet all provisions of the Omnibus Budget Reconciliation Act of 1990. Employees are required to contribute 7.50% of their gross pay into the fund. The City does not contribute to the Fund.

During August, 1996, Congress passed the *Small Business Job Protection Act of 1996*, which requires the City to set up trusts to hold assets and income of the Plan for the exclusive benefit of the participants. Prior to this Act, all amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights would have remained the City's, subject only to the claims of the City's general creditors, until made available to the participant or other beneficiary.

The City shall maintain for each participant an account book which shall include all amounts of compensation deferred under the plan and all income attributable to such amounts.

Distribution of benefits for full time employees shall commence due to retirement, termination of employment, disability or death. Emergency withdrawals may be permitted at the discretion of the City and must be in compliance with the IRS guidelines. Because the PST experiences periods of non-employment, these periods of non-employment shall not be deemed separation of service until such time as 365 consecutive days have passed since the last day of employment. At the end of this grace period a check will be mailed directly to the employee for the balance of the account.

Amounts accumulated by the City, under the Plan, have been invested in several investment options, administered by the City, at the direction of the employees. The Plan is accounted for in an Agency Fund.

At June 30, 1996, the City's deferred compensation plan has accumulated \$70,079 in assets, including investment earnings payable to its employees.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 13: PENSION PLAN

Plan Description

The City contributes to 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. The City's payroll for employees covered by PERS for the year ended June 30, 1996, was \$67,690. The total payroll for the same period was \$77,555.

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 last year of employment. The percent of pay to which these members are entitled for each year of service follows:

Miscellaneous Employees - 1.426% at retirement age of 50; benefit factor increases for each quarter year of attained age to 2.418% at age 63+.

Public Safety Employees - 2.00% at retirement age of 50; benefit factor increases for each quarter of attained age to 2.70% at age 55+.

These benefit provisions and all other requirements are established by state statute. The City is required by employee benefit packages to contribute the entire amount necessary to fund the system using the actuarial basis specified by statute. Current membership information by category is as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Retirees, beneficiaries and terminated employees	1,036	410	1,446
Active employee	<u>1,065</u>	<u>570</u>	<u>1,635</u>
Total Membership	<u><u>2,101</u></u>	<u><u>980</u></u>	<u><u>3,081</u></u>

Funding Status and Progress

The amount shown below as the pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of PERS on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to PERS. The City's total pension benefit obligation applicable to the employees was fully funded and had an excess funding of \$33,753 at June 30, 1995, computed as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 180,117
Current Employees:	
Accumulated employee contributions including allocated investment earnings	71,930
Employer-financed vested	78,996
Employer-financed nonvested	<u>3,425</u>
Total Pension Benefit Obligation	334,468
Actuarial Value of Assets (market value - \$391,419)	<u>(368,221)</u>
Excess Funding - Pension Benefit Obligation	<u><u>\$ 33,753</u></u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 13: PENSION PLAN, cont.,

There were no changes in the pension benefit obligation since last year due to either changes in benefit provisions or changes in actuarial assumptions. Significant actuarial assumptions used to calculate the above pension benefit obligation are:

The actuarially assumed investment return is 8.50% per annum. The salary scale used assumes salary increases that vary by length of service. The total increase in any future year includes an assumed 4.5% inflation rate.

Actuarially Determined Contribution Requirements and Contributions Made

PERS uses the Entry Age Normal Actuarial Cost Method which is a projected benefit cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued.

According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from the date of employment until retirement. PERS uses a modification of the Entry Age Cost Method in which the employer's total normal cost is expressed as a level percentage of payroll. PERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities. The amortization period of the unfunded actuarial liability for miscellaneous employees ends on June 30, 2011 for prior service benefits and current service benefits.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as previously described.

As part of the City employees' benefit package, the City pays for the employees' contribution. The City's PERS reportable payroll for employees covered by PERS, the combined employee - employer rates as a percentage of covered payroll, and the amount contributed for the year ended June 30, 1996 are as follows:

Category	Gross Covered Payroll	Effective Rates @ 7/01/95 as a Percent of Payroll		Member Contributions Made	Employer Contributions Made
		Member Rate - %	Employer Rate - %		
Miscellaneous members	\$ 36,964	7	9.140	\$ 2,588	\$ 3,379
Safety members with benefits described under Article 21252.01					
Fire	11,997	9	9.934	1,080	1,192
Police	18,729	9	9.934	1,686	1,861
Totals	<u>\$ 67,690</u>			<u>\$ 5,354</u>	<u>\$ 6,432</u>
		As a Percent of Payroll Member Category - Rate		Required Contributions	
		Misc.	Safety	Misc.	Safety
Normal Cost	16.121	21.864	\$ 5,959	\$ 6,718	\$ 12,677
Amortization of Unfunded Liability	.019	(2.930)	7	(900)	(893)
Total Required Contribution	<u>16.140</u>	<u>18.934</u>	<u>\$ 5,966</u>	<u>\$ 5,818</u>	<u>\$ 11,784</u>

Contributions were made in conformance with actuarial requirements.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 13: PENSION PLAN, cont.,

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten year trend information may be found in the California Public Employees' Retirement System Annual Report which combines all of the PERS entities. Applicable information for the City of Stockton alone has only been available since the 1987 fiscal year. Nine years of historical trend information is summarized below. Prior to 1994, assets are shown at book value. Beginning with 1994, the assets are shown at actuarial value (smoothed market value).

(Dollar Amounts Shown In Millions)							
Fiscal Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1987	16.01%	\$ 155.1	\$ 174.6	88.8%	\$ 19.4	\$ 42.1	46.1%
1988	16.33	174.8	190.3	91.9	15.4	43.8	35.3
1989	12.16	199.3	212.7	93.7	13.4	47.9	27.9
1990	10.47	222.6	239.9	92.8	17.2	52.7	32.8
1991	10.85	239.9	252.6	95.0	12.6	56.6	22.4
1992	13.26	261.5	271.2	96.4	9.6	60.5	16.0
1993	11.46	285.4	285.0	100.1	(0.5)	60.9	(.7)
1994	10.85	344.0	157.0	200.0 +	(187.0)	64.1	(200.0)
1995	9.50	368.2	334.4	110.1	(33.8)	69.2	(48.7)

- (1) Employer Contribution as a Percentage Covered of Payroll
- (2) Net Assets Available for Benefits
- (3) Pension Benefit Obligation
- (4) Percentage Funded -- (2) / (3)
- (5) Unfunded / (Excess) Pension Benefit Obligation -- (3) - (2)
- (6) Estimated Annual Covered Payroll for the Succeeding Fiscal Year
- (7) Unfunded / (Excess) Pension Benefit Obligation as a Percentage of Covered Payroll -- (5) / (6)

The City's contributions to the system were made in accordance with actuarially determined requirements. Showing pension benefit obligation as a percent of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes.

NOTE 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 a Risk Management Fund (Internal Service Fund) to account for its uninsured risk of loss. Under this program, the Risk Management Fund provides coverage up to a maximum of \$1,000 for each general liability claim, \$325 for each worker's compensation claim and \$150 for each health insurance claim. 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 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 23 member entities which represent in excess of 150 cities. The City pays an annual premium to CJPRMA for its general liability excess insurance coverage for claims over \$1,000.

The worker's compensation and health insurance are administered by service agents who are experts in their respective fields. The general liability is self administered by the City of Stockton.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 14: RISK MANAGEMENT, cont.,

At June 30, 1996, \$3,854, \$7,520, and \$2,121 have been accrued for general liability, workers' compensation, and health insurance, respectively. All funds of the City participate in the program and make payments to the Risk Management Internal Service Fund 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, 1996, are based on requirements of GASB No. 10, which requires 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, 1996 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.

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

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Health</u>	<u>Total</u>
Balance, 07/01/94	\$ 5,185	\$ 8,510	\$ 1,137	\$ 14,832
Claims provision	3,271	2,326	8,109	13,706
Claims paid	<u>(2,576)</u>	<u>(3,314)</u>	<u>(7,384)</u>	<u>(13,274)</u>
Balance, 06/30/95	5,880	7,522	1,862	15,264
Claims provision	109	3,005	8,573	11,687
Claims paid	<u>(2,135)</u>	<u>(3,007)</u>	<u>(8,314)</u>	<u>(13,456)</u>
Balance, 06/30/96	<u>\$ 3,854</u>	<u>\$ 7,520</u>	<u>\$ 2,121</u>	<u>\$ 13,495</u>

NOTE 15: JOINT VENTURE

The City is a member of the California Joint Powers Risk Management Authority, a risk pool. The following joint venture disclosures are made:

Description of Joint Powers Authority

The Authority is comprised of 23 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 and to purchase excess insurance coverage.

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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 15: JOINT VENTURE, cont.,

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. The Authority has never purchased excess coverage for general liability due to its prohibitive cost. Separate deposits are collected from the member cities to cover claims between \$500 and \$10,000. These deposits are subject to retrospective adjustments.

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.

NOTE 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 are eligible for these benefits at age 50, and all other employees are eligible at age 55. Benefits cover the participant and one dependent. Benefits expire at participant age 65 except for miscellaneous management employees who receive lifetime medicare supplements. There is also a length of service requirement varying from 5 to 15 years of service. Currently, 316 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 \$2,369 were recognized for post-employment health care.

Most retirees do not contribute to the plan. Those that qualify for City paid benefits may purchase additional insurance for dependents not covered by the Plan. Also, terminated employees may purchase up to thirty-six months of coverage. During the year \$91 of insurance was purchased by retirees and terminated employees.

NOTE 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.

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.

There is a potential environmental liability due to the possibility of leakage of the Austin Road and French Camp landfill sites. Contamination of the groundwater could pollute drinking water wells privately owned and by the State of California. The amount of the potential liability cannot be estimated at this time.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 17: CONTINGENT LIABILITIES, cont.,

General Liability, cont.,

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

Accumulated Deficit

- The Stormwater Utility Fund (Enterprise) has a deficit retained earnings of \$4,147 at June 30, 1996. The deficit will be offset through user fee rate adjustments and improved operations.
- The General Insurance and Workers' Compensation Funds (Internal Service) have deficit retained earnings of \$827 and \$710 at June 30, 1996 respectively. The deficits will be offset by adjusting rates paid by City Funds.

Construction Commitments

The City is undertaking a number of capital improvement projects, the most significant of which include the following at June 30, 1996:

- Regional Wastewater Control Facility expansion	\$6,512
- Interceptor	1,038
- Internal Service Fund equipment acquisition	1,053
- Street improvements	4,258
- Traffic signals	2,420

NOTE 18: CHANGES IN CONTRIBUTED CAPITAL

Enterprise Funds:

	<u>Water Utility</u>	<u>Sanitary Wastewater Utility</u>	<u>Stormwater Utility</u>	<u>Solid Waste</u>	<u>Golf Courses</u>	<u>Total</u>
Balance, July 1, 1995	\$ 25,923	\$ 99,882	\$ 34,459	\$ 693	\$ 406	\$ 161,363
Prior Period Adjustments (Note 2)	--	4,008	--	--	--	4,008
Balance, July 1, 1995, restated	25,923	103,830	34,459	693	406	165,371
Additions	1,646	6,321	727	--	--	8,694
Deletions	(29)	(1,081)	(6)	--	(6)	(1,122)
Balance, June 30, 1996	<u>\$ 27,540</u>	<u>\$ 109,130</u>	<u>\$ 35,180</u>	<u>\$ 693</u>	<u>\$ 400</u>	<u>\$ 172,216</u>

Internal Service Funds:

	<u>Central Garage</u>	<u>Computer Equipment</u>	<u>Radio Equipment</u>	<u>Other Equipment</u>	<u>Total</u>
Balance, July 1, 1995	\$ 3,523	\$ 4,821	\$ 2,036	\$ 733	\$ 11,113
Additions	111	42	13	4	170
Deletions	--	--	--	--	--
Balance, June 30, 1996	<u>\$ 3,634</u>	<u>\$ 4,863</u>	<u>\$ 2,049</u>	<u>\$ 737</u>	<u>\$ 11,283</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 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.

NOTE 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:

<u>June 30,</u>	<u>Amount</u>
1997	\$179
1998	151
1999	143
2000	143
2001	150
Thereafter	<u>1,398</u>
Total	<u>\$ 2,164</u>

NOTE 21: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the City to place a final cover on its Austin Road and French Camp landfill sites when they stop accepting waste for the City and to perform certain maintenance and monitoring functions at the site for thirty years after the closure (per California state regulations subtitle d). Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$4,349 and \$2,546 for the Austin Road and French Camp landfill closure and postclosure care liability at June 30, 1996, represents the cumulative amount reported to date based on the use of 89% and 68% for Austin Road and French Camp of the estimated capacity of the landfill. The City will recognize the remaining estimated costs of closure and postclosure care of \$511 and \$1,182 for Austin Road and French Camp respectively as the remaining capacity is filled. Amounts are based on what it would cost to perform all closure and postclosure care in 1996. Actual cost may be higher due to inflation, changes in technology, or changes in state or federal regulations. The City expects to close the Austin Road and French Camp landfill in the years 2000 and 2013 respectively.

The City is required by state and federal laws and regulations to make annual contributions to finance closure and postclosure care. The City is in compliance with these requirements, and, at June 30, 1996, \$3,319 for Austin Road and \$1,024 for French Camp are held for these purposes. Contributions are reported as restricted cash and investments in the financial statements. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations), these costs may need to be covered by charges to future landfill users or from future tax revenues.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1996

(Dollar amounts in thousands)

NOTE 22: SUBSEQUENT EVENTS

Subsequent to the date of the general purpose financial statements contained herein, the City reached agreement with the Stockton Firefighters' Local No. 1229, which represents the uniformed Fire Department personnel. The previous contract expired December 31, 1995. The agreement provided, in part, that uniformed fire personnel were granted a 2.0% wage increase retroactive to January 1, 1996, uniform allowance payments were increased by one hundred dollars, an additional five percent wage increase twelve months after the fifth step, and additional wage and benefit provisions for the duration of the contract. The new contract expires December 31, 2000.

Subsequent to the date of the general purpose financial statements contained herein, certain outstanding bonds were called, including all of the remaining \$6,560 defeased 1986 Revenue Bonds of the Central Parking District, \$934 of various 1915 Act Special Assessment Bond issues at 103% - 105%.



Stockton



GENERAL FUND

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, 1996

(With comparative totals for June 30, 1995)

(Dollar amounts in thousands)

	1996	1995
ASSETS		
ASSETS:		
Cash and temporary investments	\$ 8,770	\$ 11,253
Cash with fiscal agents	69	259
Receivables:		
Interest	260	269
Taxes and special assessments	43	43
Accounts and others	5,726	5,537
Allowance for uncollectibles	(451)	(380)
Due from other funds	773	1,564
Due from other governments	6,109	8,976
Due from other agencies	4,700	-
Inventory of supplies	249	254
Advances to other funds	546	573
Advances to other agencies	1,600	-
Total assets	<u>\$28,394</u>	<u>\$28,348</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts payable	\$ 1,347	\$ 1,111
Accrued payroll and benefits	2,906	2,733
Due to other funds	4,700	-
Due to other agencies	130	-
Deposits	3	1
Deferred revenue	3,347	7,195
Total liabilities	<u>12,433</u>	<u>11,040</u>
FUND BALANCES:		
Reserved:		
Encumbrances	1,692	1,663
Advances to other funds	546	573
Advances to other agencies	1,600	-
Other items	401	1,996
Unreserved:		
Designated for administrative contingency	7,822	9,176
Designated for compensated absences contingency	3,900	3,900
Total fund balances	<u>15,961</u>	<u>17,308</u>
Total liabilities and fund balances	<u>\$28,394</u>	<u>\$28,348</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, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	1996		
	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Property	\$ 15,010	\$ 14,944	\$ (66)
Sales and use	21,660	21,640	(20)
Utility	21,930	21,141	(789)
Other	11,460	10,794	(666)
Licenses and permits	2,408	2,281	(127)
Federal grants and subsidies	1,205	834	(371)
Intergovernmental	8,578	9,437	859
Charges for services	7,480	7,449	(31)
Fines and forfeitures	726	604	(122)
Use of money and property	1,702	1,822	120
Refunds and reimbursements	762	5,873	5,111
Miscellaneous	3,626	3,718	92
Total revenues	<u>96,547</u>	<u>100,537</u>	<u>3,990</u>
EXPENDITURES:			
Current:			
General government:			
City council	275	228	47
City manager	1,823	1,742	81
Attorney	1,210	1,151	59
City clerk	954	827	127
City auditor	268	231	37
Finance	2,583	2,419	164
Management information services	1,239	1,114	125
Personnel	1,421	1,312	109
Housing and redevelopment	54	44	10
Community development	1,756	1,430	326
Non-departmental	5,744	5,496	248
Total general government	<u>17,327</u>	<u>15,994</u>	<u>1,333</u>
Public safety:			
Police	45,586	43,615	1,971
Fire	23,023	22,615	408
Community development	3,074	2,774	300
Total public safety	<u>71,683</u>	<u>69,004</u>	<u>2,679</u>

1995		
Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 15,294	\$ 14,448	\$ (846)
20,470	21,013	543
20,631	21,706	1,075
11,150	11,301	151
2,379	2,127	(252)
286	473	187
8,957	8,693	(264)
7,526	7,029	(497)
663	562	(101)
1,403	1,898	495
736	869	133
3,707	3,722	15
<u>93,202</u>	<u>93,841</u>	<u>639</u>
268	218	50
1,835	1,657	178
1,183	1,127	56
845	745	100
270	188	82
2,343	2,173	170
1,132	1,097	35
1,336	1,241	95
51	33	18
1,694	1,470	224
2,187	2,077	110
<u>13,144</u>	<u>12,026</u>	<u>1,118</u>
43,690	41,298	2,392
23,360	22,702	658
3,044	2,689	355
<u>70,094</u>	<u>66,689</u>	<u>3,405</u>

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, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	1996		
	Final Budget	Actual	Variance Favorable (Unfavorable)
Public works	11,500	11,003	497
Parks and recreation	<u>8,859</u>	<u>8,023</u>	<u>836</u>
Total current expenditures	109,369	104,024	5,345
Capital outlay	<u>171</u>	<u>158</u>	<u>13</u>
Total expenditures	<u>109,540</u>	<u>104,182</u>	<u>5,358</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	<u>(12,993)</u>	<u>(3,645)</u>	<u>9,348</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	4,600	4,600	-
Operating transfers out	(8,693)	(8,693)	-
Operating transfers out to component unit	(98)	(98)	-
Sale of fixed assets	12	9	(3)
Advances from other funds	-	-	-
Total other financing sources (uses)	<u>(4,179)</u>	<u>(4,182)</u>	<u>(3)</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	<u>(17,172)</u>	<u>(7,827)</u>	<u>9,345</u>

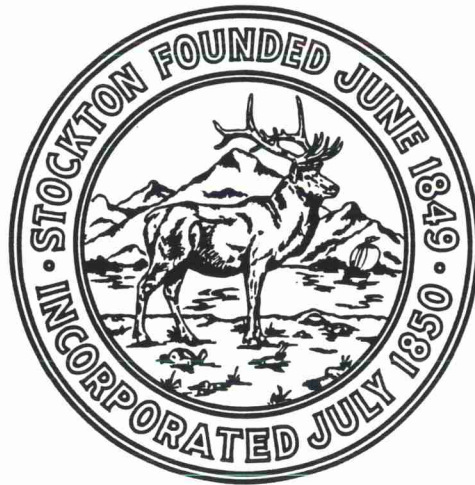
1995		
Final Budget	Actual	Variance Favorable (Unfavorable)
10,229	9,424	805
<u>9,107</u>	<u>8,273</u>	<u>834</u>
102,574	96,412	6,162
<u>185</u>	<u>184</u>	<u>1</u>
<u>102,759</u>	<u>96,596</u>	<u>6,163</u>
<u>(9,557)</u>	<u>(2,755)</u>	<u>6,802</u>
4,400	4,400	-
(4,214)	(4,214)	-
(98)	(98)	-
10	39	29
1,300	1,300	-
<u>1,398</u>	<u>1,427</u>	<u>29</u>
<u>(8,159)</u>	<u>(1,328)</u>	<u>6,831</u>

CITY OF STOCKTON

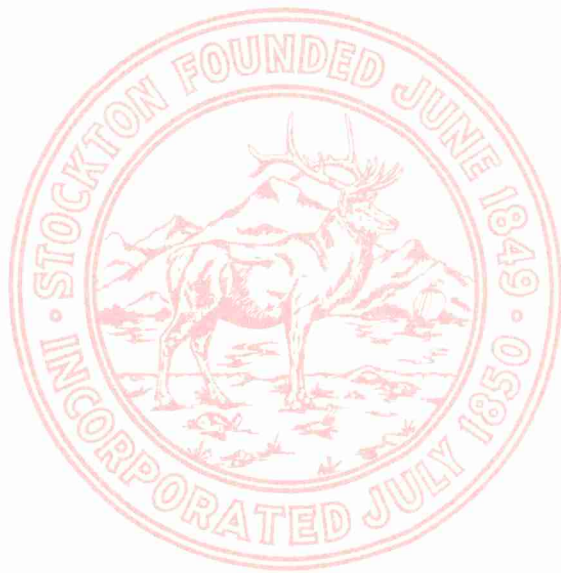
**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ON A BUDGETARY BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	1996		
	Final Budget	Actual	Variance Favorable (Unfavorable)
BASIS ADJUSTMENTS:			
Encumbrances	-	1,692	1,692
Loan budgeted on a cash basis	<u>4,700</u>	<u>4,700</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(12,472)	(1,435)	11,037
FUND BALANCES, BEGINNING OF YEAR	17,308	17,308	-
Residual equity transfers in	-	-	-
Residual equity transfer in from component unit	<u>-</u>	<u>88</u>	<u>88</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,836</u>	<u>\$ 15,961</u>	<u>\$ 11,125</u>

1995		
Final Budget	Actual	Variance Favorable (Unfavorable)
-	1,662	1,662
<u>1,600</u>	<u>1,600</u>	<u>-</u>
(6,559)	1,934	8,493
12,064	15,318	3,254
56	56	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 5,561</u>	<u>\$ 17,308</u>	<u>\$ 11,747</u>



Stockton



SPECIAL REVENUE FUNDS

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 Federal Aid Urban Grant, Intermodal Surface Transportation Efficiency Act and SB325 Non-Transit revenues.

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 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.

Community Development Block Grant

To account for the annual federal grant that provides for development of a 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.

Other Special Revenue

To account for comparatively smaller special revenue funds including Asset Seizure, Fourth of July Event, and Boat Launching Facilities.

CITY OF STOCKTON

SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET

JUNE 30, 1996

(With comparative totals for June 30, 1995)

(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	\$ -	\$ 168	\$ 1,752	\$ 3,997	\$ -	\$ 1,092	\$ 691
Receivables:							
Interest	-	2	38	44	-	-	-
Accounts and other	-	-	-	-	-	-	4
Due from other governments	527	-	1,539	1,007	-	-	105
Advances to other funds	-	-	-	-	-	-	-
Advances to property owners	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
	<u>\$ 527</u>	<u>\$ 170</u>	<u>\$ 3,329</u>	<u>\$ 5,048</u>	<u>\$ -</u>	<u>\$ 1,092</u>	<u>\$ 800</u>
Total assets	<u>\$ 527</u>	<u>\$ 170</u>	<u>\$ 3,329</u>	<u>\$ 5,048</u>	<u>\$ -</u>	<u>\$ 1,092</u>	<u>\$ 800</u>

Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Home Program	Other Special Revenue	Totals	
						1996	1995
\$ 469	\$ -	\$ -	\$ 1,674	\$ -	\$320	\$10,163	\$10,854
-	-	-	2	-	4	90	87
1	-	-	-	-	-	5	769
-	-	103	-	44	-	3,325	2,072
-	4,686	10,412	-	-	-	15,098	15,176
2,988	-	-	14,755	3,251	-	20,994	16,875
-	-	69	-	-	-	69	52
<u>\$3,458</u>	<u>\$4,686</u>	<u>\$10,584</u>	<u>\$16,431</u>	<u>\$3,295</u>	<u>\$324</u>	<u>\$49,744</u>	<u>\$45,885</u>

CITY OF STOCKTON

SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (Continued) June 30, 1996 (With comparative totals for June 30, 1995) (Dollar amounts in thousands)

	Special Grants	Revenue Sharing	Gas Tax	Measure K Sales Tax	Cooperative Library	City- County Library	Special Assessments
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ 51	\$ -	\$ 327	\$ 225	\$ -	\$ 117	\$ 41
Due to other funds	376	95	-	-	-	-	-
Due to other governments	22	-	-	317	-	60	-
Deposits and other liabilities	-	-	8	-	-	-	-
Total liabilities	<u>449</u>	<u>95</u>	<u>335</u>	<u>542</u>	<u>-</u>	<u>177</u>	<u>41</u>
FUND BALANCES:							
Reserved:							
Continuing appropriations	-	-	-	2,995	-	-	524
Encumbrances	514	-	3,413	1,511	-	27	97
Advances to other funds	-	-	-	-	-	-	-
Advances for loans	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	138
Unreserved:							
Designated for library	-	-	-	-	-	488	-
Designated for loans	-	-	-	-	-	-	-
Designated for compensated absences contingency	-	-	-	-	-	400	-
Undesignated	(436)	75	(419)	-	-	-	-
Total fund balances	<u>78</u>	<u>75</u>	<u>2,994</u>	<u>4,506</u>	<u>-</u>	<u>915</u>	<u>759</u>
Total liabilities and fund balances	<u>\$527</u>	<u>\$ 170</u>	<u>\$3,329</u>	<u>\$5,048</u>	<u>\$ -</u>	<u>\$1,092</u>	<u>\$ 800</u>

Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Home Program	Other Special Revenue	Totals	
						1996	1995
\$ -	\$ -	\$ 51	\$ 25	\$ -	\$ 50	\$ 887	\$ 742
-	-	283	-	44	70	868	1,941
-	-	-	-	-	-	399	126
-	-	2	215	303	-	528	351
-	-	336	240	347	120	2,682	3,160
-	-	-	-	-	220	3,739	8,526
-	-	163	-	-	36	5,761	1,240
-	4,686	10,412	-	-	-	15,098	15,176
2,988	-	-	14,755	3,251	-	20,994	16,875
-	-	-	-	-	-	138	130
-	-	-	-	-	-	488	302
470	-	-	1,436	-	-	1,906	1,473
-	-	-	-	-	-	400	400
-	-	(327)	-	(303)	(52)	(1,462)	(1,397)
3,458	4,686	10,248	16,191	2,948	204	47,062	42,725
<u>\$3,458</u>	<u>\$4,686</u>	<u>\$10,584</u>	<u>\$16,431</u>	<u>\$3,295</u>	<u>\$324</u>	<u>\$49,744</u>	<u>\$45,885</u>

CITY OF STOCKTON

SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 1996 (With comparative totals for June 30, 1995) (Dollar amounts in thousands)

	Special Grants	Revenue Sharing	Gas Tax	Measure K Sales Tax	Cooperative Library	City- County Library	Special Assessments
REVENUES:							
Sales and use tax	\$ -	\$ -	\$ -	\$ 2,070	\$ -	\$ -	\$ -
Taxes - transportation	-	-	-	-	-	-	-
Taxes - business improvement	-	-	-	-	-	-	90
Federal grants and subsidies	1,341	-	897	-	-	-	-
Intergovernmental	945	-	4,320	321	154	2,439	-
Charges for services	-	-	-	-	36	139	528
Use of money and property	-	11	192	176	-	-	-
Refunds and reimbursements	-	-	-	-	-	48	-
Miscellaneous	-	-	-	38	-	-	-
Total revenues	<u>2,286</u>	<u>11</u>	<u>5,409</u>	<u>2,605</u>	<u>190</u>	<u>2,626</u>	<u>618</u>
EXPENDITURES:							
Current:							
General government	-	-	-	-	-	-	127
Public safety	744	-	-	-	-	-	-
Public works	-	-	-	-	-	-	428
Library	67	-	-	-	193	6,648	-
Parks and recreation	51	-	-	-	-	-	-
Capital outlay:							
Public safety	8	-	-	-	-	-	-
Public works	738	-	2,229	1,864	-	-	-
Library	699	-	-	-	-	28	-
Parks and recreation	-	-	-	-	-	-	-
Total expenditures	<u>2,307</u>	<u>-</u>	<u>2,229</u>	<u>1,864</u>	<u>193</u>	<u>6,676</u>	<u>555</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(21)</u>	<u>11</u>	<u>3,180</u>	<u>741</u>	<u>(3)</u>	<u>(4,050)</u>	<u>63</u>

Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Home Program	Other Special Revenue	Totals	
						1996	1995
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,070	\$ 1,971
-	-	-	-	-	-	-	176
-	-	-	-	-	-	90	142
-	-	4,922	-	1,949	-	9,109	6,110
-	-	-	-	-	142	8,321	8,265
-	-	-	-	-	127	830	624
-	-	3	316	62	15	775	614
-	-	-	-	-	-	48	45
-	-	-	-	-	-	38	11
-	-	4,925	316	2,011	284	21,281	17,958
-	-	-	231	-	22	380	307
-	-	-	-	-	72	816	1,112
-	-	-	-	-	-	428	394
-	-	-	-	-	-	6,908	7,015
-	-	-	-	-	77	128	141
-	-	-	-	-	93	101	72
-	-	2,663	-	64	-	7,558	5,036
-	-	-	-	-	-	727	151
-	-	-	-	-	10	10	134
-	-	2,663	231	64	274	17,056	14,362
-	-	2,262	85	1,947	10	4,225	3,596

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, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	Other Special Revenue			Totals		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Sales and use tax	\$ -	\$ -	\$ -	\$ 2,174	\$ 2,070	\$ (104)
Taxes - transportation	-	-	-	87	-	(87)
Taxes - business improvement	-	-	-	118	90	(28)
Federal grants and subsidies	-	-	-	3,334	897	(2,437)
Intergovernmental	57	142	85	18,524	7,222	(11,302)
Charges for services	96	127	31	748	794	46
Use of money and property	10	15	5	205	383	178
Refunds and reimbursements	-	-	-	36	48	12
Miscellaneous	-	-	-	6	38	32
Total revenues	<u>163</u>	<u>284</u>	<u>121</u>	<u>25,232</u>	<u>11,542</u>	<u>(13,690)</u>
EXPENDITURES:						
Current:						
General government	23	23	-	174	149	25
Public safety	168	75	93	168	75	93
Public works	-	-	-	542	526	16
Library	-	-	-	7,010	6,675	335
Parks and recreation	87	84	3	87	84	3
Capital outlay:						
Public safety	106	104	2	106	104	2
Public works	-	-	-	23,447	9,017	14,430
Library	-	-	-	28	28	-
Parks and recreation	30	24	6	30	24	6
Total expenditures	<u>414</u>	<u>310</u>	<u>104</u>	<u>31,592</u>	<u>16,682</u>	<u>14,910</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(251)</u>	<u>(26)</u>	<u>225</u>	<u>(6,360)</u>	<u>(5,140)</u>	<u>1,220</u>



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, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	Gas Tax			Measure K Sales Tax		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES						
(USES):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(4,600)	(4,600)	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>(4,600)</u>	<u>(4,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(3,153)	(4,833)	(1,680)	(3,098)	(770)	2,328
BASIS ADJUSTMENTS:						
Encumbrances	<u>-</u>	<u>3,413</u>	<u>3,413</u>	<u>-</u>	<u>1,511</u>	<u>1,511</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(3,153)	(1,420)	1,733	(3,098)	741	3,839
FUND BALANCES, BEGINNING OF YEAR	<u>4,414</u>	<u>4,414</u>	<u>-</u>	<u>3,765</u>	<u>3,765</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$1,261</u>	<u>\$2,994</u>	<u>\$1,733</u>	<u>\$ 667</u>	<u>\$4,506</u>	<u>\$3,839</u>

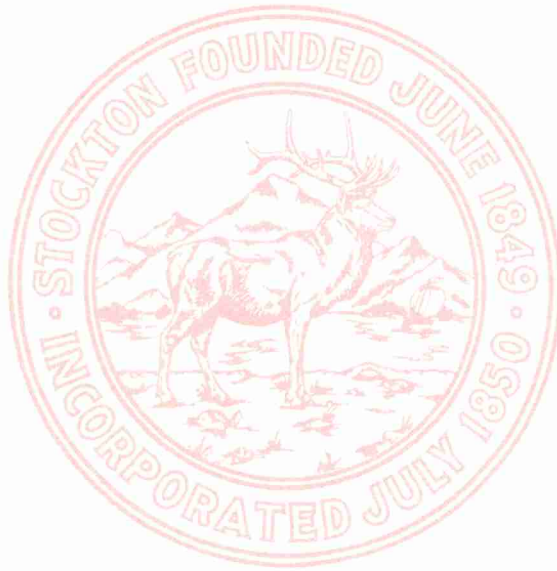
City-County Library			Special Assessments		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
4,159	4,159	-	-	-	-
(65)	(65)	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,094</u>	<u>4,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(316)	17	333	(48)	(34)	14
<u>-</u>	<u>27</u>	<u>27</u>	<u>-</u>	<u>97</u>	<u>97</u>
(316)	44	360	(48)	63	111
<u>871</u>	<u>871</u>	<u>-</u>	<u>696</u>	<u>696</u>	<u>-</u>
<u>\$ 555</u>	<u>\$ 915</u>	<u>\$360</u>	<u>\$648</u>	<u>\$759</u>	<u>\$111</u>

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, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	Other Special Revenue			Totals		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES						
(USES):						
Operating transfers in	23	23	-	4,182	4,182	-
Operating transfers out	-	-	-	(4,665)	(4,665)	-
Advances from other funds	16	-	(16)	16	-	(16)
Total other financing sources (uses)	39	23	(16)	(467)	(483)	(16)
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(212)	(3)	209	(6,827)	(5,623)	1,204
BASIS ADJUSTMENTS:						
Encumbrances	-	36	36	-	5,084	5,084
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(212)	33	245	(6,827)	(539)	6,288
FUND BALANCES, BEGINNING OF YEAR	171	171	-	9,917	9,917	-
FUND BALANCES, END OF YEAR	\$ (41)	\$204	\$245	\$3,090	\$9,378	\$6,288

Stockton



DEBT SERVICE FUNDS

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.

Redevelopment Agency

The fund established to account for the accumulation of resources for, and the retirement of principal and interest on general long-term debt for revenue bonds issued by the City Redevelopment Agency to repay debt previously issued to finance the West End Urban Renewal Project.

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.

General Obligation

To account for the accumulation of resources for, and the retirement of principal and interest on general long-term debt for Certificates of Participation issued to finance a street light acquisition project.

CITY OF STOCKTON

DEBT SERVICE FUNDS COMBINING BALANCE SHEET

JUNE 30, 1996

(With comparative totals for June 30, 1995)

(Dollar amounts in thousands)

	Mello Roos Districts	1915 Act Assessment District	Redevelopment Agency	General Obligation
ASSETS				
ASSETS:				
Cash and temporary investments	\$ 5,119	\$ 7,238	\$ -	\$ -
Cash with fiscal agents	-	8	-	-
Receivables:				
Special assessments	616	1,294	-	-
Accounts and other	50	145	-	-
Due from other governments	<u>1,791</u>	<u>878</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 7,576</u>	<u>\$ 9,563</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Matured bonds and interest payable	\$ -	\$ 8	\$ -	\$ -
Deferred revenue	<u>616</u>	<u>1,294</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>616</u>	<u>1,302</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Reserved:				
Debt service	-	530	-	-
Encumbrances	-	9	-	-
Unreserved:				
Designated for debt service	<u>6,960</u>	<u>7,722</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>6,960</u>	<u>8,261</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 7,576</u>	<u>\$ 9,563</u>	<u>\$ -</u>	<u>\$ -</u>

Totals	
1996	1995
\$ 12,357	\$ 11,408
8	1,868
1,910	2,166
195	418
<u>2,669</u>	<u>-</u>
<u>\$ 17,139</u>	<u>\$ 15,860</u>

\$ 8	\$ 8
<u>1,910</u>	<u>2,166</u>
<u>1,918</u>	<u>2,174</u>

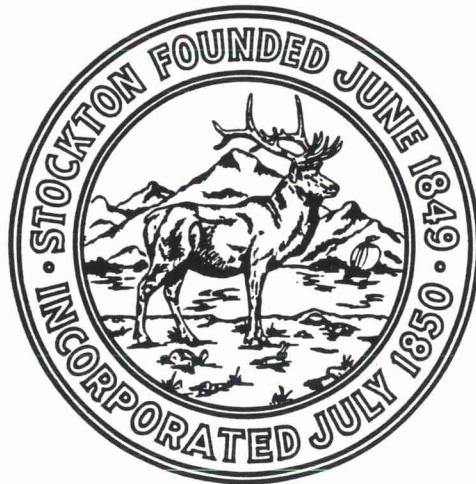
530	828
9	-
<u>14,682</u>	<u>12,858</u>
<u>15,221</u>	<u>13,686</u>
<u>\$ 17,139</u>	<u>\$ 15,860</u>

CITY OF STOCKTON

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)

	Mello Roos Districts	1915 Act Assessment District	Redevelopment Agency	General Obligation
REVENUES:				
Taxes	\$ 10,293	\$ 7,146	\$ -	\$ -
Use of money and property	153	304	-	-
Miscellaneous	<u>-</u>	<u>557</u>	<u>-</u>	<u>-</u>
Total revenues	<u>10,446</u>	<u>8,007</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
General government	-	120	-	-
Debt service:				
Principal retirement	1,680	2,822	400	180
Interest and fiscal charges	<u>7,924</u>	<u>4,498</u>	<u>113</u>	<u>19</u>
Total expenditures	<u>9,604</u>	<u>7,440</u>	<u>513</u>	<u>199</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>842</u>	<u>567</u>	<u>(513)</u>	<u>(199)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	95	-	513	199
Operating transfers out	<u>(240)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(145)</u>	<u>-</u>	<u>513</u>	<u>199</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	697	567	-	-
FUND BALANCES, BEGINNING OF YEAR	6,263	7,423	-	-
Residual equity transfers in	<u>-</u>	<u>271</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,960</u>	<u>\$ 8,261</u>	<u>\$ -</u>	<u>\$ -</u>

Totals	
1996	1995
\$17,439	\$18,470
457	430
<u>557</u>	<u>31</u>
<u>18,453</u>	<u>18,931</u>
120	112
5,082	5,860
<u>12,554</u>	<u>12,709</u>
<u>17,756</u>	<u>18,681</u>
<u>697</u>	<u>250</u>
807	2,183
<u>(240)</u>	<u>(1,431)</u>
<u>567</u>	<u>752</u>
1,264	1,002
13,686	12,379
<u>271</u>	<u>305</u>
<u>\$15,221</u>	<u>\$13,686</u>



Stockton



CAPITAL PROJECTS FUNDS

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 Signal
- Street Improvement
- Community Recreation Centers
- City Office Space
- Fire Station
- Library
- Police Station
- Parkland, Street Tree/Street Sign
- Street Light In-Lieu
- Air Quality Mitigation
- Habitat & Open Space Conservation
- Infrastructure Financing District 92-1 Administration
- Public Facilities Fees - Administration

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.

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 the 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.

CITY OF STOCKTON

CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET

JUNE 30, 1996

(With comparative totals for June 30, 1995)

(Dollar amounts in thousands)

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency	Mello-Roos Districts
ASSETS				
ASSETS:				
Cash and temporary investments	\$26,751	\$ 4,932	\$6,171	\$13,503
Cash with fiscal agents	-	-	145	3,045
Receivables:	-	-	-	-
Interest	350	56	89	138
Accounts and other	2,092	-	1	-
Due from other funds	783	3,895	-	-
Due from other governments	-	2	54	2
Deposits	-	-	47	-
Advances to other funds	750	11,975	1,150	-
Advances to property owners	-	40	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$30,726</u>	<u>\$20,900</u>	<u>\$7,657</u>	<u>\$16,688</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 682	\$ 204	\$ 110	\$ 26
Due to other funds	783	-	100	-
Due to other governments	-	30	-	-
Deposits and other liabilities	-	-	3	-
Matured bonds and interest payable	-	-	3	-
	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>
Total liabilities	<u>1,465</u>	<u>234</u>	<u>216</u>	<u>26</u>
FUND BALANCES:				
Reserved:				
Continuing appropriations	26,903	8,479	5,958	8,748
Encumbrances	1,608	172	161	6
Debt service	-	-	125	7,908
Advances to other funds	750	11,975	1,150	-
Other items	-	40	47	-
	<u>-</u>	<u>40</u>	<u>47</u>	<u>-</u>
Total fund balances	<u>29,261</u>	<u>20,666</u>	<u>7,441</u>	<u>16,662</u>
Total liabilities and fund balances	<u>\$30,726</u>	<u>\$20,900</u>	<u>\$7,657</u>	<u>\$16,688</u>

1915 Act Assessment Districts	Totals	
	1996	1995
\$7,793	\$59,150	\$49,274
-	3,190	3,680
65	698	510
-	2,093	1,309
-	4,678	1,258
-	58	7
-	47	47
-	13,875	12,648
-	40	40
<u>\$7,858</u>	<u>\$83,829</u>	<u>\$68,773</u>

\$ 368	\$ 1,390	\$ 1,250
-	883	883
-	30	72
-	3	3
-	3	3
<u>368</u>	<u>2,309</u>	<u>2,211</u>

4,552	54,640	41,142
-	1,947	2,293
2,938	10,971	10,438
-	13,875	12,689
-	87	-
<u>7,490</u>	<u>81,520</u>	<u>66,562</u>
<u>\$7,858</u>	<u>\$83,829</u>	<u>\$68,773</u>

CITY OF STOCKTON

CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 1996 (With comparative totals for June 30, 1995) (Dollar amounts in thousands)

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency	Mello-Roos Districts
REVENUES:				
Taxes:				
Property	\$ -	\$ -	\$ 1,240	\$ 23
Amusement	-	21	-	-
Intergovernmental	177	42	-	-
Charges for services	7,708	-	-	64
Fines and forfeitures	8	-	-	-
Use of money and property	1,622	610	403	704
Refunds and reimbursements	-	-	6	684
Miscellaneous	-	(50)	754	-
Total revenues	<u>9,515</u>	<u>623</u>	<u>2,403</u>	<u>1,475</u>
EXPENDITURES:				
Capital outlay:				
General government	415	416	415	480
Public safety	243	172	-	-
Public works	2,545	477	2,231	676
Library	783	243	-	-
Parks and recreation	507	333	-	-
Total expenditures	<u>4,493</u>	<u>1,641</u>	<u>2,646</u>	<u>1,156</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>5,022</u>	<u>(1,018)</u>	<u>(243)</u>	<u>319</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	457	4,382	1,295	240
Operating transfers out	(457)	(3)	(2,413)	(95)
Proceeds of long-term debt	-	-	-	5,010
Advances from other funds	750	-	650	-
Repayment of advances from other funds	(84)	-	(194)	-
Total other financing sources (uses)	<u>666</u>	<u>4,379</u>	<u>(662)</u>	<u>5,155</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>5,688</u>	<u>3,361</u>	<u>(905)</u>	<u>5,474</u>

1915 Act Assessment Districts	Totals	
	1996	1995
\$ -	\$ 1,263	\$ 1,236
-	21	18
-	219	-
-	7,772	5,829
-	8	13
416	3,755	2,714
-	690	869
-	704	110
<u>416</u>	<u>14,432</u>	<u>10,789</u>
198	1,924	1,665
-	415	748
1,447	7,376	14,917
-	1,026	74
-	840	1,069
<u>1,645</u>	<u>11,581</u>	<u>18,473</u>
<u>(1,229)</u>	<u>2,851</u>	<u>(7,684)</u>
-	6,374	3,849
-	(2,968)	(3,043)
2,850	7,860	6,025
-	1,400	-
-	(278)	(632)
<u>2,850</u>	<u>12,388</u>	<u>6,199</u>
1,621	15,239	(1,485)

CITY OF STOCKTON

**CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency	Mello-Roos Districts
FUND BALANCES, BEGINNING OF YEAR	23,573	17,305	8,356	11,188
Residual equity transfers in	-	-	-	-
Residual equity transfers out	-	-	(10)	-
FUND BALANCES, END OF YEAR	<u>\$29,261</u>	<u>\$20,666</u>	<u>\$7,441</u>	<u>\$16,662</u>

1915 Act Assessment Districts	Totals	
	1996	1995
6,140	66,562	68,091
-	-	479
<u>(271)</u>	<u>(281)</u>	<u>(523)</u>
<u>\$7,490</u>	<u>\$81,520</u>	<u>\$66,562</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, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	Public Facilities Impact Fees		
	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Amusement	\$ -	\$ -	\$ -
Intergovernmental	-	177	177
Charges for services	4,899	7,708	2,809
Fines and forfeitures	-	8	8
Use of money and property	234	1,622	1,388
Miscellaneous	-	-	-
Total revenues	<u>5,133</u>	<u>9,515</u>	<u>4,382</u>
EXPENDITURES:			
Capital outlay:			
General government	649	415	234
Public safety	672	243	429
Public works	9,127	3,986	5,141
Library	1,847	841	1,006
Parks and recreation	<u>1,259</u>	<u>616</u>	<u>643</u>
Total expenditures	<u>13,554</u>	<u>6,101</u>	<u>7,453</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,421)</u>	<u>3,414</u>	<u>11,835</u>

Capital Improvement			Totals		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 21	\$ 21	\$ -	\$ 21	\$ 21
42	42	-	42	219	177
-	-	-	4,899	7,708	2,809
-	-	-	-	8	8
100	610	510	334	2,232	1,898
(50)	(50)	-	(50)	(50)	-
92	623	531	5,225	10,138	4,913
1,734	524	1,210	2,383	939	1,444
674	187	487	1,346	430	916
1,446	488	958	10,573	4,474	6,099
243	243	-	2,090	1,084	1,006
503	371	132	1,762	987	775
4,600	1,813	2,787	18,154	7,914	10,240
(4,508)	(1,190)	3,318	(12,929)	2,224	15,153

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, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)

	Public Facilities Impact Fees		
	Final Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES):			
Operating transfers in	457	457	-
Operating transfers out	(457)	(457)	-
Advances from other funds	750	750	-
Repayment of advances	(84)	(84)	-
Total other financing sources (uses)	666	666	-
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(7,755)	4,080	11,835
BASIS ADJUSTMENTS:			
Encumbrances	-	1,608	1,608
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(7,755)	5,688	13,443
FUND BALANCES, BEGINNING OF YEAR	23,573	23,573	-
FUND BALANCES, END OF YEAR	<u>\$15,818</u>	<u>\$29,261</u>	<u>\$13,443</u>

Capital Improvement			Totals		
Final Budget	Actual	Variance Favorable Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
4,472	4,382	(90)	4,929	4,839	(90)
(3)	(3)	-	(460)	(460)	-
-	-	-	750	750	-
-	-	-	(84)	(84)	-
<u>4,469</u>	<u>4,379</u>	<u>(90)</u>	<u>5,135</u>	<u>5,045</u>	<u>(90)</u>
(39)	3,189	3,228	(7,794)	7,269	15,063
-	172	172	-	1,780	1,780
(39)	3,361	3,400	(7,794)	9,049	16,843
<u>17,305</u>	<u>17,305</u>	<u>-</u>	<u>40,878</u>	<u>40,878</u>	<u>-</u>
<u>\$17,266</u>	<u>\$20,666</u>	<u>\$3,400</u>	<u>\$33,084</u>	<u>\$49,927</u>	<u>\$16,843</u>



Stockton



ENTERPRISE FUNDS

ENTERPRISE FUNDS

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 all 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 all activities associated with the acquisition or construction, operation and maintenance, drainage, treatment, and disposal of sanitary wastewater.

Stormwater Utility

To account for activities associated with the acquisition or construction, operation and maintenance, 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 and Van Buskirk golf courses.

CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING BALANCE SHEET

JUNE 30, 1996

(With comparative totals for June 30, 1995)

(Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
ASSETS			
CURRENT ASSETS:			
Cash and temporary investments	\$ 12,153	\$ 25,661	\$ 1,423
Cash with fiscal agent	-	489	-
Receivables:			
Interest	150	359	18
Taxes and assessments	-	-	-
Accounts and others	1,184	3,979	961
Allowance for estimated uncollectible accounts	(250)	(508)	(114)
Due from other funds	-	-	1,000
Due from other governments	4	176	-
Inventory of supplies	-	1,208	-
Total current assets	<u>13,241</u>	<u>31,364</u>	<u>3,288</u>
RESTRICTED ASSETS:			
Cash and temporary investments	-	-	-
Cash and temporary investments with fiscal agents	1,560	34,799	-
Receivables:			
Interest	2	372	-
Accounts and others	-	-	-
Total restricted assets	<u>1,562</u>	<u>35,171</u>	<u>-</u>
NON-CURRENT ASSETS:			
Loans receivable	41	123	-
Advances to other funds	-	385	-
Total non-current assets	<u>41</u>	<u>508</u>	<u>-</u>
FIXED ASSETS:			
Land	1,022	758	412
Buildings and improvements	53,343	134,768	43,755
Machinery and equipment	3,978	4,376	47
Construction in progress	639	33,438	68
Total fixed assets	58,982	173,340	44,282
Accumulated depreciation	<u>(11,229)</u>	<u>(40,397)</u>	<u>(14,591)</u>
Net fixed assets	47,753	132,943	29,691
DEFERRED CHARGES	<u>400</u>	<u>958</u>	<u>-</u>
Total assets	<u>\$62,997</u>	<u>\$200,944</u>	<u>\$32,979</u>

Solid Waste	Golf Courses	Totals	
		1996	1995 (As restated)
\$2,777	\$ 468	\$ 42,482	\$ 41,532
-	-	489	-
92	-	619	521
-	-	-	25
408	9	6,541	4,450
(31)	-	(903)	(206)
-	-	1,000	2
-	-	180	-
-	-	1,208	1,139
<u>3,246</u>	<u>477</u>	<u>51,616</u>	<u>47,463</u>
4,343	-	4,343	3,569
-	-	36,359	47,056
-	-	374	712
<u>27</u>	<u>-</u>	<u>27</u>	<u>2</u>
<u>4,370</u>	<u>-</u>	<u>41,103</u>	<u>51,339</u>
-	-	164	181
-	-	385	500
-	-	549	681
644	360	3,196	2,802
10	3,733	235,609	225,128
258	109	8,768	8,771
<u>400</u>	<u>-</u>	<u>34,545</u>	<u>20,536</u>
1,312	4,202	282,118	257,237
<u>(198)</u>	<u>(2,835)</u>	<u>(69,250)</u>	<u>(64,281)</u>
1,114	1,367	212,868	192,956
-	-	1,358	1,407
<u>\$8,730</u>	<u>\$1,844</u>	<u>\$307,494</u>	<u>\$ 293,846</u>

CITY OF STOCKTON

ENTERPRISE FUNDS

COMBINING BALANCE SHEET (Continued)

JUNE 30, 1996

(With comparative totals for June 30, 1995)

(Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 186	\$ 4,012	\$ 98
Due to other governments	45	6	-
Deposits and other liabilities	811	-	-
Matured bonds and interest payable	5	15	-
Accrued interest	426	1,321	-
Long-term debt - current	461	1,145	-
Compensated absences - current	108	497	18
Deferred revenue	-	1	-
Total current liabilities	<u>2,042</u>	<u>6,997</u>	<u>116</u>
LONG-TERM DEBT (LESS CURRENT PORTION):			
Compensated absences	183	883	67
Advances from other funds	-	-	385
Advances from other governments	1,219	-	1,378
Certificates of participation	16,947	57,903	-
Water extension agreements	27	-	-
Bonds payable and other long-term debt	496	6,900	-
Landfill closure/postclosure	-	-	-
Total long-term debt	<u>18,872</u>	<u>65,686</u>	<u>1,830</u>
Total liabilities	<u>20,914</u>	<u>72,683</u>	<u>1,946</u>
FUND EQUITY:			
Contributed capital	27,540	109,130	35,180
Retained earnings:			
Unreserved	<u>14,543</u>	<u>19,131</u>	<u>(4,147)</u>
Total fund equity	<u>42,083</u>	<u>128,261</u>	<u>31,033</u>
Total liabilities and fund equity	<u>\$ 62,997</u>	<u>\$ 200,944</u>	<u>\$ 32,979</u>

Solid Waste	Golf Courses	Totals	
		1996	1995 (As restated)
\$ 286	\$ 8	\$ 4,590	\$ 3,744
-	-	51	14
-	-	811	680
-	-	20	20
-	-	1,747	2,091
-	-	1,606	986
149	72	844	720
-	-	1	1
<u>435</u>	<u>80</u>	<u>9,670</u>	<u>8,256</u>
185	103	1,421	1,328
-	-	385	500
-	-	2,597	2,630
-	-	74,850	75,881
-	-	27	27
-	-	7,396	8,404
<u>6,895</u>	<u>-</u>	<u>6,895</u>	<u>6,550</u>
<u>7,080</u>	<u>103</u>	<u>93,571</u>	<u>95,320</u>
<u>7,515</u>	<u>183</u>	<u>103,241</u>	<u>103,576</u>
693	400	172,943	165,371
<u>522</u>	<u>1,261</u>	<u>31,310</u>	<u>24,899</u>
<u>1,215</u>	<u>1,661</u>	<u>204,253</u>	<u>190,270</u>
<u>\$ 8,730</u>	<u>\$ 1,844</u>	<u>\$ 307,494</u>	<u>\$ 293,846</u>

CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY FOR THE YEAR ENDED JUNE 30, 1996 (With comparative totals for June 30, 1995) (Dollar amounts in thousands)

				Water Utility	Sanitary Wastewater Utility	Stormwater Utility
OPERATING REVENUES:						
Intergovernmental				\$ -	\$ -	\$ -
Charges for services				11,244	24,511	3,946
Loans and mortgage interest				3	169	-
Miscellaneous				154	449	76
Total operating revenues				<u>11,401</u>	<u>25,129</u>	<u>4,022</u>
OPERATING EXPENSES:						
Operation and maintenance				3,153	15,860	1,741
General and administrative				2,302	5,501	980
Depreciation and amortization				1,043	3,042	870
Purchased water				2,885	-	-
Total operating expenses				<u>9,383</u>	<u>24,493</u>	<u>3,597</u>
OPERATING INCOME (LOSS)				<u>2,018</u>	<u>636</u>	<u>425</u>
NON-OPERATING REVENUES (EXPENSES):						
Federal grants and subsidies				-	175	-
Investment earnings				778	3,937	63
Gain (loss) from disposal of property				17	(8)	-
Interest and fiscal charges				(249)	(2,505)	(160)
Total non-operating revenues (expenses)				<u>546</u>	<u>1,599</u>	<u>(97)</u>
INCOME BEFORE OPERATING TRANSFERS				<u>2,564</u>	<u>2,235</u>	<u>328</u>
Operating transfers in				1,084	4,374	-
Operating transfers out				(1,084)	(4,374)	-
NET INCOME				<u>2,564</u>	<u>2,235</u>	<u>328</u>
FUND EQUITY, BEGINNING OF YEAR				37,902	120,786	29,984
Prior period adjustments				-	-	-
FUND EQUITY, RESTATED				37,902	120,786	29,984
Residual equity transfers in				-	1,019	-
Residual equity transfers out				(29)	(1,081)	(6)
Contributed capital from developers				1,646	5,302	727
FUND EQUITY, END OF YEAR				<u>\$42,083</u>	<u>\$128,261</u>	<u>\$31,033</u>

Solid Waste	Golf Courses	Totals	
		1996	1995 (As restated)
\$ -	\$ -	\$ -	\$ 117
5,867	1,578	47,146	38,696
-	-	172	13
74	125	878	693
<u>5,941</u>	<u>1,703</u>	<u>48,196</u>	<u>39,519</u>
5,176	1,435	27,365	26,296
-	-	8,873	7,465
18	118	5,097	4,960
-	-	2,885	2,552
<u>5,194</u>	<u>1,553</u>	<u>44,220</u>	<u>41,273</u>
<u>747</u>	<u>150</u>	<u>3,976</u>	<u>(1,754)</u>
-	-	175	348
382	5	5,165	3,815
-	-	9	-
-	-	(2,914)	(1,258)
<u>382</u>	<u>5</u>	<u>2,435</u>	<u>2,905</u>
1,129	155	6,411	1,151
-	-	5,458	2,303
-	-	(5,458)	(2,303)
<u>1,129</u>	<u>155</u>	<u>6,411</u>	<u>1,151</u>
86	1,512	190,270	180,460
-	-	-	2,308
86	1,512	190,270	182,768
-	-	1,019	1,031
-	(6)	(1,122)	(1,049)
-	-	7,675	6,369
<u>\$1,215</u>	<u>\$1,661</u>	<u>\$ 204,253</u>	<u>\$ 190,270</u>

CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 1996 (With comparative totals for June 30, 1995) (Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$2,018	\$ 636	\$425
Noncash adjustment to operating income:			
Depreciation and amortization	1,043	3,042	876
Allowance for estimated uncollectible accounts	204	392	91
Landfill closure/postclosure	-	-	-
Changes in assets and liabilities:			
Taxes and assessments receivables	-	34	-
Accounts and other receivables	(279)	(660)	(723)
Due from other funds	-	115	(997)
Due from other governments	(4)	(176)	-
Due to other funds	-	-	(115)
Inventory of supplies	-	(69)	-
Loans receivable	4	13	-
Deferred charges	15	35	-
Accounts payable	(478)	1,403	63
Compensated absences	44	94	48
Due to other governments	32	6	-
Customer and other deposits	131	-	-
Advances from other governments	(33)	-	-
Deferred revenue	-	-	-
Accrued interest	(9)	(335)	-
Net cash provided (used) by operating activities	<u>2,688</u>	<u>4,530</u>	<u>(332)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	778	3,937	63
Investment purchases	(59)	-	-
Proceeds from sale of investments	<u>-</u>	<u>13,159</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>719</u>	<u>17,096</u>	<u>63</u>

Solid Waste	Golf Courses	Totals	
		1996	1995 (As restated)
\$747	\$150	\$ 3,976	\$ (1,754)
18	118	5,097	4,960
7	-	694	(44)
345	-	345	339
-	-	34	272
(206)	(7)	(1,875)	(15)
-	-	(882)	56
-	-	(180)	454
-	-	(115)	-
-	-	(69)	(45)
-	-	17	18
-	-	50	(620)
62	(209)	841	1,090
21	5	212	70
-	-	38	-
-	-	131	33
-	-	(33)	(35)
-	-	-	1
-	-	(344)	(166)
<u>994</u>	<u>57</u>	<u>7,937</u>	<u>4,614</u>
382	5	5,165	3,087
-	-	(59)	(38,784)
<u>-</u>	<u>-</u>	<u>13,159</u>	<u>1,107</u>
<u>382</u>	<u>5</u>	<u>18,265</u>	<u>(34,590)</u>

CITY OF STOCKTON

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

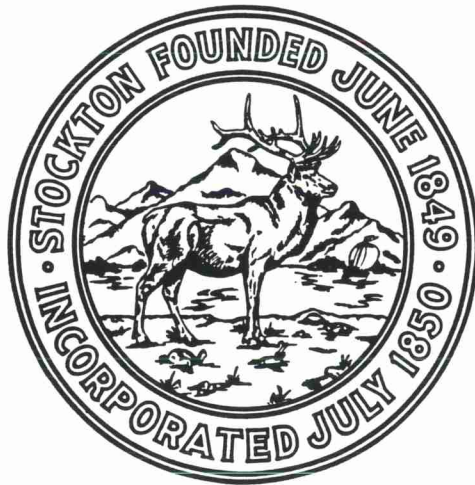
FOR THE YEAR ENDED JUNE 30, 1996

(With comparative totals for June 30, 1995)

(Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of property and equipment	17	-	-
Repayment of debt	(445)	(1,046)	-
Purchases of property and equipment	(3,201)	(20,901)	(739)
Interest expense on capital debt	(228)	(2,046)	(160)
Capital contributions	1,646	5,302	726
Residual equity transfers in	-	1,019	-
Net cash provided (used) by capital and related financing activities	(2,211)	(17,672)	(173)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	1,084	4,374	-
Operating transfers out	(1,084)	(4,374)	-
Proceeds from federal grants	-	175	-
Residual equity transfers out	(29)	(1,081)	(6)
Net cash (used) by noncapital financing activities	(29)	(906)	(6)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,167	3,048	(448)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR (As previous reported)	8,952	36,918	1,871
Prior period adjustments	2,274	(2,274)	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR (Restated)	11,226	34,644	1,871
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 12,393	\$ 37,692	\$ 1,423

Solid Waste	Golf Courses	Totals	
		1996	1995 (As restated)
-	-	17	43,831
-	-	(1,491)	(730)
(404)	(179)	(25,424)	(15,995)
-	-	(2,434)	(1,258)
-	-	7,674	3,011
-	-	<u>1,019</u>	<u>1,031</u>
<u>(404)</u>	<u>(179)</u>	<u>(20,639)</u>	<u>29,890</u>
-	-	5,458	2,303
-	-	(5,458)	(2,303)
-	-	175	348
-	(6)	<u>(1,122)</u>	<u>(1,049)</u>
<u>-</u>	<u>(6)</u>	<u>(947)</u>	<u>(701)</u>
<u>972</u>	<u>(123)</u>	<u>4,616</u>	<u>(787)</u>
6,148	591	54,480	55,267
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,148</u>	<u>591</u>	<u>54,480</u>	<u>55,267</u>
<u>\$ 7,120</u>	<u>\$ 468</u>	<u>\$ 59,096</u>	<u>\$ 54,480</u>



Stockton



INTERNAL SERVICE FUNDS

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.

The Internal Service Funds are comprised of Central Services, consisting of automotive, telephone, radio, computers, other office equipment, and printing and mailing; Risk Management consisting of general liability insurance; Personnel/Benefits consisting of worker's compensation, unemployment insurance, medical, dental and vision.

INTERNAL SERVICE FUNDS

Central Garage

The fund established to account for the financing, and operation and maintenance of, vehicles and similar equipment, provided 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.

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.

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.

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.

Other Equipment

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

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.

Other Insurance

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

CITY OF STOCKTON

INTERNAL SERVICE FUNDS COMBINING BALANCE SHEET

June 30, 1996

(With comparative totals for June 30, 1995)

(Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
ASSETS				
CURRENT ASSETS:				
Cash and temporary investments	\$ 5,724	\$ 2,256	\$ 2,843	\$ 1,319
Accounts and other receivables	279	-	-	-
Allowance for uncollectibles	(56)	-	-	-
Prepaid expenses	146	59	-	-
Total current assets	6,093	2,315	2,843	1,319
FIXED ASSETS:				
Improvements other than buildings	72	-	-	-
Machinery and equipment	18,788	7,722	3,846	877
Total fixed assets	18,860	7,722	3,846	877
Accumulated depreciation	(10,854)	(4,646)	(2,068)	(441)
Net fixed assets	8,006	3,076	1,778	436
DEFERRED CHARGES	-	-	-	-
Total assets	\$ 14,099	\$ 5,391	\$ 4,621	\$ 1,755
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Current liabilities:				
Accounts payable	\$ 113	\$ 147	\$ 7	\$ 31
Long term-debt - current	-	137	-	-
Compensated absences - current	110	4	-	9
Deferred revenue	-	-	-	-
Total current liabilities	223	288	7	40
LONG-TERM DEBT (LESS CURRENT PORTION):				
Compensated absences	224	13	-	19
Lease obligation	-	181	-	-
Self-insurance claims and judgments	-	-	-	-
Total long-term debt	224	194	-	19
Total liabilities	447	482	7	59
FUND EQUITY:				
Contributed capital	3,634	4,863	2,049	737
Retained earnings:				
Unreserved	10,018	46	2,565	959
Total fund equity	13,652	4,909	4,614	1,696
Total liabilities and fund equity	\$ 14,099	\$ 5,391	\$ 4,621	\$ 1,755

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				1996	1995
\$ 2,994	\$ 6,777	\$ 2,766	\$ 1,160	\$ 25,839	\$ 26,835
90	93	49	-	511	454
-	-	-	-	(56)	(53)
-	-	-	-	205	85
<u>3,084</u>	<u>6,870</u>	<u>2,815</u>	<u>1,160</u>	<u>26,499</u>	<u>27,321</u>
-	-	-	-	72	72
2	-	-	-	31,235	30,361
2	-	-	-	31,307	30,433
(2)	-	-	-	(18,011)	(17,049)
-	-	-	-	13,296	13,384
-	-	61	-	61	64
<u>\$ 3,084</u>	<u>\$ 6,870</u>	<u>\$ 2,876</u>	<u>\$ 1,160</u>	<u>\$ 39,856</u>	<u>\$ 40,769</u>
\$ 26	\$ 38	\$ 220	\$ 237	\$ 819	\$ 797
1,154	2,448	2,121	-	5,860	5,911
6	12	-	-	141	120
-	1	-	-	1	1
<u>1,186</u>	<u>2,499</u>	<u>2,341</u>	<u>237</u>	<u>6,821</u>	<u>6,829</u>
25	9	-	-	290	234
-	-	-	-	181	341
<u>2,700</u>	<u>5,072</u>	<u>-</u>	<u>-</u>	<u>7,772</u>	<u>9,509</u>
<u>2,725</u>	<u>5,081</u>	<u>-</u>	<u>-</u>	<u>8,243</u>	<u>10,084</u>
<u>3,911</u>	<u>7,580</u>	<u>2,341</u>	<u>237</u>	<u>15,064</u>	<u>16,913</u>
-	-	-	-	11,283	11,113
(827)	(710)	535	923	13,509	12,743
(827)	(710)	535	923	24,792	23,856
<u>\$ 3,084</u>	<u>\$ 6,870</u>	<u>\$ 2,876</u>	<u>\$ 1,160</u>	<u>\$ 39,856</u>	<u>\$ 40,769</u>

CITY OF STOCKTON

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY FOR THE YEAR ENDED JUNE 30, 1996 (With comparative totals for June 30, 1995) (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
OPERATING REVENUES:				
Intergovernmental	\$ 37	\$ -	\$ -	\$ -
Charges for services	<u>5,695</u>	<u>2,815</u>	<u>931</u>	<u>1,062</u>
Total operating revenues	<u>5,732</u>	<u>2,815</u>	<u>931</u>	<u>1,062</u>
OPERATING EXPENSES:				
Operation and maintenance	2,731	1,649	171	768
General and administration	<u>1,254</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation	<u>1,801</u>	<u>1,066</u>	<u>428</u>	<u>113</u>
Total operating expenses	<u>5,786</u>	<u>2,715</u>	<u>599</u>	<u>881</u>
OPERATING INCOME (LOSS)	<u>(54)</u>	<u>100</u>	<u>332</u>	<u>181</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment earnings	-	-	-	-
Gain (loss) from disposal of property	68	(18)	39	3
Interest expense and fiscal charges	<u>-</u>	<u>(25)</u>	<u>-</u>	<u>-</u>
Other non-operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total non-operating revenues (expenses)	<u>68</u>	<u>(43)</u>	<u>39</u>	<u>5</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	14	57	371	186
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS)	<u>14</u>	<u>57</u>	<u>371</u>	<u>186</u>
FUND EQUITY, BEGINNING OF YEAR	13,527	4,810	4,230	1,506
Residual equity transfers in	71	33	13	4
Residual equity transfers out	-	-	-	-
Increase in contributed capital	<u>40</u>	<u>9</u>	<u>-</u>	<u>-</u>
FUND EQUITY, END OF YEAR	<u>\$ 13,652</u>	<u>\$ 4,909</u>	<u>\$ 4,614</u>	<u>\$ 1,696</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				1996	1995
\$ -	\$ -	\$ -	\$ -	\$ 37	\$ 14
<u>2,636</u>	<u>4,175</u>	<u>7,804</u>	<u>671</u>	<u>25,789</u>	<u>25,005</u>
<u>2,636</u>	<u>4,175</u>	<u>7,804</u>	<u>671</u>	<u>25,826</u>	<u>25,019</u>
835	3,052	9,948	701	19,855	20,222
661	770	142	-	2,827	2,577
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,408</u>	<u>3,161</u>
<u>1,496</u>	<u>3,822</u>	<u>10,090</u>	<u>701</u>	<u>26,090</u>	<u>25,960</u>
<u>1,140</u>	<u>353</u>	<u>(2,286)</u>	<u>(30)</u>	<u>(264)</u>	<u>(941)</u>
161	367	252	-	780	723
-	-	-	-	92	111
-	-	-	-	(25)	(33)
<u>-</u>	<u>-</u>	<u>181</u>	<u>-</u>	<u>183</u>	<u>144</u>
<u>161</u>	<u>367</u>	<u>433</u>	<u>-</u>	<u>1,030</u>	<u>945</u>
1,301	720	(1,853)	(30)	766	4
-	-	-	500	500	(1,000)
<u>-</u>	<u>(500)</u>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>-</u>
<u>1,301</u>	<u>220</u>	<u>(1,853)</u>	<u>470</u>	<u>766</u>	<u>(996)</u>
(2,128)	(930)	2,388	453	23,856	24,745
-	-	-	-	121	20
-	-	-	-	-	(317)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49</u>	<u>404</u>
<u>\$ (827)</u>	<u>\$ (710)</u>	<u>\$ 535</u>	<u>\$ 923</u>	<u>\$ 24,792</u>	<u>\$ 23,856</u>

CITY OF STOCKTON

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 1996 (With comparative totals for June 30, 1995) (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income	\$ (54)	\$ 100	\$ 332	\$ 181
Other non-operating revenues	-	-	-	3
Noncash adjustments to operating income:				
Depreciation	1,801	1,066	428	113
Provision for uncollectible accounts	3	-	-	-
Self-insurance	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(15)	-	-	-
Deferred charges	-	-	-	-
Prepays	(146)	26	-	-
Accounts payable	(101)	(60)	(36)	7
Compensated absences	48	15	-	9
Deferred revenue	-	-	-	-
Net cash provided (used) by operating activities	<u>1,536</u>	<u>1,147</u>	<u>724</u>	<u>313</u>
CASH FLOW FROM INVESTING ACTIVITIES:				
Investment earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	102	3	44	(2)
Payment of long-term debt	-	(178)	-	-
Purchases of property and equipment	(1,876)	(1,172)	(88)	(238)
Interest expense on capital debt	-	(25)	-	-
Capital contributions	40	9	-	-
Residual equity transfers in	<u>71</u>	<u>33</u>	<u>13</u>	<u>4</u>
Net cash used by capital and related financing activities	<u>(1,663)</u>	<u>(1,330)</u>	<u>(31)</u>	<u>(236)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Residual equity transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(127)	(183)	693	77
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,851</u>	<u>2,439</u>	<u>2,150</u>	<u>1,242</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,724</u>	<u>\$ 2,256</u>	<u>\$ 2,843</u>	<u>\$ 1,319</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				1996	1995
\$ 1,140	\$ 353	\$ (2,286)	\$ (30)	\$ (264)	\$ (941)
-	-	181	-	184	144
-	-	-	-	-	-
-	-	-	-	3,408	3,161
-	-	-	-	3	7
(2,026)	(2)	259	-	(1,769)	432
(32)	(19)	8	-	(58)	(34)
4	-	-	-	4	4
-	-	-	-	(120)	26
(145)	35	128	191	19	(242)
5	-	-	-	77	24
-	-	-	-	-	1
<u>(1,054)</u>	<u>367</u>	<u>(1,710)</u>	<u>161</u>	<u>1,484</u>	<u>2,582</u>
<u>161</u>	<u>367</u>	<u>252</u>	<u>-</u>	<u>780</u>	<u>723</u>
<u>161</u>	<u>367</u>	<u>252</u>	<u>-</u>	<u>780</u>	<u>723</u>
-	-	-	-	147	151
-	-	-	-	(178)	(157)
-	-	-	-	(3,374)	(3,439)
-	-	-	-	(25)	(33)
-	-	-	-	49	10
-	-	-	-	121	20
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,260)</u>	<u>(3,448)</u>
-	-	-	-	-	-
-	-	-	500	500	-
-	(500)	-	-	(500)	(1,000)
-	-	-	-	-	(317)
<u>-</u>	<u>(500)</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>(1,317)</u>
(893)	234	(1,458)	661	(996)	(1,460)
<u>3,887</u>	<u>6,543</u>	<u>4,224</u>	<u>499</u>	<u>26,835</u>	<u>28,295</u>
<u>\$ 2,994</u>	<u>\$ 6,777</u>	<u>\$ 2,766</u>	<u>\$ 1,160</u>	<u>\$ 25,839</u>	<u>\$ 26,835</u>



Stockton



TRUST AND AGENCY FUNDS

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 benefitted 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.

Deferred Compensation Plan

To account for contributions by the City and its eligible employees to the Plan.

CITY OF STOCKTON

TRUST AND AGENCY FUNDS COMBINING BALANCE SHEET

JUNE 30, 1996

(With comparative totals for June 30, 1995)

(Dollar amounts in thousands)

	Nonexpendable Trust Fund Miscellaneous	Expendable Trust Fund Miscellaneous	Agency Funds		
			Holiday Park	City As Agent	Deferred Compensation Plan
ASSETS					
ASSETS:					
Cash and temporary investments	\$ 123	\$418	\$ -	\$5,033	\$ 70,079
Accounts and other receivables	-	5	-	175	-
Due from other governments	-	-	9	-	-
Total assets	<u>\$ 123</u>	<u>\$ 423</u>	<u>\$ 9</u>	<u>\$ 5,208</u>	<u>\$ 70,079</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ 18	\$ -	\$ 7	\$ -
Due to other governments	-	-	-	1,087	-
Deposits and other liabilities	-	-	9	4,114	70,079
Total liabilities	<u>-</u>	<u>18</u>	<u>9</u>	<u>5,208</u>	<u>70,079</u>
FUND BALANCES:					
Reserved:					
Encumbrances	-	-	-	-	-
Endowment	<u>123</u>	<u>405</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>123</u>	<u>405</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 123</u>	<u>\$423</u>	<u>\$ 9</u>	<u>\$5,208</u>	<u>\$ 70,079</u>

Totals	
1996	1995

\$75,653	\$68,085
180	181
<u>9</u>	<u>-</u>
<u>\$ 75,842</u>	<u>\$ 68,266</u>

\$ 25	\$ 47
1,087	858
<u>74,202</u>	<u>66,909</u>
<u>75,314</u>	<u>67,814</u>

-	3
<u>528</u>	<u>449</u>
<u>528</u>	<u>452</u>
<u>\$75,842</u>	<u>\$68,266</u>

CITY OF STOCKTON

MISCELLANEOUS NONEXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)

	1996	1995
OPERATING REVENUES:		
Miscellaneous	\$ 43	\$ -
OPERATING INCOME	43	-
NET INCOME	43	-
FUND BALANCE, BEGINNING OF YEAR	80	80
FUND BALANCE, END OF YEAR	\$ 123	\$ 80

CITY OF STOCKTON

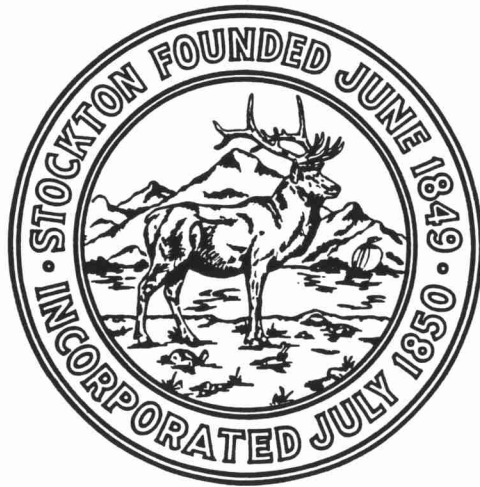
**MISCELLANEOUS NONEXPENDABLE TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income	\$ 43	\$ -
Net cash provided by operating activities	<u>43</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>43</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>80</u>	<u>80</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 123</u>	<u>\$ 80</u>

CITY OF STOCKTON

**MISCELLANEOUS EXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1996
(With comparative totals for June 30, 1995)
(Dollar amounts in thousands)**

	1996	1995
REVENUES:		
Use of money and property	\$ 17	\$ 16
Miscellaneous	<u>334</u>	<u>289</u>
Total revenues	<u>351</u>	<u>305</u>
EXPENDITURES:		
Current:		
General government	57	45
Public safety	12	7
Library/education	115	33
Parks and recreation	<u>134</u>	<u>173</u>
Total expenditures	<u>318</u>	<u>258</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>33</u>	<u>47</u>
FUND BALANCE, BEGINNING OF YEAR	<u>372</u>	<u>325</u>
FUND BALANCE, END OF YEAR	<u>\$ 405</u>	<u>\$ 372</u>



CITY OF STOCKTON

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 1996 (Dollar amounts in thousands)

	Holiday Park			Balance 6/30/96
	Balance 7/1/95	Additions	Deductions	
ASSETS				
Cash and temporary investments	\$ 30	\$ 37	\$ 67	\$ -
Receivables:				
Taxes and special assessments	-	47	47	-
Accounts and other	-	-	-	-
Due from other governments	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>
Total assets	<u>\$ 30</u>	<u>\$ 93</u>	<u>\$114</u>	<u>\$ 9</u>
LIABILITIES				
Accounts payable	\$ 27	\$ 39	\$ 66	\$ -
Due to other governments	-	-	-	-
Deposits and other liabilities	<u>3</u>	<u>46</u>	<u>40</u>	<u>9</u>
Total liabilities	<u>\$ 30</u>	<u>\$ 85</u>	<u>\$106</u>	<u>\$ 9</u>

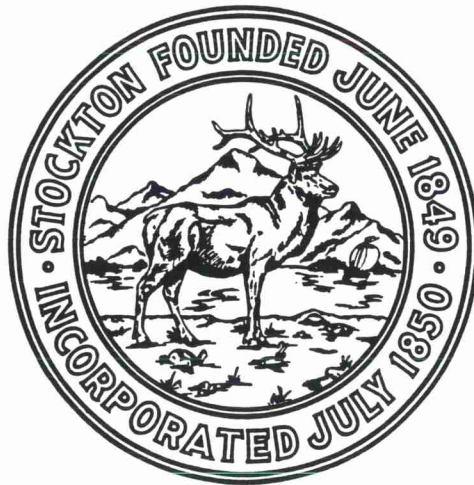
City as Agent			
Balance 7/1/95	Additions	Deductions	Balance 6/30/96
\$4,633	\$ 7,153	\$ 6,753	\$5,033
-	-	-	-
177	174	176	175
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$4,810</u>	<u>\$ 7,327</u>	<u>\$ 6,929</u>	<u>\$5,208</u>
\$ 15	\$ 3,079	\$ 3,087	\$ 7
858	2,903	2,674	1,087
<u>3,937</u>	<u>5,015</u>	<u>4,838</u>	<u>4,114</u>
<u>\$4,810</u>	<u>\$10,997</u>	<u>\$10,599</u>	<u>\$5,208</u>

CITY OF STOCKTON

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 1996 (Dollar amounts in thousands)

	Deferred Compensation Plan			
	Balance 7/1/95	Additions	Deductions	Balance 6/30/96
ASSETS				
Cash and temporary investments	\$62,969	\$23,853	\$16,743	\$70,079
Receivables:				
Taxes and special assessments	-	-	-	-
Accounts and other	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$62,969</u>	<u>\$23,853</u>	<u>\$16,743</u>	<u>\$70,079</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Deposits and other liabilities	<u>62,969</u>	<u>11,673</u>	<u>4,563</u>	<u>70,079</u>
Total liabilities	<u>\$62,969</u>	<u>\$11,673</u>	<u>\$ 4,563</u>	<u>\$70,079</u>

Total Agency Funds			
Balance 7/1/95	Additions	Deductions	Balance 6/30/96
\$ 67,632	\$ 31,043	\$ 23,563	\$ 75,112
-	47	47	-
177	174	176	175
<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>
<u>\$ 67,809</u>	<u>\$ 31,273</u>	<u>\$ 23,786</u>	<u>\$ 75,296</u>
\$ 42	\$ 3,118	\$ 3,153	\$ 7
858	2,903	2,674	1,087
<u>66,909</u>	<u>16,734</u>	<u>9,441</u>	<u>74,202</u>
<u>\$ 67,809</u>	<u>\$ 22,755</u>	<u>\$ 15,268</u>	<u>\$ 75,296</u>



Stockton



ACCOUNT GROUPS

ACCOUNT GROUPS

General Fixed Assets Account Group

The General Fixed Assets account group is established to record the City's fixed 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, 1996

(With comparative totals for June 30, 1995)

(Dollar amounts in thousands)

	1996	1995
GENERAL FIXED ASSETS		
Land	\$ 11,953	\$ 11,675
Buildings and improvements	45,787	43,305
Equipment	1,651	1,541
Construction in progress	<u>996</u>	<u>1,161</u>
Total	<u>\$60,387</u>	<u>\$57,682</u>
INVESTMENT IN GENERAL FIXED ASSETS		
From governmental fund types	\$ 59,783	\$ 57,078
From other sources	<u>604</u>	<u>604</u>
Total	<u>\$60,387</u>	<u>\$57,682</u>

CITY OF STOCKTON

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION FOR THE YEAR ENDED JUNE 30, 1996 (Dollar amounts in thousands)

	Balance 7/1/95	Additions	Deletions	Transfers & Adjustments	Balance 6/30/96
General government	\$ 4,152	\$ 7	\$ 1	\$ (5)	\$ 4,153
Public safety	11,307	682	7	(56)	11,926
Public works	1,936	4	19	(34)	1,887
Library	6,308	1,816	34	1	8,091
Parks and recreation	30,562	464	5	(3)	31,018
Other property	2,256	-	37	97	2,316
Construction in progress	<u>1,161</u>	<u>599</u>	<u>764</u>	<u>-</u>	<u>996</u>
Total	<u>\$ 57,682</u>	<u>\$ 3,572</u>	<u>\$ 867</u>	<u>\$ -</u>	<u>\$ 60,387</u>

CITY OF STOCKTON

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION

JUNE 30, 1996

(Dollar amounts in thousands)

	Land	Buildings & Improvements	Equipment	Total
General government	\$ 357	\$ 3,680	\$ 116	\$ 4,153
Public safety	1,104	9,996	826	11,926
Public works	66	1,629	192	1,887
Library	1,122	6,846	123	8,091
Parks and recreation	7,447	23,345	226	31,018
Other property	1,857	291	168	2,316
Construction in progress	<u>-</u>	<u>996</u>	<u>-</u>	<u>996</u>
Total	<u>\$11,953</u>	<u>\$46,783</u>	<u>\$1,651</u>	<u>\$60,387</u>

CITY OF STOCKTON

STATEMENT OF GENERAL LONG-TERM DEBT

JUNE 30, 1996

(With comparative totals for June 30, 1995)

(Dollar amounts in thousands)

	1996	1995
AMOUNTS AVAILABLE IN DEBT SERVICE AND CAPITAL PROJECTS FUNDS FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
1915 Act Special Assessment Bonds	\$ 11,190	\$ 10,447
Mello-Roos Special Tax Bonds	14,868	13,677
AMOUNTS TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
1915 Act Special Assessment Bonds	49,748	50,463
Mello-Roos Special Tax Bonds	89,372	87,233
Compensated Absences	15,647	13,996
Payable from General Fund	1,300	1,300
Payable from Other Special Revenue Fund	73	73
Payable from Redevelopment Agency	22,467	22,012
Payable from Public Facilities Impact Fees Fund	5,679	5,012
Revenue Bonds	1,370	1,770
Certificates of Participation	190	370
Total	<u>\$ 211,904</u>	<u>\$ 206,353</u>
GENERAL LONG-TERM DEBT:		
1915 Act Special Assessment Bonds	\$ 60,938	\$ 60,910
Mello-Roos Special Tax Bonds	104,240	100,910
Compensated Absences	15,647	13,996
Advance Payable to Urban Development Action Grant	4,686	4,686
Advance Payable to Community Development Block Grant Fund	10,412	10,490
Advance Payable to General Fund	546	573
Advance Payable to Capital Improvement Fund	11,975	12,148
Advance Payable to Public Facilities Impact Fees Fund	750	-
Advance Payable to Redevelopment Agency	1,150	500
Revenue Bonds	1,370	1,770
Certificates of Participation	190	370
Total	<u>\$ 211,904</u>	<u>\$ 206,353</u>

Stockton



STATISTICAL SECTION



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 & Recreation	Capital Outlay
1986-87	\$ 8,468	\$ 41,359	\$ 8,507	\$ 4,902	\$ 4,817	\$ 13,302
1987-88	8,131	41,991	9,506	5,514	4,953	13,541
1988-89	7,841	45,383	9,776	6,142	5,556	18,072
1989-90	9,138	48,696	9,286	6,482	5,987	37,840
1990-91	9,135	54,855	9,137	7,489	7,671	50,788
1991-92	10,168	59,649	10,442	8,272	8,076	43,578
1992-93	9,841	61,037	8,721	7,978	8,054	27,087
1993-94	9,806	63,283	9,393	7,225	8,048	25,554
1994-95	10,356	67,433	9,359	7,015	8,148	23,970
1995-96	11,131	69,566	10,912	6,908	7,932	20,098

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

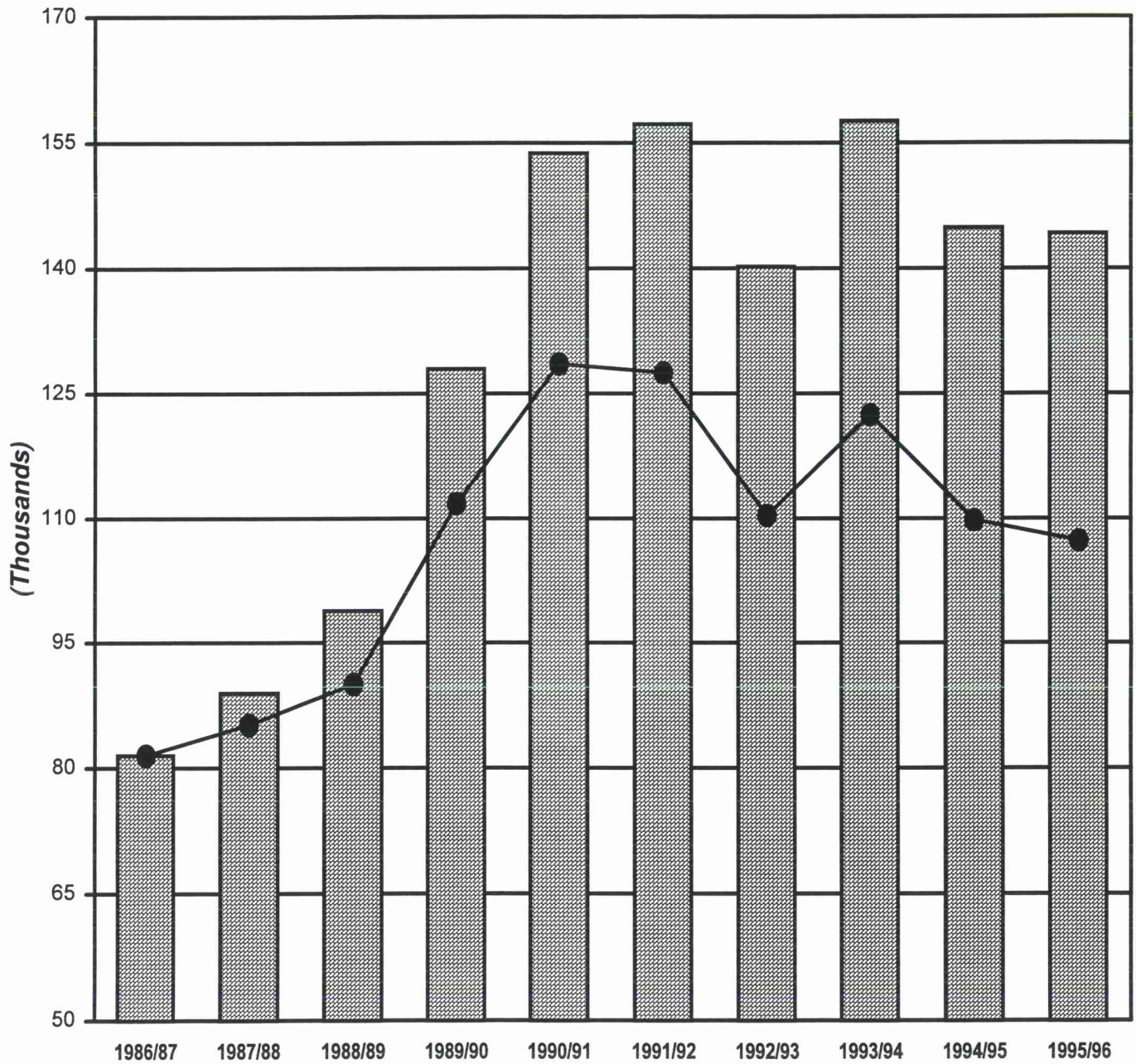
*Represents "constant dollars" based on the Consumer Price Index (CPI) for all urban consumers utilizing June, 1987 as the base period (100%). Data provided by the United States Department of Labor, Bureau of Labor Statistics.

SOURCE: City Finance Department

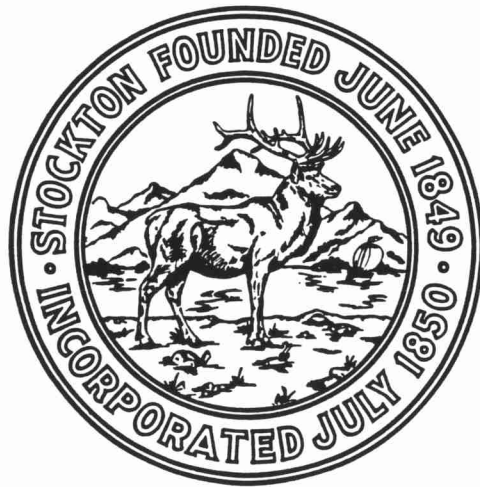
Debt Service	Total	
\$ 170	\$ 81,525	*
	81,525	
5,323	88,959	*
	85,181	
6,100	98,870	*
	90,096	
10,439	127,868	*
	111,739	
14,694	153,769	*
	128,514	
17,051	157,236	*
	127,429	
17,407	140,125	*
	110,297	
34,280	157,589	*
	122,368	
18,569	144,850	*
	109,807	
17,636	144,183	*
	107,330	

General Governmental Expenditures

Last Ten Fiscal Years



Actual (Bar) vs Constant Dollar (Line)



CITY OF STOCKTON

TABLE 2

GENERAL GOVERNMENTAL REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(Dollar amounts in thousands)

Fiscal Year	Taxes	Licenses and Permits	Federal Grants & Subsidies	Intergovernmental	Charges for Services	Fines and Forfeitures
1986-87	\$ 44,337	\$ 2,089	\$ 4,076	\$ 11,201	\$ 8,616	\$ 733
1987-88	53,179	2,351	2,183	10,773	8,992	733
1988-89	57,803	1,870	2,626	11,629	12,904	654
1989-90	63,657	1,947	2,827	13,166	15,972	670
1990-91	70,437	2,594	3,992	18,625	14,375	821
1991-92	76,883	2,198	4,565	16,660	11,144	786
1992-93	84,557	2,216	4,428	16,770	12,799	733
1993-94	89,530	2,217	3,301	16,557	14,033	632
1994-95	90,481	2,127	6,583	16,898	13,482	575
1995-96	89,402	2,281	9,943	17,977	16,051	612

General Governmental Revenues includes General, Special Revenue, Capital Projects and Debt Service Funds. Excludes Expendable Trusts.

(1) Prior to fiscal year 1991/92, "Refunds and Reimbursements" was not reported as a revenue source.

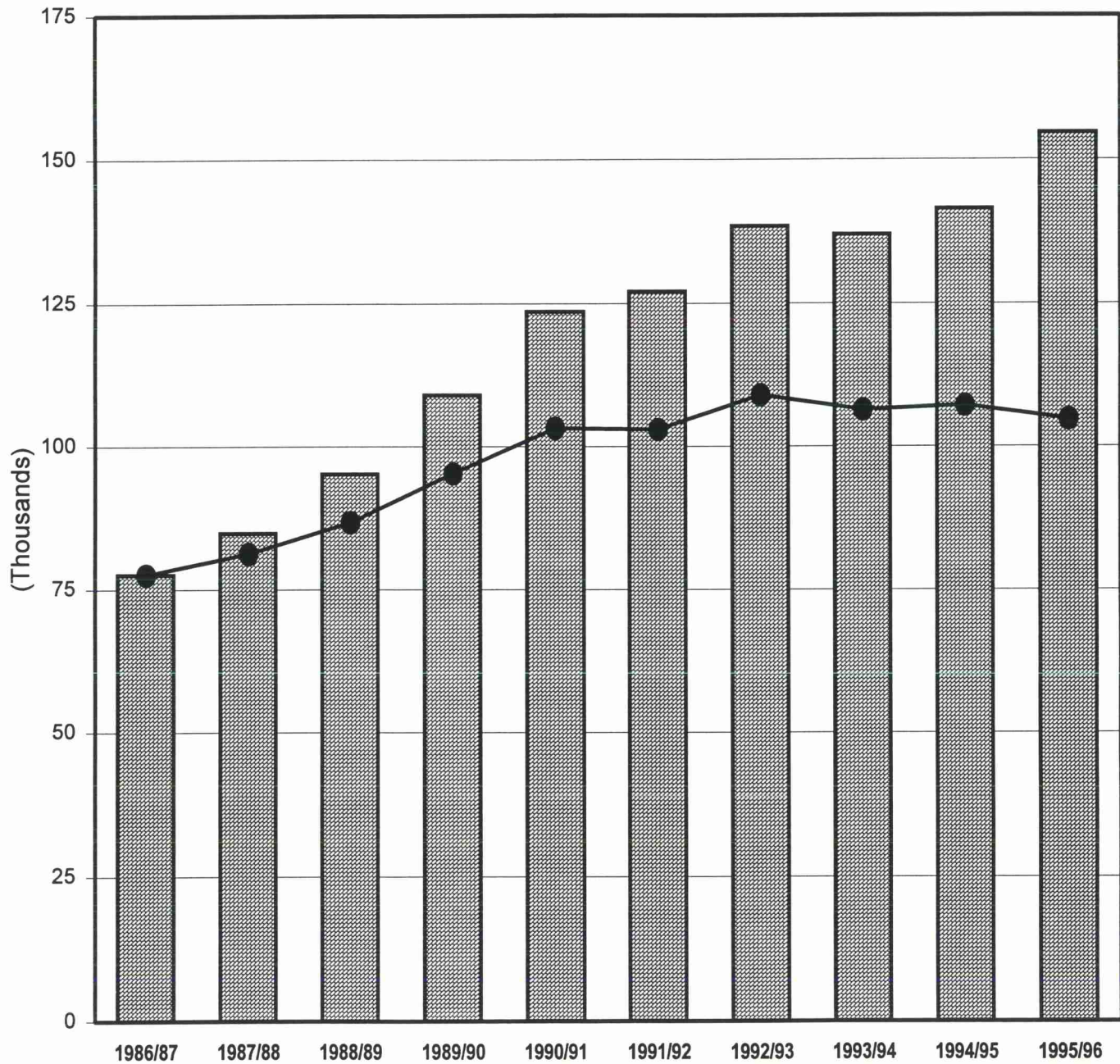
*Represents "constant dollars" based on the Consumer Price Index (CPI) for all urban consumers utilizing June, 1987 as the base period (100%). Data provided by the United States Department of Labor, Bureau of Labor Statistics.

SOURCE: City Finance Department

Use of Money & Property	Refunds and Reimb. (1)	Misc.	Total
\$ 4,719	\$ 0	\$ 1,789	\$ 77,560 77,560 *
4,118	0	2,289	84,803 81,202 *
5,327	0	2,309	95,122 86,680 *
7,561	0	3,188	108,988 95,240 *
10,007	0	2,667	123,518 103,231 *
8,030	5,031	1,773	127,070 102,982 *
5,980	6,514	4,424	138,421 108,956 *
4,673	2,065	4,060	137,068 106,433 *
5,656	1,783	3,874	141,459 107,237
6,809	6,611	5,017	154,703 104,818 *

General Governmental Revenues

Last Ten Fiscal Years



Actual (Bar) vs Constant Dollar (Line)



CITY OF STOCKTON
TABLE 2-A

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

Fiscal Year	Property	Utility	Sales & Use	Transient Occupancy	Franchise	Documentary Transfer
1986-87	\$ 12,265	\$ 9,885	\$ 15,506	\$ 1,052	\$ 2,166	\$ 265
1987-88	13,077	10,573	17,239	1,117	2,198	344
1988-89	13,815	11,541	18,139	1,150	2,425	290
1989-90	15,298	12,459	20,258	1,274	2,883	560
1990-91	16,853	14,531	20,689	1,274	2,981	381
1991-92	18,231	16,731	20,528	1,149	3,097	1,092
1992-93	17,703	18,719	21,017	1,107	3,414	1,266
1993-94	18,841	20,466	22,416	1,044	3,203	1,469
1994-95	15,684	21,706	22,984	1,121	3,935	1,395
1995-96	16,207	21,141	23,710	1,106	3,350	1,230

General Governmental Tax Revenues include General, Special Revenue, Capital Projects and Debt Service Funds. Excludes Expendable Trust Funds.

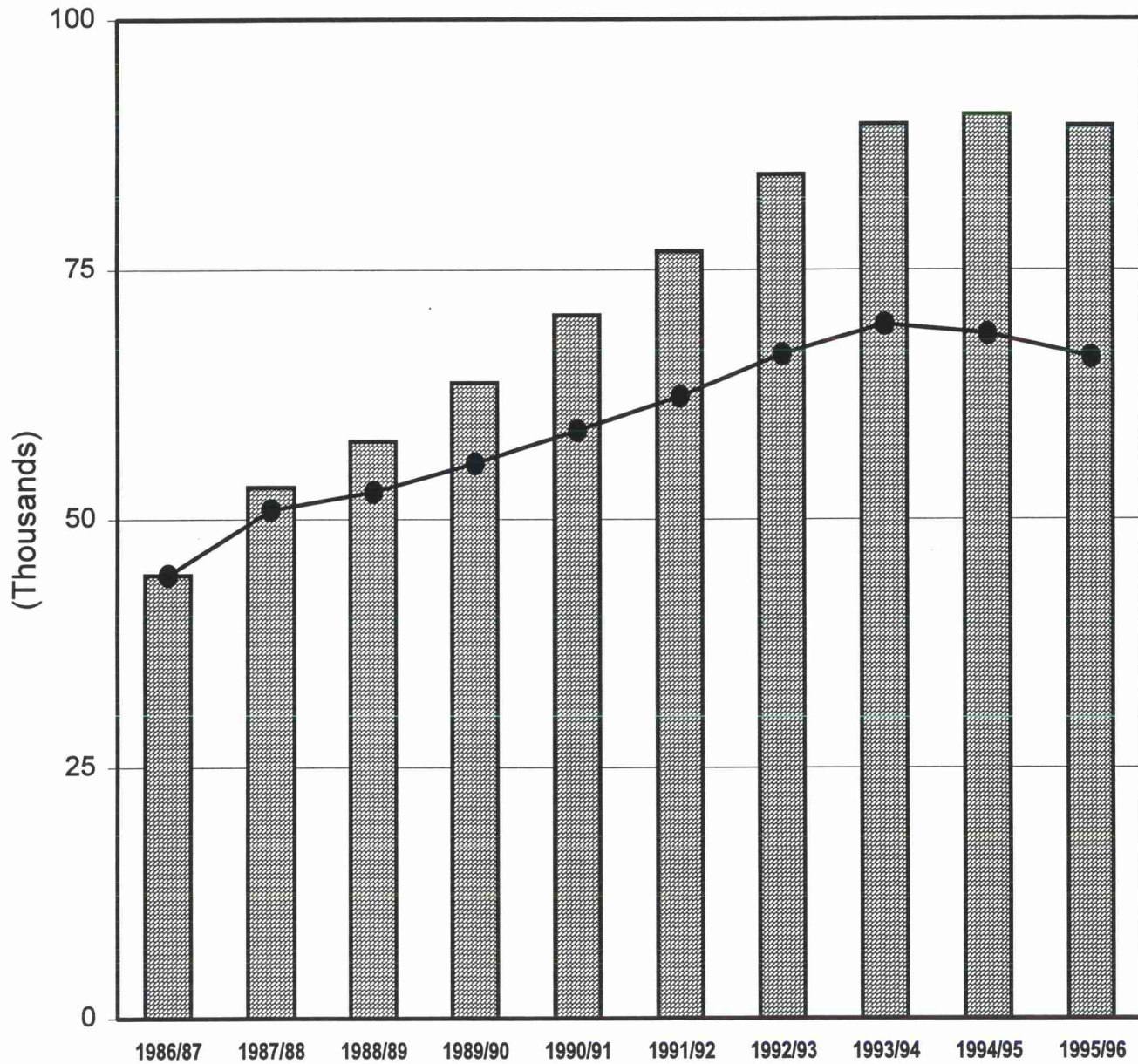
*Represents "constant dollars" based on the Consumer Price Index (CPI) for all urban consumers utilizing June, 1987 as the base period (100%). Data provided by the United States Department of Labor, Bureau of Labor Statistics.

SOURCE: City Finance Department

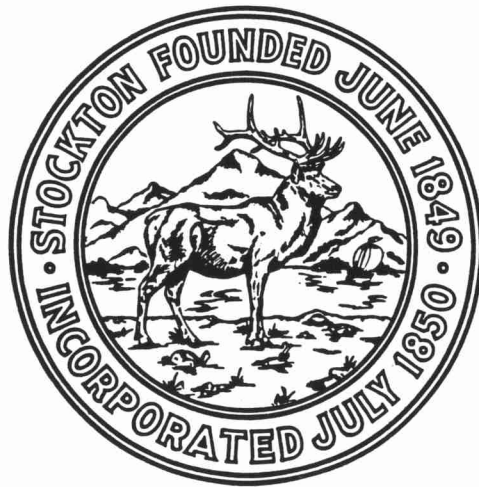
OTHER					
	Business License	Special Assessments	Transit	Misc.	Total
\$	3,092	\$ -	\$ 26	\$ 80	\$ 44,337
					44,337 *
	3,405	5,135	66	25	53,179
					50,921 *
	3,656	6,687	79	21	57,803
					52,673 *
	4,012	6,817	78	18	63,657
					55,627 *
	4,520	9,102	83	23	70,437
					58,868 *
	4,733	11,220	87	15	76,883
					62,308 *
	4,990	16,237	83	21	84,557
					66,558 *
	4,820	17,253	-	18	89,530
					69,520 *
	4,927	18,470	176	83	90,481
					68,591 *
	4,964	17,439	-	255	89,402
					66,245 *

General Governmental Tax Revenues

Last Ten Fiscal Years



Actual (Bar) vs Constant Dollar (Line)



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 Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections
1986-87	\$ 9,992	\$ 9,263	\$ 92.70 %	\$ 462	\$ 9,725
1987-88	10,663	10,130	95.00	737	10,867
1988-89	10,849	10,307	95.00	338	10,645
1989-90	11,939	11,342	95.00	727	12,069
1990-91	13,591	12,911	95.00	742	13,653
1991-92	15,333	14,567	95.00	595	15,162
1992-93	14,758	14,021	95.01	746	14,767
1993-94	14,959	13,237	88.49	2,319	15,556
1994-95	13,539	13,146	97.10	--	13,146
1995-96	13,763	13,763	100.00	--	13,763

SOURCE: San Joaquin County Auditor/Controller's Office

**Percent
of Total
Collections
to Tax Levy**

97.33 %
101.91
98.12
101.09
100.46
98.88
100.06
103.99
97.10
100.00

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
1986-87	\$ 4,417,883	\$ 15,489	\$ 281,652	\$ 385,065	\$ 5,100,089
1987-88	4,710,741	11,195	277,911	455,447	5,455,294
1988-89	5,035,095	4,721	14,091	619,707	5,673,614
1989-90	5,494,755	4,406	13,826	630,184	6,143,171
1990-91	6,189,799	77	13,407	685,871	6,889,154
1991-92	6,898,650	47	12,390	695,175	7,606,262
1992-93	7,332,787	47	8,628	714,270	8,055,732
1993-94	7,701,613	0	10,645	730,770	8,443,029
1994-95	7,808,294	0	11,171	755,919	8,575,384
1995-96	8,001,731	0	11,523	801,470	8,814,724

Fiscal Year	Land	Improvements	Personal Property	Gross Assessed Value	Less Exemptions (1)
1986-87	\$ 1,195,680	\$ 3,483,980	\$ 420,429	\$ 5,100,089	\$ 552,592
1987-88	1,294,124	3,672,147	489,023	5,455,294	587,347
1988-89	1,381,723	3,658,708	633,183	5,673,614	613,203
1989-90	1,538,089	4,054,916	550,166	6,143,171	544,353
1990-91	1,853,170	4,434,840	601,144	6,889,154	580,050
1991-92	2,080,789	4,914,778	610,695	7,606,262	621,045
1992-93	2,224,227	5,214,891	616,614	8,055,732	640,394
1993-94	2,308,510	5,511,138	623,380	8,443,029	647,588
1994-95	2,296,566	5,659,621	619,197	8,575,384	678,052
1995-96	2,348,413	5,802,491	663,820	8,814,724	710,256

(1) Exemptions are total of homeowners (222,705) and other (487,551) exemptions.

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

SOURCE: San Joaquin County Auditor/Controller's Office

	Less Exemptions (1)	Net Assessed Value
\$	552,592	\$ 4,547,497
	587,347	4,867,947
	613,203	5,060,411
	544,353	5,598,818
	580,050	6,309,104
	621,045	6,985,217
	640,394	7,415,338
	647,588	7,795,441
	678,052	7,897,332
	710,256	8,104,468

Net Assessed Value
\$ 4,547,497
4,867,947
5,060,411
5,598,818
6,309,104
6,985,217
7,415,338
7,795,441
7,897,332
8,104,468

CITY OF STOCKTON

TABLE 5

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Fiscal Year	Basic Countywide Levy	City	School (1)	Total
1986-87	1.00 %	0.38 %	1.81 %	3.19 %
1987-88	1.00	0.36	1.62	2.98
1988-89	1.00	0.33	1.35	2.68
1989-90	1.00	0.32	1.28	2.60
1990-91	1.00	0.29	1.01	2.30
1991-92	1.00	0.28	3.13	4.41
1992-93	1.00	0.27	3.46	4.73
1993-94	1.00	0.24	3.04	4.28
1994-95	1.00	0.00	1.29	2.29
1995-96	1.00	0.00	3.32	4.32

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
Rate is total of Building Loan Repayment and Debt Service #5.

SOURCE: San Joaquin County Auditor/Controller's Office

CITY OF STOCKTON

TABLE 6

PRINCIPAL SECURED PROPERTY TAXPAYERS

June 30, 1996

(Dollar amounts in thousands)

Taxpayer	Nature of Business	Net Assessed Value	Percentage of Total Assessed Valuation
C P C Inc., International	Heavy Industrial Factory	\$ 97,687	1.338 %
Kaiser Foundation Hospital	Medical Offices	78,535	1.075
Diamond Walnut Growers	Fruit and Vegetable	47,677	0.653
Posdef Power Company	Industrial	47,200	0.646
Newark Group, Industries Inc.	Heavy Industrial Factory	32,021	0.438
American Savings Bank	Three + Story Office Building	20,712	0.284
Cargill Incorporated	Feed and Grain Mill	20,654	0.283
American Honda Motor Company	Warehousing - Active	19,189	0.263
Toys R Us Incorporated	Warehousing - Active	17,911	0.245
Jennaro Properties	Light Industrial & Warehousing	<u>16,088</u>	<u>0.220</u>
Subtotal		397,674	5.445
Other Secured Taxpayers		<u>6,905,528</u>	<u>94.555</u>
GRAND TOTAL		<u>\$ 7,303,202</u>	<u>100.000 %</u>

NOTE: Homeowners exemptions relative to the secured tax roll are \$222,497, other exemptions are \$476,0

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
1986-87	\$ 5,735	\$ 5,263	91.77 %	\$ 916
1987-88	6,115	5,755	94.11	792
1988-89	6,773	5,639	83.26	2,011
1989-90	7,512	7,157	95.27	765
1990-91	9,800	9,296	94.86	1,207
1991-92	12,880	11,114	86.29	1,766
1992-93	17,677	14,994	84.82	2,631
1993-94	18,596	16,441	88.41	2,815
1994-95	18,941	17,869	94.34	2,168
1995-96	17,241	16,845	97.70	1,909

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

SOURCE: City Finance Department

CITY OF STOCKTON

TABLE 8

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 1996

(Dollar amounts in thousands)

Assessed Value as of June 30, 1996 (1)	\$8,750,754
Debt Limit - 15 Percent of Assessed Value (2)	\$1,312,613
Amount of Debt Applicable to Debt Limit	<u>- -</u>
LEGAL DEBT MARGIN	<u><u>\$1,312,613</u></u>

(1) Assessed Value is based on 100% of the gross assessed value of the secured roll, plus 95% of the unsecured roll excluding other exemptions, less redevelop area credits.

(2) Section 43605 California Government Code

SOURCE: City Finance Department
San Joaquin County Auditor/Controller's Office
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 (2)	Gross Bonded Debt	Debt Payable From Enterprise Revenue	Net Bonded Debt
1986-87	184,978	\$ 5,100,089	\$ 3,615	\$ 2,775	\$ 840
1987-88	189,192	5,455,294	2,865	2,130	735
1988-89	192,312	5,673,614	2,075	1,450	625
1989-90	195,223	6,143,171	1,250	740	510
1990-91	215,100	6,889,154	390	0	390
1991-92	221,585	7,606,262	265	0	265
1992-93	226,300	8,055,732	135	0	135
1993-94	228,733	8,443,029	0	0	0
1994-95	232,770	8,575,384	0	0	0
1995-96	233,600	8,814,724	0	0	0

1990 Federal Census Population - 210,943

(1) - Population data is provided by the State of California, Department of Finance, Demographic Research Unit. Population data estimates are as of January 1 of the corresponding year and is not in thousands.

(2) - See Table #4

SOURCE: State Controller's Office
City Finance Department

Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
0.016 %	4.541
0.013	3.885
0.011	3.250
0.008	2.612
0.006	1.813
0.003	1.196
0.002	0.597
0.000	0.000
0.000	0.000
0.000	0.000

CITY OF STOCKTON

TABLE 10

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

LAST TEN FISCAL YEARS

(Dollar amounts in thousands)

Fiscal Year	Principal	Interest	Total Debt Service (1)	Total General Government Expenditures
1986-87	\$ 100	\$ 38	\$ 138	\$ 81,525
1987-88	105	34	139	88,959
1988-89	105	34	139	98,870
1989-90	115	25	140	127,868
1990-91	120	19	139	153,769
1991-92	606	284	890	157,236
1992-93	692	249	941	140,125
1993-94	640	210	850	157,589
1994-95	540	172	712	144,850
1995-96	580	133	713	144,121

(1) Excludes debt service expenditures for general obligation bonds issued for City Enterprise Fund (Sanitary Wastewater Utility Fund), maturing during the 1990/91 fiscal year.

SOURCE: City Finance Department

**Ratio of
Debt Service to
General Government
Expenditures**

0.169 %

0.156

0.141

0.109

0.090

0.566

0.672

0.539

0.492

0.495

CITY OF STOCKTON

TABLE 11

DIRECT AND OVERLAPPING BONDED DEBT

June 30, 1996

Direct and Overlapping Bonded Debt

San Joaquin County Certificates of Participation
San Joaquin Delta Community College District Certificates of Participation
Lodi Unified School District Certificates of Participation
Lincoln Unified School District Community Facilities District #1
Manteca Unified School District Community Facilities District #89-1
Tracy Joint Union High School District Certificates of Participation
City of Stockton Certificates of Participation
 Water Enterprise Project Series 1993 A
Stockton Wastewater Service Facilities District
Stockton Water Service Facilities District
City of Stockton Parking District
City of Stockton Community Facilities District #1
City of Stockton Community Facilities District #90-1
City of Stockton Community Facilities District #90-2
City of Stockton Community Facilities District #90-4
City of Stockton Community Facilities District #96-1
City of Stockton 1915 Act Bonds
Reclamation District #2042 Community Facilities District #89-1
South San Joaquin Irrigation District Certificates of Participation
 TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT
 South San Joaquin Irrigation District (100% self-supporting)
 TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT

Debt Ratios

Direct Debt - City of Stockton General Obligation Bond	--
Total Gross Debt	295,298,401
Total Net Debt	295,198,483

State School Building Aid Repayable as of 06/30/95 : \$3,224,714

1995-96 Assessed Valuation: \$8,214,200,807 (after deducting \$112,971,821 redevelopment incremental valuation and excluding other exemptions of \$487,551,481)

(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.

Percentage Applicable to City	Debt 06/30/96
37.143 %	\$74,750,288
34.057	2,892,549
23.011	2,288,444
86.130	16,468,056
100.000	1,470,000
0.007	50
100.000	17,300,000
100.000	1,760,000
100.000	665,000
100.000	9,465,000
100.000	32,990,000
96.070	14,280,806
100.000	36,990,000
100.000	17,435,000
100.000	1,960,000
100.000	60,938,000
40.657	3,545,290
0.915	99,918
	<u>\$295,298,401 (1)</u>
	<u>99,918</u>
	<u><u>\$295,198,483</u></u>

<u>Per Capita</u>	<u>Ratio to Assessed Value</u>
--	--
1,305	3.693%
1,304	3.692%

CITY OF STOCKTON

TABLE 12

REVENUE BOND COVERAGE LAST TEN FISCAL YEARS

(Dollar amounts in thousands)

STOCKTON-VACAVILLE HOME FINANCING AUTHORITY (1)

Fiscal Year	Operating Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements	
				Principal	Interest
1986-87	\$ 1,047	\$ 52	\$ 995	\$ 405	\$ 894
1987-88	878	24	854	1,490	0
1988-89	646	18	628	410	0
1989-90	505	16	489	790	0
1990-91	398	20	378	289	494
1991-92	297	13	284	117	246
1992-93	162	12	150	0	0
1993-94	84	24	60	0	0
1994-95	7	16	(9)	0	0
1995-96	4	2	2	0	0

STOCKTON RECREATION CORPORATION - GOLF COURSE (2)

Fiscal Year	Operating Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements	
				Principal	Interest
1986-87	\$ 1,211	\$ 959	\$ 252	\$ 55	\$ 33
1987-88	1,270	1,028	242	59	30
1988-89	1,369	1,179	190	62	26
1989-90	1,544	1,231	313	66	22
1990-91	1,472	1,208	264	70	18
1991-92	1,588	1,481	107	239	2
1992-93	1,639	1,337	302	0	0
1993-94	1,674	1,380	294	0	0
1994-95	1,535	1,672	(137)	0	0
1995-96	1,703	1,552	151	0	0

(1) A Debt Service Reserve Intrafund has been established to account for the accumulation of resources for, and the payment of, interest and principal of general long-term debt if insufficient resources are available for debt service payment. The deferred interest bonds were paid off during the 1993/94 fiscal year.

(2) At inception, the Stockton Recreation Corporation Revenue Bond was reported and maintained as General Long Term Debt until the 1986/87 fiscal year. The Golf Course portion of the revenue bond has consistently been reported as an enterprise fund since that time. This table includes all years representing the time period during which the Golf Course has been reported as an enterprise fund. The Stockton Recreation Corporation Revenue Bond issued to finance the Ice Arena portion have not been included in this table. Currently the Ice Arena resides in the General Fund. During the last ten fiscal years, the Ice Arena was reported as an enterprise fund only during the 86/87 through 89/90 fiscal years. The bond/long term lease payable was paid off during the 1992/93 fiscal year for both the Ice Arena and the Golf Course.

	Total	Coverage
\$	1,299	0.766
	1,490	0.573
	410	1.532
	790	0.619
	783	0.483
	363	0.782
	0	N/A
	0	N/A
	0	N/A
	0	N/A

	Total	Coverage
\$	88	2.864
	89	2.719
	88	2.159
	88	3.557
	88	3.000
	241	0.444
	0	N/A
	0	N/A
	0	N/A
	0	N/A

CITY OF STOCKTON

TABLE 13

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Square Miles (1)	Population (2)	Population Percent Change	San Joaquin County Population (2)	City Population Percent Of County
1986-87	44.1	184,978	1.846	435,700	42.455
1987-88	44.1	189,192	2.278	451,000	41.949
1988-89	56.9	192,312	1.649	460,227	41.786
1989-90	54.0	195,223	1.514	470,934	41.454
1990-91	55.1	215,100	10.182	490,000	43.898
1991-92	55.1	221,585	3.015	502,031	44.138
1992-93	55.5	226,300	2.128	514,500	43.984
1993-94	55.5	228,733	1.075	522,300	43.793
1994-95	55.5	232,770	1.765	530,700	43.861
1995-96	55.5	233,600	0.357	529,300	44.134

1990 Federal Census Population - City - 210,943

1990 Federal Census Population - County - 480,628

Note: Population data is provided by the State of California, Department of Finance, Demographic Research Unit. Population data estimates are as of January 1 of the corresponding year and is not in thousands.

SOURCE: (1) City Community Development Department
(2) State of California, Department of Finance, Demographic Research Unit

**Rank in Size
Of California
Cities (2)**

13

13

13

12

12

12

12

12

12

12

CITY OF STOCKTON

TABLE 14

CONSTRUCTION ACTIVITY AND BANK DEPOSITS

LAST TEN FISCAL YEARS

(Dollar amounts in thousands)

Fiscal Year	Number of Bldg. Permits Issued (1)	Percent Change	Estimated Valuation	Percent Change	Deposits - Banks Savings & Loans Credit Unions (2)
1986-87	4,017	22.432 %	196,390	85.050 %	5,597,019
1987-88	3,977	-0.996	199,753	1.712	4,650,329
1988-89	4,298	8.071	193,330	-3.215	6,267,148
1989-90	4,646	8.097	208,117	7.649	3,870,805
1990-91	5,358	15.325	238,298	14.502	3,611,945
1991-92	5,097	-4.871	158,443	-33.511	3,446,481
1992-93	4,890	-4.061	173,374	9.424	3,142,384
1993-94	4,783	-2.188	191,629	10.529	2,993,673
1994-95	4,775	-0.167	149,383	-22.046	3,225,068
1995-96	5,841	22.325	211,338	41.474	N/A

SOURCE: (1) City Community Development Department

(2) Sheshunoff Information Services, Austin TX.

Current Fiscal Year data becomes available the following year.

**Percent
Change**

-15.570 %

-16.914

34.768

-38.237

-6.687

-4.581

-8.823

-4.732

7.729

N/A

CITY OF STOCKTON

TABLE 15

MISCELLANEOUS STATISTICS

June 30, 1996

GENERAL

Date of Incorporation	07/25/1850
City Charter Adopted	01/15/1889
Council/Management Gov't	
Area/Square Miles	55.5
Elevation	23

GEOGRAPHICAL LOCATION

345 miles north of Los Angeles, 78 miles east of San Francisco; Easy access to mountains and ocean; County seat of San Joaquin County; One of the outstanding agricultural counties of the nation.

LAND USE - SQUARE MILES

Residential	13.7
Commercial	2.6
Industrial	5.9
Institutional	4.4
Vacant, Agricultural	24.2
All Other Use	4.7

PUBLIC WORKS

Miles of Streets	655.10
Miles of Storm Sewers	325.25
Miles of Sanitary Sewers	669.77
Miles of Water Lines	261.40
Traffic Signals	229.00

LIBRARIES

Stockton	
Central Library	1
Branches	3
Bookvan	2
San Joaquin County	
Branches	6
Total Volumes Held	1,825,100

FIRE PROTECTION

No. of Fire Stations	12
No. of Fire Hydrants	6,773
Firefighters - Sworn	231
Firefighters - Auxiliary	24
Non-Sworn Personnel	27
Paramedic Teams	7
Personnel/Team	2
Training Facilities	1
Fire Insurance Class	1

POLICE PROTECTION

Facilities:	
Main Police Facility	1
Police Annex	1
Southeast Police Facility	1
Animal Control Facility	1
Training Facility - Police Range	1
Personnel:	
Sworn	367
Non-Sworn	161
Animal Control	9
Reserve/Volunteer	
Police Officers	30
Other Volunteers (VIP's)	57
Vehicles:	
Automobiles	207
Motorcycles	18
Animal Control Vehicles	8
VIPS Vehicles	6
Other Mobile Units	51

RECREATION

Parks and Squares	47
(City Parks - 509.23 Acres)	
Boating Facilities - Ramps	8
(Louis Park & Buckley Cove)	
Municipal Golf Courses	3
(390 Acres)	
Family Camp - Silver Lake	1
Pioneer Museum-Victory Park	1
Pixie Woods - Louis Park	1
Civic Center Auditorium	1
(3,500 Capacity)	
Senior Citizens Center -	
Oak Park/Senior Svc Agency	2
Oak Park Ice Arena	1
Community Centers	6
Swimming Pools	4
Baseball/Softball Diamonds	41
Tennis Courts	57

EMPLOYEES - ALL DEPARTMENTS

Full Time - Civil Service	1,493
Full time - Exempt	137
Part-Time Employees - Exempt	586
TOTAL	2,216

BUSINESS TAX CERTIFICATES

Retail Sales & Service	7,800
Wholesalers	350
Manufacturers & Processors	150
Professions	3,800
Misc. Contractors, Peddlers,	
Delivery Vehicles, etc.	3,800

REGISTERED VOTERS

City of Stockton	97,261
San Joaquin County	239,194

PUBLIC EDUCATION FACILITIES

Elementary Schools	43
Total Enrollment	29,263
Year Round Enrollment	14,620
Combination Elementary/	
Secondary Schools	13
Enrollment	6,395
Secondary Schools	7
Total Enrollment	7,237
Year Round Enrollment	1,969
High Schools	5
Enrollment	10,761
Alternative Education	7
Enrollment	3,973

COLLEGES & UNIVERSITIES

Junior College	1
4-Year College	5
4-Year College (Off Campus)	2

HOSPITALS

Acute Care Facilities	3
Patient Beds	740

MISCELLANEOUS

No. of Households	76,769
Average Household Income	39,920

SOURCES:

City of Stockton
San Joaquin County Registrar of Voters
San Joaquin County Office of Education
Sheshunoff Information Services



CITY OF STOCKTON

TABLE 16

SCHEDULE OF INSURANCE IN FORCE

June 30, 1996

Type of Coverage	Company	Policy No.	Period	Details of Coverage
General Liability Excess	California Joint Powers Authority	None	07-01-95 to 06-30-96	Excess auto-comp., general liability errors and omissions liability and excess non-owned aircraft liability.
Worker's Comp Excess	General Reinsurance Corporation	X14064C	01-01-96 to 01-01-98	Covers worker's comp claims in excess of self-insured retention.
Property Coverage Including Library Comprehensive Business Policy	Westchester Fire Continental Casualty Lexington	FPS 376 649 IM40211955 8693522	07-01-95 to 07-01-96	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.
Boiler & Machinery Insurance	American Manufacturers	3XN02237002	07-01-95 to 07-01-96	Boilers; compressed air storage tanks
Liability - Owned Non-owned Pools	Monticello Insurance Company	MBL042271601	05-21-96 to 09-18-96	OL&T liability coverage owned, non-owned pools (6)
Finance Director Bond	The Hartford	RN5073072	07-08-95 to 07-08-96	Bond
Employees Blanket Bond	Continental Insurance	BNP0005357	09-22-95 to 09-22-96	Employee dishonesty forgery, FP, theft, & disappearance
Public Official Bond	Continental Insurance	123596	01-01-96 to 12-31-98	Faithful performance by Councilmembers
Blanket Notary	Western Surety Company	68364177	04-18-96 to 04-18-97	Errors and Omissions
Medical Plan Stop Loss and Conversion Plan	Standard Insurance Company	600902-A	05-01-96 to 04-30-97	Medical plan claims in excess of self-insured retention, and conversion benefit plan option

Limits	Deductible	Premium
\$9,000,000 XS SIR	\$1,000,000 SIR	\$478,442
\$ 10,000,000 - each accident/ each employee \$ 1,000,000 - employer's liability	\$325,000 each accident each employee	\$.153/\$100 Payroll
\$200,000,000.	\$25,000	\$49,839
\$10,000,000	\$5,000	\$6,038
\$500,000 CSL GI, PI incl. \$500,000 Aggregate	\$1,000	\$10,835
\$100,000	\$0	\$500
\$250,000 \$65,000 inside premises \$25,000 outside premises	\$10,000 \$2,500	\$10,186
\$5,000	\$0	\$700
\$30,000	\$0	\$1,843
\$850,000 per covered individual per coverage year	\$150,000 per covered individual per coverage year	\$14.74 per employee per month





Location Map

