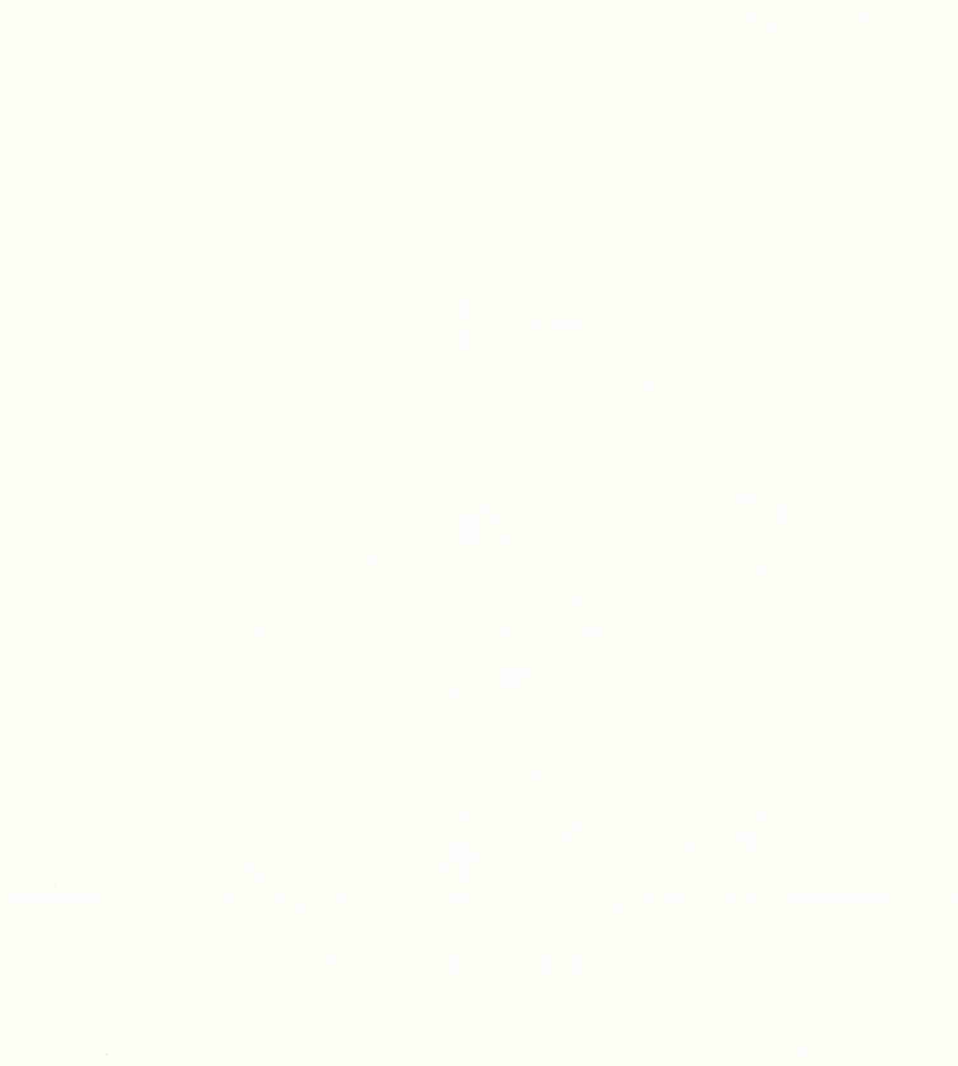


Stockton

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

CITY OF STOCKTON, CALIFORNIA

LAST COPY
Please Return



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 elk.

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

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

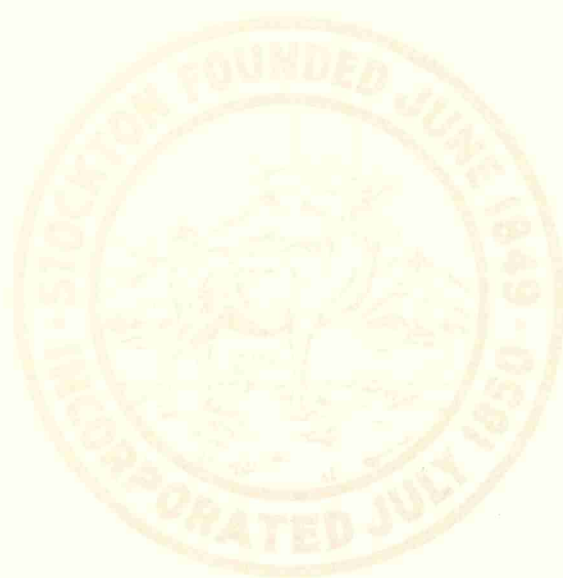
CITY OF STOCKTON, CALIFORNIA

FOR THE FISCAL YEAR ENDED JUNE 30, 1997

*Prepared and Issued by
The Finance Department*

L. PATRICK SAMSELL
Director of Finance

Stockton



INTRODUCTORY SECTION

CITY OF STOCKTON

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CITY OF STOCKTON

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CITY OF STOCKTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 1997

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FINANCE DEPARTMENT
CITY HALL
425 NORTH EL DORADO STREET
STOCKTON, CA 95202-1997
FAX (209) 937-8844

December 2, 1997

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, 1997. 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 is reported as a discretely presented component unit.

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 \$1.35 billion in crop value. For the second 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. A total of 1,367 new housing permits were issued during 1996-97. Continued low interest rates, new job creation, especially in the retail sector, and a net migration to the county account for this increase.

- 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.

Economic conditions and expectations are at a three-year high for San Joaquin County, according to a survey conducted by University of the Pacific. Recently in Stockton, two major businesses opened, the Dillard's Department Store and Courtyard Marriott Hotel.

MAJOR INITIATIVES

For fiscal year 1996-97, the City continued to focus on its most important goals and objectives of crime reduction, economic development and youth.

- Under the Safe Stockton programs, the Police Department has effectively implemented community oriented policing. School Resource Officers, After School Recreation Programs, the Truancy and Curfew Center and the close collaboration with the Probation Department have all assisted in a continuing decline in the crime rate.

- Downtown Stockton is beginning to liven up. The Fox Theater is an active part of the Downtown scene. Construction on the Weber Point project, which is intended to be the cornerstone of a totally revitalized downtown area, has commenced.
- Through the Parks and Recreation Department, the number of Safe Youth After School Recreation sites were increased from 26 to 28. A self-esteem improvement program for the youth was also incorporated into this program.

For the Future

Major initiatives for the future center around two significant areas: examine the economies of privatizing certain City operations and revitalization of the downtown and waterfront area.

Potential City operations will be identified for possible privatization for the most cost effective means of service delivery.

Construction of the Weber Point Events Center and renovation of the Fox Theater are the two projects scheduled for the downtown area.

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, 1997, 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 1996</u>	<u>Percent Increase (Decrease)</u>
Taxes				
Property	\$ 15,820	9.95%	\$ (387)	(2.39)%
Sales and Use	23,983	15.08	273	1.15
Utility	22,271	14.01	1,130	5.35
Franchise	3,951	2.49	601	17.94
Business License	5,459	3.43	495	10.00
Other	19,897	12.52	(133)	(.66)
Licenses and Permits	2,064	1.30	(217)	(9.51)
Federal Grants and Subsidies	12,996	8.18	3,053	30.71
Intergovernmental	18,657	11.74	680	3.78
Charges for Services	16,789	10.56	738	4.60
Fines and Forfeitures	545	.34	(67)	(10.95)
Use of Money and Property	6,585	4.14	(224)	(3.29)
Refunds and Reimbursements	5,717	3.60	(894)	(13.52)
Miscellaneous	4,221	2.66	(796)	(15.87)
	<u>\$ 158,955</u>	<u>100.00%</u>	<u>\$ 4,252</u>	<u>2.75%</u>

Property, sales and use, and utility taxes increased by 1.66 percent or \$1,016, and they continue to be a major source of revenue. The decrease in the refunds and reimbursements category is attributed to the credit from the Public Employees' Retirement System has been exhausted.

Net assessed full cash value of all taxable property was \$8,057,000 and decreased 0.58 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, 1997, 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 1996</u>	<u>Percent Increase (Decrease)</u>
Current:				
General Government	\$ 11,038	6.67%	\$ (93)	(.84)%
Public Safety	77,107	46.58	7,541	10.84
Public Works	11,264	6.81	352	.32
Culture and Recreation	15,826	9.56	986	6.64
Capital Outlay	37,214	19.22	17,116	58.80
Debt Service				
Principal	5,855	3.56	773	15.21
Interest and				
Fiscal Charges	12,615	7.60	61	.03
	<u>\$ 170,919</u>	<u>100.00%</u>	<u>\$ 26,736</u>	<u>18.54%</u>

Total expenditures increased by 18.54 percent or \$26,736. The increase in expenditures is due primarily to the completion of some capital projects.

General Fund Balance

The fund balance of the general fund decreased by \$3,270. The major portion of the decrease can be attributed a memorandum of understanding approved at mid-year which included a retro-active payment for Fire personnel. The unreserved fund balance of \$8,346 is 4.88 percent of fiscal year 1996/97 total expenditures.

ENTERPRISE OPERATIONS (Excluding Central Parking District)

Fiscal year 1996/97 ended with a total net increase of \$14,423 in total fund equity, 7.06 percent more than last year. An increase in utility user charges accounts for most of the net increase.

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	\$ 12,416	\$ 25,418	\$ 4,225	\$ 4,584	\$ 1,711
Operating Income	2,685	3,238	563	(166)	(8)
Bonds and Other Long-Term Liabilities Payable From					
Operating Revenue	18,657	64,910	1,715	7,254	--
Net Book Value of					
Fixed Assets	48,097	142,484	29,017	1,075	1,250
Total Assets	66,297	207,305	33,644	9,224	1,843
Fund Equity	45,746	138,023	31,792	1,462	1,653

FIDUCIARY OPERATIONS

The City contributed to the Public Employees' Retirement System (PERS) \$14,300 (for employer and employees). The gross reportable payroll for employees covered by PERS was \$73,366. The 1996/97 combined employer-employee rates as a percentage of payroll are as follows:

Miscellaneous Members	16.494%
Public Safety	
Police	25.492
Fire	25.492

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 1996/97, 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 \$8,154. \$1,107 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 second 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, 1996. 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 eight consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

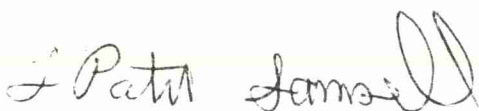
Additionally, the City of Stockton was awarded a Certificate of Outstanding Financial Reporting for the sixth consecutive year from the California Society of Municipal Finance Officers (CSMFO) for its CAFR for the fiscal year ended June 30, 1996. We believe our current report continues to conform to 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,



**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, 1996. 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, 1996**

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.



Linda N. Savitsky
President

Jeffrey L. Esser
Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Outstanding Financial Reporting 1995-96

Presented to the

City of Stockton

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

February 24, 1997



Barbara R. Underwood
Chair, Professional & Technical Standards Committee

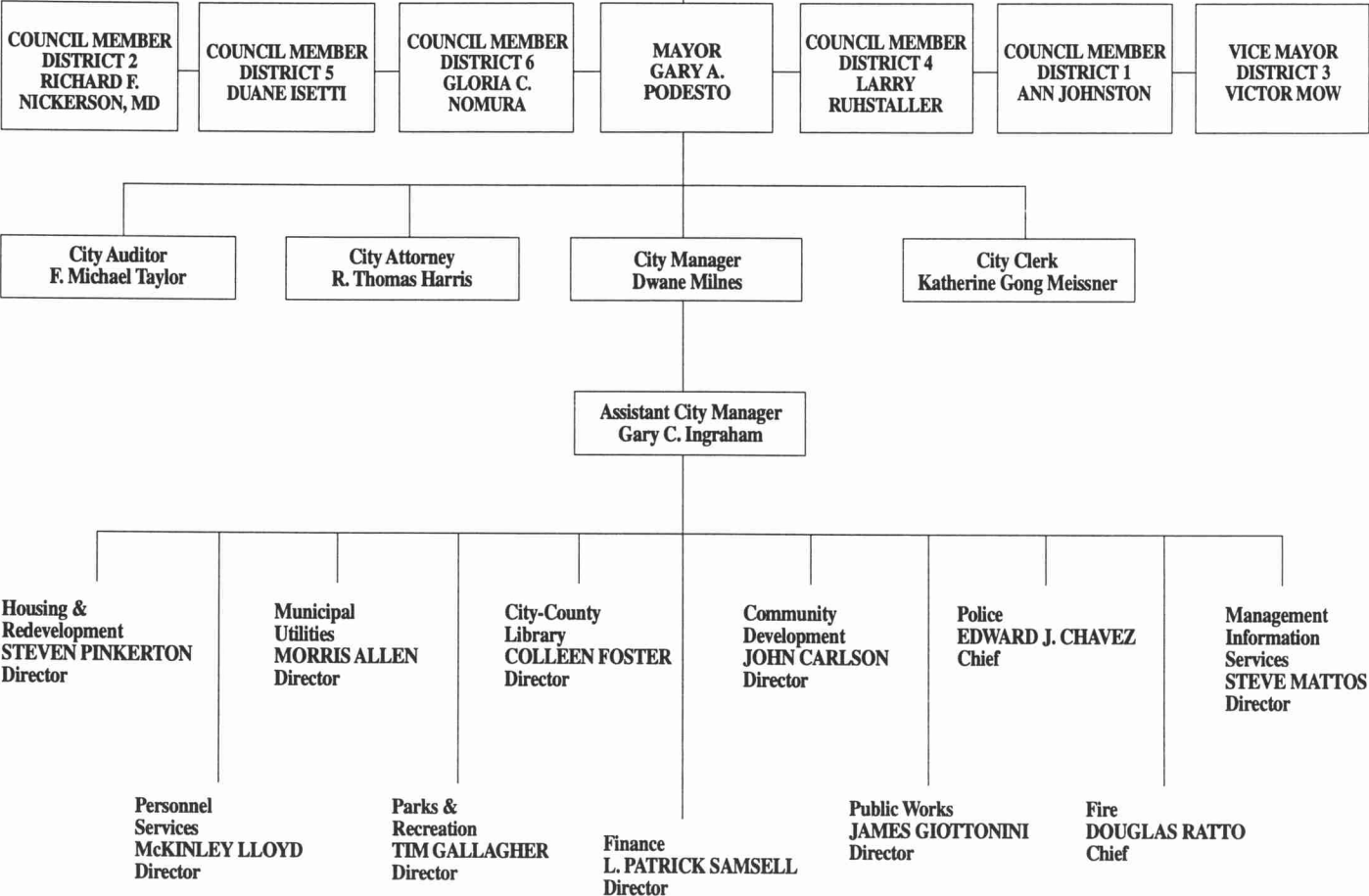
Dorothy Stadel
President, CSMFO

⌘ Dedicated to Excellence in Municipal Financial Management ⌘

CITY OF STOCKTON
ORGANIZATION CHART / LIST OF PRINCIPAL OFFICIALS
JUNE 30, 1997

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 Unit

The discretely presented component unit represents implementation of GASB 14. The component unit presented in this manner is briefly described below.

Central Parking District

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





INDEPENDENT AUDITORS' REPORT

The Honorable City Council
City of Stockton, California

We have audited the accompanying general purpose financial statements of the City of Stockton, California (the "City") as of June 30, 1997, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the City's management. 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 the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 of Stockton as of June 30, 1997, 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 24, 1997 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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 24, 1997

CITY OF STOCKTON

**COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 1997
(With comparative totals for June 30, 1996)
(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	\$ 5,078	\$ 10,208	\$ 13,453	\$ 55,696	\$ 55,937	\$ 25,685
Cash with fiscal agents	71	-	8	2,564	521	-
Receivables:						
Interest	245	144	-	820	800	-
Taxes and special assessments	43	-	1,620	-	-	-
Accounts and other receivables	5,714	5	160	1,517	6,383	612
Allowance for uncollectibles	(518)	-	-	-	(355)	(99)
Prepaid expenses	-	-	-	-	-	33
Due from other funds	2,334	-	-	6,189	1,000	-
Due from other governments	2,448	8,128	-	52	-	20
Due from other agencies	4,700	-	-	-	-	-
Inventory of supplies	315	-	-	-	1,232	-
Restricted assets:						
Cash and temporary investments	-	-	-	-	4,734	-
Cash and temporary investments with fiscal agents	-	-	-	-	24,217	-
Interest receivable	-	-	-	-	70	-
Accounts and other receivables	-	-	-	-	12	-
Deposits	-	-	-	43	-	-
Loans receivable	-	-	-	-	147	-
Advances to other funds	546	15,055	-	14,339	385	-
Advances to other agencies	1,600	-	-	-	-	-
Advances to property owners	-	23,966	-	40	-	-
Property held for resale	-	53	-	-	-	-
Net fixed assets	-	-	-	-	221,923	13,335
Deferred charges	-	-	-	-	1,307	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>\$ 22,576</u>	<u>\$ 57,559</u>	<u>\$ 15,241</u>	<u>\$ 81,260</u>	<u>\$ 318,313</u>	<u>\$ 39,647</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	Reporting Entity	
	General Fixed Assets	General Long-Term Debt		Component Unit	Totals	
				Central Parking District	(Memorandum Only)	
					1997	1996
\$ 87,909	\$ -	\$ -	\$ 253,966	\$ 1,229	\$ 255,195	\$ 235,679
-	-	-	3,164	-	3,164	3,766
-	-	-	2,009	26	2,035	1,692
-	-	-	1,663	-	1,663	1,953
183	-	-	14,574	36	14,610	15,281
-	-	-	(972)	(4)	(976)	(1,413)
-	-	-	33	-	33	205
-	-	-	9,523	-	9,523	6,451
-	-	-	10,648	8	10,656	12,447
-	-	-	4,700	-	4,700	4,700
-	-	-	1,547	-	1,547	1,457
-	-	-	4,734	822	5,556	5,121
-	-	-	24,217	45	24,262	36,404
-	-	-	70	-	70	374
-	-	-	12	-	12	27
-	-	-	43	-	43	47
-	-	-	147	-	147	164
-	-	-	30,325	-	30,325	29,904
-	-	-	1,600	-	1,600	1,600
-	-	-	24,006	-	24,006	21,034
-	-	-	53	-	53	69
-	62,170	-	297,428	12,967	310,395	299,795
-	-	-	1,368	75	1,443	1,499
-	-	25,425	25,425	-	25,425	26,183
-	-	185,234	185,234	-	185,234	185,721
\$ 88,092	\$ 62,170	\$ 210,659	\$ 895,517	\$ 15,204	\$ 910,721	\$ 890,160

(continues)

CITY OF STOCKTON

**COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 1997
(With comparative totals for June 30, 1996)
(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	\$ 1,659	\$ 2,329	\$ 29	\$ 1,235	\$ 2,185	\$ 646
Accrued payroll and benefits	3,209	-	-	-	-	-
Due to other funds	4,700	4,029	-	794	-	-
Due to other governments	-	1,020	-	30	67	-
Due to other agencies	177	-	-	-	-	-
Deposits and other liabilities	20	1,497	-	3	725	-
Matured bonds and interest payable	-	-	8	3	20	-
Accrued interest	-	-	-	-	1,714	-
Long-term debt - current	-	-	-	-	1,686	5,539
Compensated absences - current	-	-	-	-	885	177
Deferred revenue	120	-	1,620	-	11	1
Compensated absences - long-term	-	-	-	-	1,494	300
Advances from other funds	-	-	-	-	385	-
Advances from other governments	-	-	-	-	2,515	-
Certificates of participation	-	-	-	-	73,769	-
Lease obligation - long-term	-	-	-	-	-	37
Water extension agreements	-	-	-	-	11	-
Bonds payable and other long-term debt	-	-	-	-	14,170	9,032
Total liabilities	<u>9,885</u>	<u>8,875</u>	<u>1,657</u>	<u>2,065</u>	<u>99,637</u>	<u>15,732</u>
EQUITY AND OTHER CREDITS:						
Investment in general fixed assets	-	-	-	-	-	-
Contributed capital	-	-	-	-	179,059	11,381
Retained earnings - unreserved	-	-	-	-	39,617	12,534
Fund balances (deficit):						
Reserved	4,345	60,423	534	79,195	-	-
Unreserved:						
Designated	8,346	3,474	13,050	-	-	-
Undesignated	<u>-</u>	<u>(15,213)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity and other credits	<u>12,691</u>	<u>48,684</u>	<u>13,584</u>	<u>79,195</u>	<u>218,676</u>	<u>23,915</u>
Total liabilities, equity and other credits	<u>\$ 22,576</u>	<u>\$ 57,559</u>	<u>\$ 15,241</u>	<u>\$ 81,260</u>	<u>\$ 318,313</u>	<u>\$ 39,647</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 Unit Central Parking District	Reporting Entity Totals (Memorandum Only)	
	General	General			1997	1996
	Fixed Assets	Long-Term Debt				
\$ 47	\$ -	\$ -	\$ 8,130	\$ 17	\$ 8,147	\$ 9,146
-	-	-	3,209	-	3,209	2,906
-	-	-	9,523	-	9,523	6,451
1,172	-	-	2,289	-	2,289	1,567
-	-	-	177	-	177	130
86,307	-	-	88,552	28	88,580	75,571
-	-	-	31	45	76	76
-	-	-	1,714	285	1,999	2,044
-	-	-	7,225	465	7,690	7,901
-	-	-	1,062	3	1,065	992
-	-	-	1,752	-	1,752	5,259
-	-	16,246	18,040	5	18,045	17,358
-	-	29,940	30,325	-	30,325	29,904
-	-	-	2,515	-	2,515	2,597
-	-	-	73,769	-	73,769	75,040
-	-	-	37	-	37	181
-	-	-	11	-	11	27
-	-	164,473	187,675	8,565	196,240	197,641
87,526	-	210,659	436,036	9,413	445,449	434,791
-	62,170	-	62,170	-	62,170	60,387
-	-	-	190,440	-	190,440	184,226
-	-	-	52,151	5,791	57,942	44,819
566	-	-	145,063	-	145,063	132,556
-	-	-	24,870	-	24,870	29,198
-	-	-	(15,213)	-	(15,213)	4,183
566	62,170	-	459,481	5,791	465,272	455,369
\$ 88,092	\$ 62,170	\$ 210,659	\$ 895,517	\$ 15,204	\$ 910,721	\$ 890,160

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, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)**

	Governmental Fund Type				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
REVENUES:					
Taxes:					
Property	\$14,680	\$ -	\$ -	\$ 1,140	\$ -
Utility	22,271	-	-	-	-
Sales and use	21,814	2,169	-	-	-
Other	11,846	283	17,160	18	-
Licenses and permits	2,064	-	-	-	-
Federal grants and subsidies	1,266	11,696	-	34	-
Intergovernmental	9,842	8,759	-	56	-
Charges for services	7,750	919	-	8,120	-
Fines and forfeitures	539	-	-	6	-
Use of money and property	1,696	710	504	3,675	17
Refunds and reimbursements	5,598	46	-	73	-
Miscellaneous	4,002	100	2	117	268
Total revenues	103,368	24,682	17,666	13,239	285
EXPENDITURES:					
Current:					
General government	10,509	348	181	-	43
Public safety	75,958	1,149	-	-	15
Public works	10,846	418	-	-	-
Library	-	7,526	-	-	71
Parks and recreation	8,187	113	-	-	121
Capital outlay	104	11,820	-	25,290	-
Debt service:					
Principal retirement	-	-	5,855	-	-
Interest and fiscal charges	-	-	12,615	-	-
Total expenditures	105,604	21,374	18,651	25,290	250
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(2,236)	3,308	(985)	(12,051)	35

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

Totals	
(Memorandum Only)	
1997	1996
\$ 15,820	\$ 16,207
22,271	21,141
23,983	23,710
29,307	28,344
2,064	2,281
12,996	9,943
18,657	17,977
16,789	16,051
545	612
6,602	6,826
5,717	6,611
4,489	5,351
<u>159,240</u>	<u>155,054</u>
11,081	11,188
77,122	69,578
11,264	10,912
7,597	7,023
8,421	8,066
37,214	20,098
5,855	5,082
<u>12,615</u>	<u>12,554</u>
<u>171,169</u>	<u>144,501</u>
<u>(11,929)</u>	<u>10,553</u>

(continues)

CITY OF STOCKTON

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)**

	Governmental Fund Type				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Expendabl Trust
OTHER FINANCING SOURCES					
(USES):					
Operating transfers in	3,730	7,658	917	5,119	-
Operating transfers out	(4,697)	(9,344)	(1,569)	(1,814)	-
Operating transfers out to component unit	(98)	-	-	-	-
Sale of fixed assets	31	-	-	-	-
Proceeds of long-term debt	-	-	-	2,280	-
Proceeds of refunding bonds	-	-	-	40,030	-
Payment to refunded bond escrow agent	-	-	-	(36,310)	-
Advances from other funds	-	-	-	1,071	-
Repayment of advances from other funds	-	-	-	(650)	-
Total other financing sources (uses)	(1,034)	(1,686)	(652)	9,726	-
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(3,270)	1,622	(1,637)	(2,325)	35
FUND BALANCES, BEGINNING OF YEAR	15,961	47,062	15,221	81,520	405
Residual equity transfers in	-	-	-	-	-
Residual equity transfer in from component unit	-	-	-	-	-
Residual equity transfers out	-	-	-	-	-
FUND BALANCES, END OF YEAR	<u>\$12,691</u>	<u>\$48,684</u>	<u>\$13,584</u>	<u>\$ 79,195</u>	<u>\$440</u>

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

Totals	
(Memorandum Only)	
1997	1996
17,424	20,058
(17,424)	(20,058)
(98)	(98)
31	9
2,280	7,860
40,030	-
(36,310)	-
1,071	1,400
<u>(650)</u>	<u>(278)</u>
<u>6,354</u>	<u>8,893</u>
(5,575)	19,446
160,169	140,653
-	271
-	88
<u>-</u>	<u>(289)</u>
<u>\$154,594</u>	<u>\$ 160,169</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, 1997
(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	\$15,205	\$14,680	\$ (525)	\$ -	\$ -	\$ -
Utility	21,867	22,271	404	-	-	-
Sales and use	21,734	21,814	80	2,150	2,169	19
Other	11,503	11,846	343	210	283	73
Licenses and permits	2,336	2,064	(272)	-	-	-
Federal grants and subsidies	1,190	1,266	76	8,248	4,452	(3,796)
Intergovernmental	9,378	9,842	464	25,705	8,148	(17,557)
Charges for services	8,558	7,750	(808)	822	858	36
Fines and forfeitures	603	539	(64)	-	-	-
Use of money and property	1,808	1,696	(112)	216	366	150
Refunds and reimbursements	1,144	5,598	4,454	50	46	(4)
Miscellaneous	4,088	4,002	(86)	-	97	97
Total revenues	<u>99,414</u>	<u>103,368</u>	<u>3,954</u>	<u>37,401</u>	<u>16,419</u>	<u>(20,982)</u>
EXPENDITURES:						
Current:						
General government	11,264	11,233	31	143	127	16
Public safety	76,292	76,183	109	155	65	90
Public works	11,467	11,279	188	703	486	217
Library	-	-	-	7,709	7,347	362
Parks and recreation	8,973	8,539	434	98	91	7
Capital outlay	185	171	14	35,904	9,252	26,652
Total expenditures	<u>108,181</u>	<u>107,405</u>	<u>776</u>	<u>44,712</u>	<u>17,368</u>	<u>27,344</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,767)</u>	<u>(4,037)</u>	<u>4,730</u>	<u>(7,311)</u>	<u>(949)</u>	<u>6,362</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)
\$ -	\$ -	\$ -	\$15,205	\$ 14,680	\$ (525)
-	-	-	21,867	22,271	404
-	-	-	23,884	23,983	99
19	18	(1)	11,732	12,147	415
-	-	-	2,336	2,064	(272)
56	56	-	9,494	5,774	(3,720)
-	-	-	35,083	17,990	(17,093)
5,169	8,088	2,919	14,549	16,696	2,147
-	6	6	603	545	(58)
574	2,417	1,843	2,598	4,479	1,881
-	15	15	1,194	5,659	4,465
-	115	115	4,088	4,214	126
<u>5,818</u>	<u>10,715</u>	<u>4,897</u>	<u>142,633</u>	<u>130,502</u>	<u>(12,131)</u>
-	-	-	11,407	11,360	47
-	-	-	76,447	76,248	199
-	-	-	12,170	11,765	405
-	-	-	7,709	7,347	362
-	-	-	9,071	8,630	441
<u>20,595</u>	<u>6,768</u>	<u>13,827</u>	<u>56,684</u>	<u>16,191</u>	<u>40,493</u>
<u>20,595</u>	<u>6,768</u>	<u>13,827</u>	<u>173,488</u>	<u>131,541</u>	<u>41,947</u>
<u>(14,777)</u>	<u>3,947</u>	<u>18,724</u>	<u>(30,855)</u>	<u>(1,039)</u>	<u>29,816</u>

(continues)

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, 1997
(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	3,730	3,730	-	4,611	4,611	-
Operating transfers out	(4,695)	(4,697)	(2)	(3,769)	(3,769)	-
Operating transfers out to component unit	(98)	(98)	-	-	-	-
Sale of fixed assets	15	31	16	-	-	-
Advances from other funds	-	-	-	-	-	-
Repayment of advances	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,048)</u>	<u>(1,034)</u>	<u>14</u>	<u>842</u>	<u>842</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(9,815)	(5,071)	4,744	(6,469)	(107)	6,362
BASIS ADJUSTMENTS:						
Encumbrances	<u>-</u>	<u>1,801</u>	<u>1,801</u>	<u>-</u>	<u>750</u>	<u>750</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (GAAP BASIS)	(9,815)	(3,270)	6,545	(6,469)	643	7,112
FUND BALANCES, BEGINNING OF YEAR	<u>15,961</u>	<u>15,961</u>	<u>-</u>	<u>9,378</u>	<u>9,378</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,146</u>	<u>\$12,691</u>	<u>\$ 6,545</u>	<u>\$2,909</u>	<u>\$10,021</u>	<u>\$7,112</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)
230	230	-	8,571	8,571	-
(249)	(249)	-	(8,713)	(8,715)	(2)
-	-	-	(98)	(98)	-
-	-	-	15	31	16
771	771	-	771	771	-
<u>(542)</u>	<u>(486)</u>	<u>56</u>	<u>(542)</u>	<u>(486)</u>	<u>56</u>
<u>210</u>	<u>266</u>	<u>56</u>	<u>4</u>	<u>74</u>	<u>70</u>
(14,567)	4,213	18,780	(30,851)	(965)	29,886
<u>-</u>	<u>366</u>	<u>366</u>	<u>-</u>	<u>2,917</u>	<u>2,917</u>
(14,567)	4,579	19,146	(30,851)	1,952	32,803
<u>49,927</u>	<u>49,927</u>	<u>-</u>	<u>75,266</u>	<u>75,266</u>	<u>-</u>
<u>\$35,360</u>	<u>\$54,506</u>	<u>\$19,146</u>	<u>\$44,415</u>	<u>\$77,218</u>	<u>\$32,803</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 UNIT
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)**

	Proprietary Fund Types		Fiduciary Fund Type Nonexpendable Trust	Primary Government Totals (Memorandum Only)
	Enterprise	Internal Service		
OPERATING REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	47,316	26,886	-	74,202
Loans and mortgage interest	22	-	-	22
Miscellaneous	1,016	-	3	1,019
Total operating revenues	48,354	26,886	3	75,243
OPERATING EXPENSES:				
Operation and maintenance	25,194	22,163	-	47,357
General and administrative	8,703	3,162	-	11,865
Depreciation and amortization	5,228	3,626	-	8,854
Purchased water	2,917	-	-	2,917
Total operating expenses	42,042	28,951	-	70,993
OPERATING INCOME (LOSS)	6,312	(2,065)	3	4,250
NON-OPERATING REVENUES (EXPENSES):				
Taxes	-	-	-	-
Federal grants and subsidies	-	20	-	20
Investment earnings	4,547	712	-	5,259
Gain (loss) from disposal of property	(1)	73	-	72
Interest expense and fiscal charges	(2,551)	(17)	-	(2,568)
Other non-operating revenues	-	302	-	302
Total non-operating revenues (expenses)	1,995	1,090	-	3,085

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

Discretely Presented Component Unit Central Parking District	Reporting Entity Totals (Memorandum Only)	
	1997	1996
\$ -	\$ -	\$ 37
1,320	75,522	74,230
-	22	172
<u>1</u>	<u>1,020</u>	<u>922</u>
 1,321	 <u>76,564</u>	 <u>75,361</u>
 982	 48,339	 48,180
-	11,865	11,710
317	9,171	8,819
<u>-</u>	<u>2,917</u>	<u>2,885</u>
 1,299	 <u>72,292</u>	 <u>71,594</u>
 <u>22</u>	 <u>4,272</u>	 <u>3,767</u>
 601	 601	 595
-	20	175
91	5,350	6,045
-	72	101
(666)	(3,234)	(3,661)
<u>-</u>	<u>302</u>	<u>154</u>
 <u>26</u>	 <u>3,111</u>	 <u>3,409</u>

(continues)

CITY OF STOCKTON

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY - ALL PROPRIETARY
FUND TYPES, NONEXPENDABLE TRUST FUND AND
DISCRETELY PRESENTED COMPONENT UNIT (Continued)
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(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	8,307	(975)	3	7,335
Operating transfers in	6,053	-	-	6,053
Operating transfers in from				
primary government	-	-	-	-
Operating transfers out	(6,053)	-	-	(6,053)
NET INCOME (LOSS)	<u>8,307</u>	<u>(975)</u>	<u>3</u>	<u>7,335</u>
FUND EQUITY, BEGINNING OF YEAR	204,253	24,792	123	229,168
Residual equity transfers in	-	-	-	-
Residual equity transfers out	-	-	-	-
Increase in contributed capital	6,116	98	-	6,214
FUND EQUITY, END OF YEAR	<u>\$218,676</u>	<u>\$23,915</u>	<u>\$ 126</u>	<u>\$242,717</u>

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

Discretely Presented Component Unit Central Parking District	Reporting Entity Totals (Memorandum Only)	
	1997	1996
48	7,383	7,176
-	6,053	5,958
98	98	98
-	(6,053)	(5,958)
<u>146</u>	<u>7,481</u>	<u>7,274</u>
5,645	234,813	219,885
-	-	1,140
-	-	(1,210)
-	6,214	7,724
<u>\$5,791</u>	<u>\$248,508</u>	<u>\$ 234,813</u>

CITY OF STOCKTON

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE
TRUST FUND AND DISCRETELY PRESENTED
COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Primary Government Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 6,312	\$ (2,065)	\$ 3	\$ 4,250
Other nonoperating revenues (expenses)	-	322	-	322
Noncash adjustment to operating income:				
Depreciation and amortization	5,228	3,626	-	8,854
Allowance for uncollectible accounts	(548)	43	-	(505)
Self-insurance	-	932	-	932
Landfill closure	359	-	-	359
Changes in assets and liabilities:				
Accounts and other receivables	296	(101)	-	195
Due from other funds	-	-	-	-
Due from other governments	180	-	-	180
Due to other funds	-	-	-	-
Inventory of supplies	(24)	-	-	(24)
Loans receivable	17	-	-	17
Deferred charges	51	(20)	-	31
Prepays	-	172	-	172
Accounts payable	(2,405)	(173)	-	(2,578)
Compensated absences	114	46	-	160
Due to other governments	(32)	-	-	(32)
Deposits and other liabilities	(86)	-	-	(86)
Advances from other governments	(34)	-	-	(34)
Deferred revenue	10	-	-	10
Accrued interest	(33)	-	-	(33)
Net cash provided (used) by operating activities	<u>9,405</u>	<u>2,782</u>	<u>3</u>	<u>12,190</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	4,547	712	-	5,259
Investment purchases	-	-	-	-
Proceeds from sale of investments	<u>23,257</u>	<u>-</u>	<u>-</u>	<u>23,257</u>
Net cash provided (used) by investing activities	<u>27,804</u>	<u>712</u>	<u>-</u>	<u>28,516</u>

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

Discretely Presented Component Unit		Reporting Entity Totals (Memorandum Only)	
Central Parking District		1997	1996
\$	22	\$ 4,272	\$ 3,767
	-	322	155
	317	9,171	8,819
	1	(504)	700
	-	932	(1,769)
	-	359	345
	(7)	188	(1,903)
	-	-	(882)
	89	269	(180)
	-	-	(212)
	-	(24)	(69)
	5	22	22
	-	31	54
	-	172	(37)
	(71)	(2,649)	858
	1	161	289
	-	(32)	38
	4	(82)	132
	-	(34)	(33)
	-	10	-
	(12)	(45)	(326)
	<u>349</u>	<u>12,539</u>	<u>9,768</u>
	91	5,350	6,045
	(44)	(44)	(100)
	<u>-</u>	<u>23,257</u>	<u>13,283</u>
	<u>47</u>	<u>28,563</u>	<u>19,228</u>

(continues)

CITY OF STOCKTON

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE
TRUST FUND AND DISCRETELY PRESENTED
COMPONENT UNIT (Continued)
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u> Nonexpendable Trust	<u>Primary Government Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of property and equipment	-	83	-	83
Repayment of debt	(2,632)	(137)	-	(2,769)
Proceeds from borrowing	1,135	-	-	1,135
Purchases of property and equipment	(14,284)	(3,675)	-	(17,959)
Interest expense on capital debt	(2,551)	(17)	-	(2,568)
Capital contributions	6,116	98	-	6,214
Residual equity transfers in	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(12,216)</u>	<u>(3,648)</u>	<u>-</u>	<u>(15,864)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	6,053	-	-	6,053
Operating transfers in from primary government	-	-	-	-
Operating transfers out	(6,053)	-	-	(6,053)
Proceeds from taxes	-	-	-	-
Proceeds from federal grants	-	-	-	-
Residual equity transfers out	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,993	(154)	3	24,842
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>59,096</u>	<u>25,839</u>	<u>123</u>	<u>85,058</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$84,089</u>	<u>\$25,685</u>	<u>\$126</u>	<u>\$109,900</u>

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

**Discretely Presented
Component Unit**

Central Parking District	Reporting Entity Totals (Memorandum Only)	
	1997	1996
-	83	164
(435)	(3,204)	(2,079)
-	1,135	(113)
(40)	(17,999)	(28,798)
(666)	(3,234)	(3,181)
-	6,214	7,723
-	-	1,140
<u>(1,141)</u>	<u>(17,005)</u>	<u>(25,144)</u>
-	6,053	5,958
98	98	98
-	(6,053)	(5,958)
601	601	595
-	-	175
-	-	(1,210)
<u>699</u>	<u>699</u>	<u>(342)</u>
(46)	24,796	3,544
<u>1,320</u>	<u>86,378</u>	<u>82,834</u>
<u>\$1,274</u>	<u>\$111,174</u>	<u>\$ 86,378</u>

(continues)

CITY OF STOCKTON

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE
TRUST FUND AND DISCRETELY PRESENTED
COMPONENT UNIT (Continued)
June 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)

Reconciliation of cash and cash equivalents to the balance sheet:

	<u>Proprietary Fund Types</u>		<u>Fiduciary</u> <u>Fund Type</u>	<u>Discretely Presented</u> <u>Component Unit</u>
	<u>Enterprise</u>	<u>Internal</u> <u>Service</u>	<u>Trust and</u> <u>Agency</u>	<u>Central</u> <u>Parking</u> <u>District</u>
Unrestricted cash and investments on balance sheet:				
Cash and temporary investments	\$55,937	\$25,685	\$87,909	\$1,229
Cash with fiscal agents	521	-	-	-
Restricted cash and investments on balance sheet:				
Cash and temporary investments	4,734	-	-	822
Cash and temporary investments with fiscal agents	<u>24,217</u>	<u>-</u>	<u>-</u>	<u>45</u>
Total cash and investments	<u>85,409</u>	<u>25,685</u>	<u>87,909</u>	<u>2,096</u>
Less investments:				
Cash and temporary investments with fiscal agents	1,320	-	-	-
Investment pool	-	-	-	822
Less expendable trust and agency funds cash:				
Expendable trust fund	-	-	447	-
Agency funds	<u>-</u>	<u>-</u>	<u>87,336</u>	<u>-</u>
Net cash and cash equivalents	<u>\$84,089</u>	<u>\$25,685</u>	<u>\$ 126</u>	<u>\$1,274</u>

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

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1997

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CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1997

(Dollar amounts in thousands)

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 ongoing financial interest or obligation of the Agency and had outstanding notes receivable on June 30, 1997 of \$4,700 and advances of \$1,600 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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit - 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

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.

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 (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund Types:

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

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

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 (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual Basis of Accounting - The modified accrual basis of accounting is followed in the governmental fund types, and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means 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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Budgetary Data

Budgetary Process

- In accordance with the provisions of the City Charter, the City prepares and adopts a budget on or before June 30 for each fiscal year. The General Fund, certain Special Revenue Funds (Gas Tax, Measure K Sales Tax, City-County Library, Special Assessments, Other Special Revenue) and certain Capital Projects Funds (Public Facilities Impact Fees and Capital Improvement) have legally adopted budgets. Prior to July 1, the original adopted budget is legally enacted through the passage of a resolution by the City Council. In the event this does not occur, the manager's budget is in force until a budget is adopted by the City Council. The level of legal budgetary control by the City Council is established at the department level.
- 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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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 are considered immaterial. Budgeted amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on a Budgetary Basis include amendments for these supplemental appropriations.
- Formal budgetary integration is employed as a management control device during the year for the General Fund, 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.

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

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

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

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

	Special Revenue Funds	Capital Projects Funds
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis) - Budgeted Funds	\$ 643	\$ 4,579
Unbudgeted Funds:		
Special Grants	9	-
Revenue Sharing	(75)	-
Cooperative Library	-	-
Redevelopment Agency Loan	1	-
Community Development Block Grant	(1,662)	-
Community Development Loan	1,552	-
Home Program	1,154	-
Redevelopment Agency	-	(1,429)
Mello-Roos Districts	-	(6,403)
1915 Act Assessment Districts	-	928
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing use (GAAP basis) - All Funds	<u>\$ 1,622</u>	<u>\$ (2,325)</u>

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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Enterprise Fund, Sanitary Wastewater Utility Enterprise Fund, Stormwater Utility Enterprise Fund, Solid Waste Enterprise 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.

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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 1997, capitalized interest costs equaled \$2,564 in connection with the construction in progress.

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

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.

Prepays - The City has the option of reporting an expenditure for prepaids (i.e., 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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Principles Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict Governmental Accounting Standards Board pronouncements.

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 GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities 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 1996 amounts have been reclassified to conform to the financial statement presentation for the 1997 fiscal year.

Accounting Pronouncements - The GASB issued Statement 27 ("GASB 27"), "Accounting for Pensions by State and Local Governmental Employers," and Statement 31 ("GASB 31"), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," both of which must be adopted by the City effective for the fiscal year ending June 30, 1998. GASB 27 establishes standards for the measurement, recognition and display of pension expenditures and related liabilities, assets, and note disclosures, and requires the accrual of the City's annual pension cost equivalent to the actuarially determined annual required contribution to the plan. GASB 27 will require the City to modify the footnote disclosures contained in the Pension Plan footnote, however, GASB 27 is not expected to have a significant effect on the City's financial position or change in fund balances. GASB 31 establishes accounting and financial reporting standards for external investment pools, as well as establishing fair value standards for certain investments, including open-end mutual funds, debt securities and equity securities. GASB 31 requires that all investment income, including changes in the fair value of investments, should be reported as revenue in the statement of revenues, expenditures and changes in fund balances. In addition, GASB 31 requires expanded disclosures of external investment pools. Management of the City does not expect the impact of adopting GASB 31 to be material.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and temporary investments". The deposits and investments of the deferred compensation plan are separately held from other City funds. The primary government cash and investments are broken out separately from the discretely presented component unit (Central Parking District).

Deposits - At June 30, 1997, the recorded amount of the City's deposits were \$19,034, and the bank balance was \$21,269. The bank balance and carrying amount differ due to deposits in transit of \$699 and outstanding checks of \$1,660. The recorded amount of the component unit deposits was \$1,274. 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.

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. The City held \$18,295 in Category 1 deposits at June 30, 1997.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. The City held \$2,974 Category 2 deposits at June 30, 1997.

Category 3 - Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name. The City did not hold any Category 3 deposits at June 30, 1997.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

2. CASH AND INVESTMENTS (Continued)

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

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

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 deemed to be a temporary decline, and therefore no adjustment has been made to the carrying amount at June 30, 1997.

During the year ended June 30, 1997, the City did not utilize investment types different from those categorized below, other than a Guaranteed Investment contract which matured June 1997.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

2. CASH AND INVESTMENTS (Continued)

A summary of cash and investments by such categories at June 30, 1997 is as follows:

Investment Type	Category 1	Non Categorized	Carrying Amount	Market Value
Primary government investments:				
U.S. Government securities	\$ 150,846	\$ -	\$ 150,846	\$ 150,393
Commercial paper	1,367	-	1,367	1,367
LAIF	-	15,420	15,420	15,420
Mutual funds	-	99,414	99,414	99,414
Component unit investments:				
LAIF	-	822	822	822
Total investments	<u>\$ 152,213</u>	<u>\$ 115,656</u>	<u>\$ 267,869</u>	<u>\$ 267,416</u>

Summary of GASB 3 disclosure carrying amounts:

Primary government deposits	\$ 19,034
Component unit deposits	1,274
Investments	<u>267,869</u>
Total cash and investments	<u>\$ 288,177</u>

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

Cash and temporary investments	\$255,195
Cash with fiscal agents	3,164
Restricted cash and temporary investments	5,556
Restricted cash and temporary investments with fiscal agents	<u>24,262</u>
	<u>\$ 288,177</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

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

2. CASH AND INVESTMENTS (Continued)

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, 1997, restricted cash and investments are as follows for the Enterprise Funds:

Primary Government:

Water Utility	\$ 1,543
Sanitary Wastewater Utility	22,674
Solid Waste	<u>4,734</u>
	28,951

Component Unit:

Central Parking District	<u>867</u>
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Total	<u>\$ 29,818</u>
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CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

3. INTERFUND ASSETS / LIABILITIES

Interfund receivables and payables are as follows at June 30, 1997:

	Due From	Due To	Advances To	Advances From
General Fund	\$ 2,334	\$ 4,700	\$ 546	\$ -
Special Revenue Funds:				
Special Grants	-	-	-	-
Revenue Sharing	-	95	-	-
Gas Tax	-	1,968	-	-
Urban Development Action Grant	-	-	4,686	-
Community Development Block Grant	-	1,896	10,369	-
Home Program	-	-	-	-
Other Special Revenue	-	70	-	-
Capital Projects Funds:				
Public Facilities Impact Fees	783	783	1,521	-
Capital Improvement	3,806	-	11,368	-
Redevelopment Agency	1,600	11	1,450	-
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	-	-	-	22,603
Public Facilities Impact Fees	-	-	-	5,964
Total	<u>\$ 9,523</u>	<u>\$ 9,523</u>	<u>\$ 30,325</u>	<u>\$ 30,325</u>

4. OPERATING / RESIDUAL EQUITY TRANSFERS

During the year various interfund transfers were made to finance expenditures, subsidize operating losses and service debt. These transfers are reflected as operating or residual equity transfers. 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. There were no residual equity transfers during the fiscal year ended June 30, 1997.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

4. OPERATING / RESIDUAL EQUITY TRANSFERS (Continued)

Operating transfers for the year ended June 30, 1997 are summarized as follows:

	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
Primary Government:		
General Fund	\$ 3,730	\$ 4,697
Special Revenue Funds:		
Special Grants	29	-
Revenue Sharing	-	82
Gas Tax	39	3,769
Measure K Sales Tax	35	-
City-County Library	4,516	-
Community Development Block Grant	-	3,979
Community Development Loan Fund	1,504	-
Home Program	1,514	1,514
Other Special Revenue	21	-
	<u>7,658</u>	<u>9,344</u>
Debt Service Funds:		
Mello-Roos Districts	171	1,250
1915 Act Assessment District	40	319
Redevelopment Agency	509	-
General Obligation	197	-
	<u>917</u>	<u>1,569</u>
Capital Projects Funds:		
Public Facilities Impact Fees	-	35
Capital Improvement	230	214
Redevelopment Agency	3,320	1,354
Mello-Roos Districts	1,250	171
1915 Act Assessment Districts	319	40
	<u>5,119</u>	<u>1,814</u>
Enterprise Funds:		
Water Utility	1,158	1,158
Sanitary Wastewater Utility	4,595	4,595
Solid Waste	300	300
	<u>6,053</u>	<u>6,053</u>
Total primary government	<u>\$23,477</u>	<u>\$23,477</u>
Component Unit:		
General Fund	\$ -	\$ 98
Central Parking District	98	-
Total component unit	<u>\$ 98</u>	<u>\$ 98</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

5. FIXED ASSETS

Fixed assets of the primary government at June 30, 1997 are as follows:

	Enterprise Funds	Internal Service Funds	General Fixed Assets	Total
Land	\$ 3,196	\$ -	\$ 12,836	\$ 16,032
Buildings and improvements	238,166	107	46,768	285,041
Machinery and equipment	8,881	33,643	1,629	44,153
Construction in progress	<u>46,127</u>	<u>-</u>	<u>937</u>	<u>47,064</u>
Total fixed assets	296,370	33,750	62,170	392,290
Accumulated depreciation	<u>(74,447)</u>	<u>(20,415)</u>	<u>-</u>	<u>(94,862)</u>
Net fixed assets	<u>\$ 221,923</u>	<u>\$ 13,335</u>	<u>\$ 62,170</u>	<u>\$ 297,428</u>

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

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Land	\$ 11,953	\$ 883	\$ -	\$ 12,836
Buildings and improvements	45,787	981	-	46,768
Machinery and equipment	1,651	113	135	1,629
Construction in progress	<u>996</u>	<u>741</u>	<u>800</u>	<u>937</u>
Total	<u>\$ 60,387</u>	<u>\$ 2,718</u>	<u>\$ 935</u>	<u>\$ 62,170</u>

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

	Internal Service Funds
Machinery and equipment	\$ 766
Accumulated depreciation	<u>(683)</u>
Net fixed assets	<u>\$ 83</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

5. FIXED ASSETS (Continued)

The following is a summary of proprietary fund type fixed assets for the Central Parking District (a component unit) at June 30, 1997:

Land	\$ 3,768
Buildings and improvements	12,076
Machinery and equipment	50
Construction in progress	<u>10</u>
Total fixed assets	15,904
Accumulated depreciation	<u>(2,937)</u>
Net fixed assets	<u>\$ 12,967</u>

6. GENERAL LONG-TERM DEBT

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

	Balance July 1, 1996	Additions	Reductions	Reclassifications	Balance June 30, 1997
1915 Act Special Assessment Bond	\$ 60,938	\$ 9,335	\$10,475	\$ (7,055)	\$ 52,743
Mello-Roos Special Tax Bonds	104,240	32,975	33,485	(17,890)	85,840
Refunding Revenue Bonds	-	-	-	24,945	24,945
Tax Allocation Bonds	1,370	-	425	-	945
Compensated absences	15,647	599	-	-	16,246
Advance from other funds:					
General Fund	1,300	-	-	-	1,300
Other Special Revenue Fund	73	-	-	-	73
Redevelopment Agency	22,467	300	164	-	22,603
Public Facilities Impact Fees Fund	5,679	771	486	-	5,964
Certificates of Participation	<u>190</u>	<u>-</u>	<u>190</u>	<u>-</u>	<u>-</u>
Total	<u>\$211,904</u>	<u>\$43,980</u>	<u>\$45,225</u>	<u>\$ -</u>	<u>\$210,659</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

6. GENERAL LONG-TERM DEBT (Continued)

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 28 bonds authorized and issued with interest rates ranging from 4.5% to 11.75% and final maturity in September 2023. Remaining debt service will be paid from assessments to property owners.

\$ 52,743

Community Facilities Districts Special Tax Bonds were authorized pursuant to the Mello-Roos Community Facilities Act of 1982, to provide funds to: 1) pay costs of the acquisition and construction of new roads, sewer and water facilities to serve property located within the City of Stockton, 2) pay certain public facilities impact fees charged by the City. There are currently eight bonds authorized and issued with interest rates ranging from 4.250% to 8.65% and final maturity in September 2024. Remaining debt service will be paid from assessments to property owners.

\$ 85,840

Refunding Revenue Bonds Series A (\$9,590,000) and Subordinated Series B (\$15,355,000) in the total amount of \$24,945,000 were authorized and issued on May 6, 1997 by the Stockton Public Financing Authority pursuant to the Marks-Roos Local Bond Pooling Act of 1985 to purchase two series of local obligation refunding bonds. The revenue bonds have interest rates ranging from 3.85% to 6.8% and mature September 2, 2016. Remaining debt service will be paid from revenues of the Authority consisting primarily of payments received by the Authority as payments of assessments on the local obligations.

\$ 24,945

Tax Allocation 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. The 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.

\$ 945

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

6. GENERAL LONG-TERM DEBT (Continued)

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.

\$ 16,246

The advances to the General Fund represent loans from: 1) the Capital Improvement Fund - \$800; 2) and the Redevelopment Agency - \$500; for the San Joaquin Area Flood Control Agency. The loans are interest bearing, the interest rate is based on the eleventh District Cost of Funds plus one percent. The loan will be repaid from the proceeds of the sale of bonds by the San Joaquin Area Flood Control Agency.

\$ 1,300

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

\$ 73

The advances to the Redevelopment Agency represent loans from: 1) the Urban Development Action Grant Fund - \$4,686, to provide funds for the West End (Waterfront) Redevelopment Project. Funds were advanced to the Agency pursuant to the Development Agreement (Waterfront Project) authorized by the City and the Redevelopment Agency in December 1980. The interest rate on this loan is 10% and the loan will be repaid to the Urban Development Action Grant Fund from excess tax increment allocations as they become available. Accumulated interest that totals \$14,920 through June 30, 1997 will be recognized as an expenditure when repaid; 2) the General Fund - \$472, Community Development Block Grant Fund - \$10,269, and Capital Improvement Fund \$6,126, to provide funds for the McKinley, Sharps Lane Villa, Eastland and West End Redevelopment Projects. These loans are non-interest bearing loans and will be repaid to the respective Funds from excess tax increment allocations as they become available; 3) the Redevelopment Agency McKinley Redevelopment Project Area to the West End Redevelopment Project Area - \$950. The loan will be repaid, plus interest at a rate equal to the Eleventh District Cost of Funds, from excess tax increment allocations as they become available.

\$ 22,603

The advances to Public Facilities Impact Fees Fund represent loans from: 1) the Capital Improvement fund for construction costs related to the southeast branch library, fire stations 1, 5 and 14, expansion of city office space and related administrative expenditures; 2) Street Improvements Fee Area #6 to Street Improvements Fee Area #1 for the I-5 March Lane interchange improvements. These loans are interest bearing based on the average annual interest earned by the City of Stockton. The loans will be repaid as excess public facilities impact fees become available.

\$ 5,964

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

6. GENERAL LONG-TERM DEBT (Continued)

Defeasance of Debt

On May 6, 1997, the Stockton Public Financing Authority ("SPFA") issued 1997 Refunding Revenue Bonds Series A (\$9,590) and Subordinated Series B (\$15,355) in the total amount of \$24,945. The proceeds were used to purchase two series of local obligation refunding bonds, also issued in fiscal 1997. The local obligation bonds were purchased by the SPFA pursuant to the Marks-Roos Local Bond Pooling Act of 1985. Because the local obligation bonds are an asset of the SPFA as well as debt issued by the City and SPFA, such local obligation bonds and the related investment in them have been eliminated from these financial statements, as indicated by the reclassifications column on the Schedule of Changes in General Long-Term Debt Account Group. Debt service related to the local obligation bonds equals the debt service payments made on the Refunding Revenue Bonds.

Also on May 6, 1997, the City issued Spanos Park Reassessment District 91-1-R Limited Obligation Refunding Bonds in the aggregate principal amount of \$7,055 pursuant to the Refunding Act of 1984 for 1915 Act Improvement Act, the proceeds of which were used to defease \$7,060 of the Spanos Park Assessment District 91-1 Limited Obligation Assessment Bonds, Series 218 ("Series 218 Special Assessment Bonds"). Funds deposited to defease the Series 218 Special Assessment Bonds, together with interest earned thereon, are intended to be fully sufficient to redeem the bonds on September 2, 1997. Accordingly, the Series 218 Special Assessment Bonds are considered defeased and are not recorded in these financial statements. Cash and investments held in escrow for payment of these bonds were approximately \$7,477 at June 30, 1997. The City reduced its total debt service payments over the next 20 years by \$1,691 and realized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$978.

The second series of local obligation refunding bonds issued on May 6, 1997, Stockton Public Financing Authority Community Facilities District 90-4 Special Tax Refunding Bonds in the aggregate principal amount of \$17,890 was issued by the SPFA pursuant to the Mello-Roos Community Facilities Act of 1982, and the proceeds were used to defease \$17,095 of the Stockton Public Financing Authority's Community Facilities District 90-4 ("Spanos Park") ("Mello Roos bonds"). Funds deposited to defease the Mello-Roos bonds, together with interest earned thereon, are intended to be fully sufficient to redeem the bonds on September 1, 2000, including any interest or principal payments due prior to that date. Accordingly, the Mello-Roos bonds are considered defeased and are not recorded in these financial statements. Cash and investments held in escrow for payment of these bonds were approximately \$18,953 at June 30, 1997. The City reduced its total debt service payments over the next 20 by \$3,781 and realized an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$4,401.

On June 11, 1997, the City issued South Stockton Community Facilities District No. 90-1 Special Tax Refunding Bonds, Series 1997, pursuant to the Mello-Roos Community Facilities Act of 1982, in the aggregate principal of \$15,085, the proceeds of which were used to defease \$14,565 of the City of Stockton South Stockton Community Facilities District No. 90-1 Special Tax Bonds ("District No. 90-1 bonds"). Funds deposited to defease the District No. 90-1 bonds, together with interest earned thereon,

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

6. GENERAL LONG-TERM DEBT (Continued)

are intended to be fully sufficient to redeem the bonds. Accordingly, the District No. 90-1 bonds are considered defeased and are not recorded in these financial statements. Cash and investments held in escrow for payment of these bonds were approximately \$15,576 at June 30, 1997. The City reduced its total debt service payments over the next 19 years by \$2,902 and realized an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$4,694.

At June 30, 1997, special assessment, Mello-Roos and tax allocation bond debt service requirements to maturity are as follows:

	Principal				Total
	Special Assessment	Mello-Roos	Refunding Revenue Bonds	Tax Allocation Bonds	
1997-1998	\$ 2,373	\$ 1,310	\$ 885	\$ 455	\$ 5,023
1998-1999	2,360	1,870	755	490	5,475
1999-2000	1,645	2,050	785	-	4,480
2000-2001	1,780	2,315	825	-	4,920
2001-2002	1,855	2,520	870	-	5,245
Thereafter	<u>42,730</u>	<u>75,775</u>	<u>20,825</u>	<u>-</u>	<u>139,330</u>
	<u>\$ 52,743</u>	<u>\$ 85,840</u>	<u>\$ 24,945</u>	<u>\$ 945</u>	<u>\$ 164,473</u>

	Interest				Total
	Special Assessment	Mello-Roos	Refunding Revenue Bonds	Tax Allocation Bonds	
1997-1998	\$ 3,779	\$ 6,086	\$ 1,177	\$ 69	\$ 11,111
1998-1999	3,613	6,225	1,401	36	11,275
1999-2000	3,477	6,093	1,366	-	10,936
2000-2001	3,361	5,944	1,326	-	10,631
2001-2002	3,237	5,776	1,284	-	10,297
Thereafter	<u>29,353</u>	<u>51,208</u>	<u>11,138</u>	<u>-</u>	<u>91,699</u>
	<u>\$ 46,820</u>	<u>\$ 81,332</u>	<u>\$ 17,692</u>	<u>\$ 105</u>	<u>\$ 145,949</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

6. GENERAL LONG-TERM DEBT (Continued)

	Principal and Interest				Total
	Special Assessment	Mello-Roos	Refunding Revenue Bonds	Tax Allocation Bonds	
1997-1998	\$ 6,152	\$ 7,396	\$ 2,062	\$ 524	\$ 16,134
1998-1999	5,973	8,095	2,156	526	16,750
1999-2000	5,122	8,143	2,151	-	15,416
2000-2001	5,141	8,259	2,151	-	15,551
2001-2002	5,092	8,296	2,154	-	15,542
Thereafter	<u>72,083</u>	<u>126,983</u>	<u>31,963</u>	<u>-</u>	<u>231,029</u>
	<u>\$ 99,563</u>	<u>\$ 167,172</u>	<u>\$ 42,637</u>	<u>\$ 1,050</u>	<u>\$ 310,422</u>

7. LONG-TERM DEBT - ENTERPRISE FUNDS

The following is a summary of all long-term debt in the primary government Enterprise Funds at June 30, 1997:

	Long-Term	Current	Total
Compensated absences	\$ 1,494	\$ 885	\$ 2,379
Advance payable to Sanitary Wastewater Utility Fund	385	-	385
Advances from other governments	2,515	-	2,515
Certificates of Participation	75,290	1,190	76,480
Unamortized discount	(508)	-	(508)
Unamortized extraordinary loss Sanitary Waterwaste Utility Fund	(1,013)	-	(1,013)
Water extension agreements	11	11	22
Special assessment bonds	1,485	485	1,970
Unamortized discount	(9)	-	(9)
Developer agreement	5,440	-	5,440
Solid Waste Landfill closure/postclosure liability	<u>7,254</u>	<u>-</u>	<u>7,254</u>
Total	<u>\$ 92,344</u>	<u>\$ 2,571</u>	<u>\$ 94,915</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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

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

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 Other Governments

	Water Utility	Stormwater Utility	Total
Federal Drought Relief Act	\$ 1,185	\$ -	\$ 1,185
Federal Clean Water Act	<u>-</u>	<u>1,330</u>	<u>1,330</u>
Total	<u>\$ 1,185</u>	<u>\$ 1,330</u>	<u>\$ 2,515</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, 1997, advances totaled \$1,185. 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, 1997 advances totaled \$1,330. 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.

Certificates of Participation

	Water Utility	Sanitary Waste- water Utility	Total
Principal amount outstanding at June 30, 1997	<u>\$ 17,005</u>	<u>\$ 59,475</u>	<u>\$ 76,480</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

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

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

	Principal	Interest	Total
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
2001-2002	1,450	4,431	5,881
Thereafter	<u>69,900</u>	<u>61,321</u>	<u>131,221</u>
Total	<u>\$ 76,480</u>	<u>\$ 84,150</u>	<u>\$ 160,630</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, 1997	\$17,005
Less issue discount	<u>56</u>
Total	<u>\$ 16,949</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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

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

\$1,538 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).

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, 1997	\$15,975
Less issue discount	<u>234</u>
Total	<u>\$15,741</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, 1997	\$43,500
Less issue discount	<u>218</u>
Total	<u>\$43,282</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, 1997 was \$1,103. Interest with respect to the Certificates began on date of issuance. 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.

\$1 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 (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

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

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.

\$22,659 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).

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, 1997 are as follows:

	Series	Principal Interest Rate %	Date Issued	Date of Maturity	Authorized and Issued	Amount Outstanding
Water Utility:						
Service facilities	159 A	6.20	07-02-69	07-02-99	\$ 850	\$ 160
Service facilities	159 B	7.32	07-02-74	07-02-99	1,650	350
Sanitary Wastewater Utility:						
Wastewater service facilities	181	7.19	07-02-75	07-02-00	4,700	1,460
						1,970
Less issue discount						9
Total						<u>\$1,961</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

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

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

	Mature in Fiscal Year					Thereafter	Total
	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002		
Principal:							
Water Utility Fund	\$ 160	\$ 170	\$ 180	\$ -	\$ -	\$ -	\$ 510
Sanitary Wastewater Utility Fund	<u>325</u>	<u>350</u>	<u>375</u>	<u>410</u>	<u>-</u>	<u>-</u>	<u>1,460</u>
Total principal	<u>\$485</u>	<u>\$520</u>	<u>\$555</u>	<u>\$ 410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,970</u>
Interest:							
Water Utility Fund	\$ 29	\$ 18	\$ 6	\$ -	\$ -	\$ -	\$ 53
Sanitary Wastewater Utility Fund	<u>92</u>	<u>68</u>	<u>42</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>218</u>
Total interest	<u>\$121</u>	<u>\$ 86</u>	<u>\$ 48</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271</u>
Total Principal and Interest:							
Water Utility Fund	\$ 189	\$ 188	\$ 186	\$ -	\$ -	\$ -	\$ 563
Sanitary Wastewater Utility Fund	<u>417</u>	<u>418</u>	<u>417</u>	<u>426</u>	<u>-</u>	<u>-</u>	<u>1,678</u>
Total	<u>\$606</u>	<u>\$606</u>	<u>\$603</u>	<u>\$ 426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,241</u>

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 benefited 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, 1997 capacity filled. See Note 21 in these financial statements for the specific details of the calculation.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

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

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, 1997:

	Long-Term	Current	Total
Special assessment bonds	\$8,565	\$465	\$9,030
Compensated absences	<u>5</u>	<u>3</u>	<u>8</u>
Total	<u>\$8,570</u>	<u>\$468</u>	<u>\$9,038</u>

Special assessment bonds of the Central Parking District currently outstanding at June 30, 1997 are as follows:

Enterprise Fund	Series	Principal Interest Rate %	Date Issued	Date of Maturity	Authorized and Issued	Amount Outstanding
Central Parking District:						
Division 1	148 A	4.93	11-02-66	07-02-02	\$ 2,000	\$ 605
Division 2	148 B	5.35	02-02-68	07-02-02	1,000	285
Division 3	148 C	5.47	11-02-68	07-02-05	1,000	285
Division 4	148 D	7.00	04-02-70	07-02-05	583	540
District Bonds of 1991	148 E	5.5-7.9	08-01-91	08-01-11	8,475	<u>7,315</u>
Total						<u>\$ 9,030</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

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

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

	Principal	Interest	Total
1997-1998	\$ 465	\$ 660	\$ 1,125
1998-1999	490	631	1,121
1999-2000	515	600	1,115
2000-2001	555	566	1,121
2001-2002	590	530	1,120
Thereafter	<u>6,415</u>	<u>2,866</u>	<u>9,281</u>
Total	<u>\$ 9,030</u>	<u>\$ 5,853</u>	<u>\$ 14,883</u>

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, 1997, the outstanding balances considered defeased are as follows:

	Amount
Primary Government:	
1990 Certificates of Participation - Sanitary Wastewater Utility Fund	\$ 13,850
1986 Certificates of Participation - Water Utility Fund	9,990

8. LONG-TERM DEBT - INTERNAL SERVICE FUNDS

The following is a summary of all long-term debt included in the Internal Service Fund as of June 30, 1997:

	Long-Term	Current	Total
Self-insurance liabilities	\$ 9,032	\$ 5,395	\$ 14,427
Capitalized lease payable	37	144	181
Compensated absences	<u>300</u>	<u>177</u>	<u>477</u>
Total	<u>\$ 9,369</u>	<u>\$ 5,716</u>	<u>\$ 15,085</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

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

Self-Insurance Liabilities - In accordance with GASB 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and GASB No. 30 *Risk Financing Omnibus* liabilities have been accrued representing estimates of amounts to be paid for reported, as well as incurred but not reported claims. The City contracts with independent actuaries to compute the estimated liabilities of the City's self-insurance programs. The estimated liabilities include allocated loss adjustment expenses and exclude unallocated loss adjustment expenses. The effect of specific incremental claim adjustment expenses is included in the allocated loss adjustment expenses and is not specifically identifiable. The effect of salvage and subrogation are minimal. The liability for unpaid claims for general liability and workers' compensation is discounted to reflect the City settlement rate and anticipated future investment earnings, using a discount rate of 5%. 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:

	Long-Term	Current	Total
General liability	\$ 2,302	\$ 972	\$ 3,274
Workers' compensation	6,730	2,681	9,411
Health insurance	<u>-</u>	<u>1,742</u>	<u>1,742</u>
Total	<u>\$ 9,032</u>	<u>\$ 5,395</u>	<u>\$ 14,427</u>

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:

1997-98	\$154
1998-99	<u>36</u>
	190
Less amounts representing interest	<u>9</u>
Present value of future minimum lease payments	181
Less current portion	<u>144</u>
Long-term portion	<u>\$ 37</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

9. CONDUIT DEBT OBLIGATIONS

From time-to-time, the City has issued revenue bonds to provide financial assistance to public and private sector entities for the funding of mortgage loans, capital improvements to medical facilities and refinancing of previously existing debt deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying assets. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 1997, there were six series of revenue bonds outstanding, with an aggregate principal amount payable of \$79,301.

10. NATURE AND PURPOSE OF REPORTED RESERVES AND DESIGNATIONS

A summary of reported reserves and designations by fund at June 30, 1997 follows:

	Governmental Fund Types				Fiduciary
	General	Special Revenue	Debt Service	Capital Projects	Fund Type Trust and Agency
Account Title:					
Reserves:					
Encumbrances	\$ 1,801	\$ 20,323	\$ 4	\$ 3,112	\$ 3
Continuing appropriations	-	921	-	49,816	-
Debt service	-	-	530	11,845	-
Advances to other funds	546	15,055	-	14,339	-
Advances for loans	-	23,966	-	-	-
Advances to other agencies	1,600	-	-	-	-
Other items	398	158	-	83	563
Total reserves	<u>\$ 4,345</u>	<u>\$ 60,423</u>	<u>\$ 534</u>	<u>\$ 79,195</u>	<u>\$ 566</u>
Designations:					
Administrative contingency	\$ 5,321	\$ -	\$ -		
Loans	-	2,519	-		
Library	-	585	-		
Compensated absences contingency	3,025	370	-		
Debt service	-	-	13,050		
Total designations	<u>\$ 8,346</u>	<u>\$ 3,474</u>	<u>\$ 13,050</u>		

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

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

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.

Other Items - 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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

11. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintained six active enterprise funds effective this fiscal year. The Central Parking District is reported as a discrete component unit in the Combined Financial Statements. Segment information for the year ended June 30, 1997 is as follows:

	Water Utility	Sanitary Waste- water Utility	Storm- water Utility	Solid Waste	Golf Courses	Central Parking District
Operating revenue	\$ 12,416	\$ 25,418	\$ 4,225	\$ 4,584	\$ 1,711	\$ 1,321
Depreciation and amortization expense	1,171	3,013	884	39	121	317
Operating income (loss)	2,685	3,238	563	(166)	(8)	22
Operating transfers in	1,158	4,595	-	300	-	98
Operating transfers (out)	(1,158)	(4,595)	-	(300)	-	-
Net income (loss)	2,506	4,982	580	247	(8)	146
Current capital contributions/(deletions)	1,157	4,780	179	-	-	-
Fixed assets:						
Additions	1,515	12,555	210	-	4	40
Deletions	-	32	-	-	-	-
Net working capital	14,033	36,109	4,549	3,025	509	1,319
Total assets	66,297	207,305	33,644	9,224	1,843	15,204
Bonds and other long-term liabilities payable from operating revenue	18,657	64,910	1,715	7,254	-	9,030
Total equity	45,746	138,023	31,792	1,462	1,653	5,791

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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

11. SEGMENT INFORMATION FOR ENTERPRISE FUNDS (Continued)

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.

Component Unit

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

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 3% to 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 3.5% and 3%, respectively, of the employees' base salary. The employee may contribute up to a combined City and employee total of 25% of their gross pay not to exceed a 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 by January 1, 1999. 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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

12. DEFERRED COMPENSATION (Continued)

At June 30, 1997, the City's deferred compensation plan has accumulated \$81,990 in assets, including investment earnings payable to its employees.

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, 1997, was \$73,366. The total payroll for the same period was \$83,865.

All City employees are eligible to participate in PERS. Part-time employees must meet specific criteria for participation. City employees are eligible for retirement at age 50 or older with five years of service. Benefits are payable monthly for life in an amount equal to a certain percent of their average salary during their highest year of employment. 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:

	Miscellaneous	Safety	Total
Retirees, beneficiaries and terminated employees	1,086	423	1,509
Active employees	<u>1,114</u>	<u>604</u>	<u>1,718</u>
Total membership	<u>2,200</u>	<u>1,027</u>	<u>3,227</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

13. PENSION PLAN (Continued)

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 \$50,277 at June 30, 1996, the date of the most recent actuarial valuation available, computed as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$188,314
Current Employees:	
Accumulated employee contributions including allocated investment earnings	76,778
Employer-financed vested	89,661
Employer-financed nonvested	<u>3,450</u>
Total pension benefit obligation	358,203
Actuarial value of assets (market value - \$438,667)	<u>408,480</u>
Excess funding - pension benefit obligation	<u>\$ 50,277</u>

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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

13. PENSION PLAN (Continued)

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 at July 1, 1996 as a Percent of Payroll		Member Contributions Made	Employer Contributions Made
		Member Rate - %	Employer Rate - %		
Miscellaneous members	\$38,847	7	9.494	\$2,719	\$3,688
Safety members with benefits described under Article 21252.01					
Fire - 7/1/96-2/28/97	9,854	9	12.568	887	1,238
Fire - 3/1/97-6/30/97	4,709	9	16.492	424	777
Police - 7/1/96-2/28/97	13,253	9	12.568	1,193	1,666
Police - 3/1/97-6/30/97	<u>6,703</u>	9	16.492	<u>603</u>	<u>1,105</u>
Totals	<u>\$73,366</u>			<u>\$5,826</u>	<u>\$8,474</u>
	As a Percent of Payroll Member Category - Rate		Required Contributions		
	Misc.	Safety	Misc.	Safety	Total
Normal cost:					
Miscellaneous members	15.992	-	\$6,212	\$ -	\$ 6,212
Safety - 7/1/96-2/28/97	-	22.408	-	5,178	5,178
Safety - 3/1/97-6/30/97	-	23.121	-	2,639	2,639
Amortization of unfunded liability:					
Miscellaneous members	0.502	-	195	-	195
Safety - 7/1/96-2/28/97	-	(0.840)	-	(194)	(194)
Safety - 3/1/97-6/30/97	<u>-</u>	<u>2.371</u>	<u>-</u>	<u>270</u>	<u>270</u>
Total required contribution	<u>16.494</u>		<u>\$6,407</u>	<u>\$7,893</u>	<u>\$14,300</u>

Contributions were made in conformance with actuarial requirements.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

13. PENSION PLAN (Continued)

Trend Information - Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten 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).

Fiscal Year	(1) %	(2)	(3)	(4) %	(5)	(6)	(7) %
1987	16.01	\$ 155,100	\$ 174,600	88.8	\$ 19,400	\$ 42,100	46.1
1988	16.33	174,800	190,300	91.9	15,400	43,800	35.3
1989	12.16	199,300	212,700	93.7	13,400	47,900	27.9
1990	10.47	222,600	239,900	92.8	17,200	52,700	32.8
1991	10.85	239,900	252,600	95.0	12,600	56,600	22.4
1992	13.26	261,500	271,200	96.4	9,600	60,500	16.0
1993	11.46	285,400	285,000	100.1	(500)	60,900	(0.7)
1994	10.85	344,000	305,600	112.6	(38,500)	64,100	(60.1)
1995	9.50	268,200	334,400	110.1	(33,800)	69,200	(48.7)
1996	11.55	408,400	358,200	114.0	(50,300)	74,300	(67.7)

- (1) Employer contribution as a percentage covered by 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.

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

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

14. RISK MANAGEMENT (Continued)

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.

At June 30, 1997, \$3,274, \$9,411, and \$1,742 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, 1997, are based on requirements of GASB 10 and GASB 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. These accruals represent estimates of amounts to be paid for reported claims, and incurred but unreported claims based upon past experience, modified for current trends and information. While the ultimate amounts of losses incurred through June 30, 1997 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:

	Liability	Workers' Compensation	Health	Total
Balance, July 1, 1995	\$ 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, June 30, 1996	3,854	7,520	2,121	13,495
Claims provision	366	5,171	7,904	13,441
Claims paid	<u>(946)</u>	<u>(3,280)</u>	<u>(8,283)</u>	<u>(12,509)</u>
Balance, June 30, 1997	<u>\$ 3,274</u>	<u>\$ 9,411</u>	<u>\$ 1,742</u>	<u>\$ 14,427</u>

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

15. RISK POOL

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

Description of Joint Powers Authority - The Authority is comprised of 23 California member entities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The City has no equity interest in the Joint Powers Authority. 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.

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. There have been no significant reductions in any of the City's insurance coverage and no settlement amounts have exceeded commercial or CJPRMA insurance coverage.

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, 315 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 \$2,337 were recognized for post-employment health care.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

16. POST RETIREMENT HEALTH CARE BENEFITS (Continued)

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, \$93 of insurance was purchased by retirees and terminated employees.

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.

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

Accumulated Deficit and Unfunded Liabilities

- The Stormwater Utility Fund (Enterprise) had a deficit retained earnings of \$3,567 at June 30, 1997 and \$4,147 at June 30, 1996. Under the current rate structures, the deficit has been declining. The Stormwater Utility Fund's net operations have resulted in a deficit retained earnings at June 30, 1997 partly due to depreciation of \$5,016 charged to earnings over time. However, at June 30, 1997, this fund had a positive net working capital of \$4,549, taking into consideration other components such as contributions from other sources and loans, that have an affect on total fund equity.
- The City budgets revenues and projects expenses in the Workers' Compensation Insurance Fund ("Internal Service") based upon an analysis of the cash flows with the fund. On an accrual basis of accounting, the Workers' Compensation Insurance fund has a long-term liability of \$6,730 and an unfunded liability of \$2,897. The cash balance of the fund at June 30, 1997 is \$6,439. The City will fund the unfunded liability over time by adjusting the 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, 1997:

• Regional Wastewater Control Facility expansion	\$ 3,606
• Street Improvements	10,199
• Traffic Signals	2,166

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

18. CHANGES IN CONTRIBUTED CAPITAL

Enterprise Funds

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility	Solid Waste	Golf Courses	Total
Balance, July 1, 1996	\$27,540	\$109,130	\$35,180	\$693	\$400	\$172,943
Additions	<u>1,157</u>	<u>4,780</u>	<u>179</u>	<u>-</u>	<u>-</u>	<u>6,116</u>
Balance, June 30, 1997	<u>\$28,697</u>	<u>\$113,910</u>	<u>\$35,359</u>	<u>\$693</u>	<u>\$400</u>	<u>\$179,059</u>

Internal Service Funds

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment	Total
Balance, July 1, 1996	3,634	\$4,863	\$2,049	\$737	\$11,283
Additions (deletions)	<u>(42)</u>	<u>129</u>	<u>2</u>	<u>9</u>	<u>98</u>
Balance, June 30, 1997	<u>\$3,592</u>	<u>\$4,992</u>	<u>\$2,051</u>	<u>\$746</u>	<u>\$11,381</u>

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.

CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

20. OPERATING LEASES

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

June 30,	Amount
1998	\$ 203
1999	207
2000	204
2001	172
2002	175
Thereafter	<u>2,277</u>
Total	<u>\$ 3,238</u>

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 subtitled). 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 \$4,538 and \$2,716 for the Austin Road and French Camp landfill closure and postclosure care liability at June 30, 1997, represents the cumulative amount reported to date based on the use of 92% and 69% 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 \$395 and \$1,220 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 1997. 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, 1997, \$3,610 for Austin Road and \$1,206 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 (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

22. SUBSEQUENT EVENTS

Subsequent to the date of the general purpose financial statements contained herein, the City authorized the issuance of \$24,100 conduit debt, special limited obligation bonds dated September 1, 1997 titled Health Facilities Revenue Bonds Dameron Hospital Association, Series 1997A. This new bond issue also retired Series 1988 Health Facilities Refunding Revenue Bonds Dameron Hospital Association effective September 30, 1997. The purpose of this issue was to refinance the prior issue and to fund new construction at the hospital site. The bond issue matures December 2014.

The City authorized the issuance of new Limited Obligation Improvement Bonds, Series 228, Little John Creek Assessment District No. 97-01 dated July 9, 1997. The new bonds are being issued to finance the construction and acquisition of certain improvements within the Little John Creek assessment district. The bonds are issued pursuant to provisions of the Improvement Bond Act of 1915 (division 10 of the California Streets and Highways Code) and provisions of Articles One and Three, Bond Plan B-NSR of Division Six of the Stockton Improvement Procedure Code. The bonds were issued in the par amount of \$1,390 with interest ranging from 5.75% - 7.375% and mature September 2, 2002.

The City authorized the issuance of the City of Stockton Mello-Roos Revenue Bonds, Series 1997A, Community Facilities District 90-2 (Brookside Estates) dated September 11, 1997. The bonds are being issued to provide funds to: 1) purchase an issue of \$32,320, aggregate principal amount of City of Stockton Special Tax Bonds (Brookside Estates) to be issued by the City simultaneously with the bonds in order to refund two prior issues of special tax bonds, consisting of the Community Facilities District 90-2 (Brookside Estates) Special Tax Bonds, Series 305 and 002, and 2) finance various new projects relating to Community Facilities District 90-2 (Brookside Estates), consisting of the acquisition and construction of storm water lines and pumping plants. The bonds are issued pursuant to the municipal affairs powers of the City as a charter city and pursuant to the Fiscal Agent Agreement. The bonds are issued in the par amount of \$32,320 with interest rates ranging from 4.25% - 6.20% and mature August 1, 2015.

On September 11, 1997, the City entered into an agreement with the California Integrated Waste Management Board to pledge certain General Fund revenues relative to the City's two landfill sites. The Austin Road location is expected to close in the year 2000 and requires an annual pledge of \$67 of General Fund revenues during the 30 year period of postclosure maintenance. The French Camp site is expected to close in the year 2013 and requires an annual pledge of \$38 of General Fund revenues for the 30 year period of postclosure maintenance.

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CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

20. OPERATING LEASES

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CITY OF STOCKTON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

22. SUBSEQUENT EVENTS

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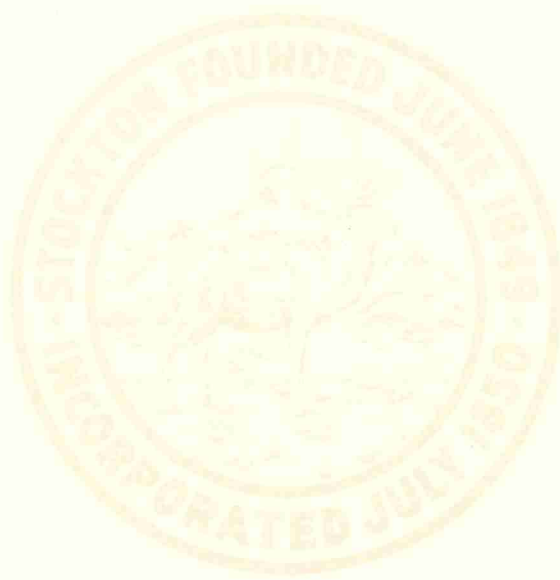
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The City authorized the issuance of the City of Stockton Mello-Roos Revenue Bonds, Series 1997A, Community Facilities District 90-2 (Brookside Estates) dated September 11, 1997. The bonds are being issued to provide funds to: 1) purchase an issue of \$32,320, aggregate principal amount of City of Stockton Special Tax Bonds (Brookside Estates) to be issued by the City simultaneously with the bonds in order to refund two prior issues of special tax bonds, consisting of the Community Facilities District 90-2 (Brookside Estates) Special Tax Bonds, Series 305 and 002, and 2) finance various new projects relating to Community Facilities District 90-2 (Brookside Estates), consisting of the acquisition and construction of storm water lines and pumping plants. The bonds are issued pursuant to the municipal affairs powers of the City as a charter city and pursuant to the Fiscal Agent Agreement. The bonds are issued in the par amount of \$32,320 with interest rates ranging from 4.25% - 6.20% and mature August 1, 2015.

On September 11, 1997, the City entered into an agreement with the California Integrated Waste Management Board to pledge certain General Fund revenues relative to the City's two landfill sites. The Austin Road location is expected to close in the year 2000 and requires an annual pledge of \$66,607 of General Fund revenues during the 30 year period of postclosure maintenance. The French Camp site is expected to close in the year 2013 and requires an annual pledge of \$37,891 of General Fund revenues for the 30 year period of postclosure maintenance.

* * * * *

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, 1997

(With comparative totals for June 30, 1996)

(Dollar amounts in thousands)

	1997	1996
ASSETS		
ASSETS:		
Cash and temporary investments	\$ 5,078	\$ 8,770
Cash with fiscal agents	71	69
Receivables:		
Interest	245	260
Taxes and special assessments	43	43
Accounts and others	5,714	5,726
Allowance for uncollectibles	(518)	(451)
Due from other funds	2,334	773
Due from other governments	2,448	6,109
Due from other agencies	4,700	4,700
Inventory of supplies	315	249
Advances to other funds	546	546
Advances to other agencies	1,600	1,600
Total assets	<u>\$22,576</u>	<u>\$28,394</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts payable	\$ 1,659	\$ 1,347
Accrued payroll and benefits	3,209	2,906
Due to other funds	4,700	4,700
Due to other agencies	177	130
Deposits and other liabilities	20	3
Deferred revenue	120	3,347
Total liabilities	<u>9,885</u>	<u>12,433</u>
FUND BALANCES:		
Reserved:		
Encumbrances	1,801	1,692
Advances to other funds	546	546
Advances to other agencies	1,600	1,600
Other items	398	401
Unreserved:		
Designated for administrative contingency	5,321	7,822
Designated for compensated absences contingency	3,025	3,900
Total fund balances	<u>12,691</u>	<u>15,961</u>
Total liabilities and fund balances	<u>\$22,576</u>	<u>\$28,394</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, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)**

	1997		Variance Favorable (Unfavorable)
	Final Budget	Actual	
REVENUES:			
Taxes:			
Property	\$15,205	\$ 14,680	\$ (525)
Utility	21,867	22,271	404
Sales and use	21,734	21,814	80
Other	11,503	11,846	343
Licenses and permits	2,336	2,064	(272)
Federal grants and subsidies	1,190	1,266	76
Intergovernmental	9,378	9,842	464
Charges for services	8,558	7,750	(808)
Fines and forfeitures	603	539	(64)
Use of money and property	1,808	1,696	(112)
Refunds and reimbursements	1,144	5,598	4,454
Miscellaneous	4,088	4,002	(86)
Total revenues	<u>99,414</u>	<u>103,368</u>	<u>3,954</u>
EXPENDITURES:			
Current:			
General government:			
City council	231	229	2
City manager	1,587	1,585	2
Attorney	1,285	1,284	1
City clerk	653	652	1
City auditor	288	275	13
Finance	2,504	2,503	1
Management information services	1,116	1,116	-
Personnel	1,260	1,260	-
Housing and redevelopment	56	47	9
Community development	1,579	1,578	1
Non-departmental	705	704	1
Total general government	<u>11,264</u>	<u>11,233</u>	<u>31</u>
Public safety:			
Police	46,441	46,333	108
Fire	26,998	26,997	1
Community development	2,853	2,853	-
Total public safety	<u>76,292</u>	<u>76,183</u>	<u>109</u>

1996		
Final Budget	Actual	Variance Favorable (Unfavorable)
\$15,010	\$14,944	\$ (66)
21,930	21,141	(789)
21,660	21,640	(20)
11,460	10,794	(666)
2,408	2,281	(127)
1,205	834	(371)
8,578	9,437	859
7,480	7,449	(31)
726	604	(122)
1,702	1,822	120
762	5,873	5,111
3,626	3,718	92
<u>96,547</u>	<u>100,537</u>	<u>3,990</u>
275	228	47
1,823	1,742	81
1,210	1,151	59
954	827	127
268	231	37
2,583	2,419	164
1,239	1,114	125
1,421	1,312	109
54	44	10
1,756	1,430	326
5,744	5,496	248
<u>17,327</u>	<u>15,994</u>	<u>1,333</u>
45,586	43,615	1,971
23,023	22,615	408
3,074	2,774	300
<u>71,683</u>	<u>69,004</u>	<u>2,679</u>

(continues)

CITY OF STOCKTON

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ON A BUDGETARY BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)**

	1997		Variance Favorable (Unfavorable)
	Final Budget	Actual	
Public works	11,467	11,279	188
Parks and recreation	<u>8,973</u>	<u>8,539</u>	<u>434</u>
Total current expenditures	107,996	107,234	762
Capital outlay	<u>185</u>	<u>171</u>	<u>14</u>
Total expenditures	<u>108,181</u>	<u>107,405</u>	<u>776</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	<u>(8,767)</u>	<u>(4,037)</u>	<u>4,730</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	3,730	3,730	-
Operating transfers out	(4,695)	(4,697)	(2)
Operating transfers out to component unit	(98)	(98)	-
Sale of fixed assets	15	31	16
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	(1,048)	(1,034)	14
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	<u>(9,815)</u>	<u>(5,071)</u>	<u>4,744</u>

1996		
Final Budget	Actual	Variance Favorable (Unfavorable)
11,500	11,003	497
<u>8,859</u>	<u>8,023</u>	<u>836</u>
109,369	104,024	5,345
<u>171</u>	<u>158</u>	<u>13</u>
<u>109,540</u>	<u>104,182</u>	<u>5,358</u>
 <u>(12,993)</u>	 <u>(3,645)</u>	 <u>9,348</u>
 4,600	 4,600	 -
 (8,693)	 (8,693)	 -
 (98)	 (98)	 -
 12	 9	 (3)
<u>-</u>	<u>-</u>	<u>-</u>
 (4,179)	 (4,182)	 (3)
 <u>(17,172)</u>	 <u>(7,827)</u>	 <u>9,345</u>
		(continues)

CITY OF STOCKTON

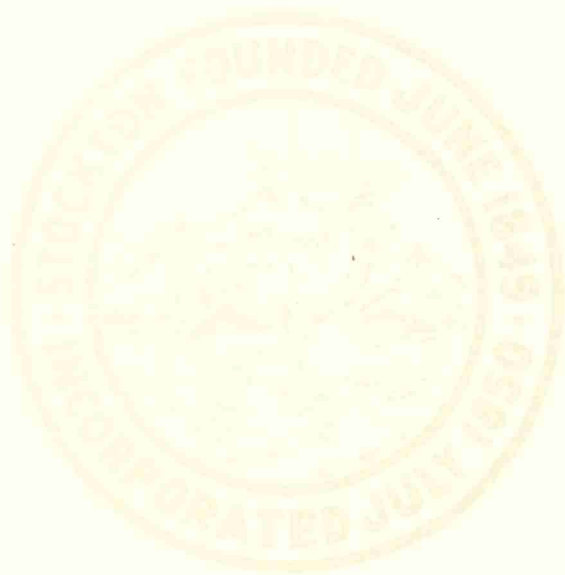
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ON A BUDGETARY BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)

	1997		Variance
	Final Budget	Actual	Favorable (Unfavorable)
BASIS ADJUSTMENTS:			
Encumbrances	-	1,801	1,801
Loan budgeted on a cash basis	-	-	-
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(9,815)	(3,270)	6,545
FUND BALANCES, BEGINNING OF YEAR	15,961	15,961	-
Residual equity transfers in	-	-	-
Residual equity transfer in from component unit	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ 6,146</u>	<u>\$ 12,691</u>	<u>\$ 6,545</u>

1996		
Final Budget	Actual	Variance Favorable (Unfavorable)
-	1,692	1,692
<u>4,700</u>	<u>4,700</u>	<u>-</u>
(12,472)	(1,435)	11,037
17,308	17,308	-
-	-	-
<u>-</u>	<u>88</u>	<u>88</u>
<u>\$ 4,836</u>	<u>\$ 15,961</u>	<u>\$ 11,125</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, 1997

(With comparative totals for June 30, 1996)

(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	\$ 826	\$ 94	\$ -	\$ 4,083	\$ 2	\$ 1,181	\$ 953
Receivables:							
Interest	14	2	33	70	-	-	-
Accounts and other	-	-	-	-	-	-	4
Due from other governments	124	-	5,664	2,195	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Advances to property owners	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	<u>\$ 964</u>	<u>\$ 96</u>	<u>\$ 5,697</u>	<u>\$ 6,348</u>	<u>\$ 2</u>	<u>\$ 1,181</u>	<u>\$ 957</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ 42	\$ 1	\$ 1,481	\$ 621	\$ 2	\$ 73	\$ 37
Due to other funds	-	95	1,968	-	-	-	-
Due to other governments	835	-	-	120	-	65	-
Deposits and other liabilities	-	-	7	-	-	-	-
Total liabilities	<u>877</u>	<u>96</u>	<u>3,456</u>	<u>741</u>	<u>2</u>	<u>138</u>	<u>37</u>
FUND BALANCES:							
Reserved:							
Continuing appropriations	-	-	-	-	-	-	694
Encumbrances	176	-	2,689	17,081	-	88	68
Advances to other funds	-	-	-	-	-	-	-
Advances for loans	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	158
Unreserved:							
Designated for library	-	-	-	-	-	585	-
Designated for loans	-	-	-	-	-	-	-
Designated for compensated absences contingency	-	-	-	-	-	370	-
Undesignated	<u>(89)</u>	<u>-</u>	<u>(448)</u>	<u>(11,474)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>87</u>	<u>-</u>	<u>2,241</u>	<u>5,607</u>	<u>-</u>	<u>1,043</u>	<u>920</u>
Total liabilities and fund balances	<u>\$ 964</u>	<u>\$ 96</u>	<u>\$ 5,697</u>	<u>\$ 6,348</u>	<u>\$ 2</u>	<u>\$ 1,181</u>	<u>\$ 957</u>

Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Home Program	Other Special Revenue	Totals	
						1997	1996
\$ 264	\$ -	\$ -	\$ 2,505	\$ 13	\$ 287	\$10,208	\$10,163
-	-	20	2	-	3	144	90
1	-	-	-	-	-	5	5
-	-	84	-	61	-	8,128	3,325
-	4,686	10,369	-	-	-	15,055	15,098
3,194	-	-	15,489	5,283	-	23,966	20,994
-	-	53	-	-	-	53	69
<u>\$3,459</u>	<u>\$4,686</u>	<u>\$10,526</u>	<u>\$17,996</u>	<u>\$5,357</u>	<u>\$ 290</u>	<u>\$57,559</u>	<u>\$49,744</u>
\$ -	\$ -	\$ 42	\$ 11	\$ 9	\$ 10	\$ 2,329	\$ 887
-	-	1,896	-	-	70	4,029	868
-	-	-	-	-	-	1,020	399
-	-	2	242	1,246	-	1,497	528
-	-	1,940	253	1,255	80	8,875	2,682
-	-	-	-	-	227	921	3,739
-	-	214	-	-	7	20,323	5,761
-	4,686	10,369	-	-	-	15,055	15,098
3,194	-	-	15,489	5,283	-	23,966	20,994
-	-	-	-	-	-	158	138
-	-	-	-	-	-	585	488
-	-	-	-	-	-	-	1,906
265	-	-	2,254	-	-	2,519	
-	-	-	-	-	-	370	400
-	-	(1,997)	-	(1,181)	(24)	(15,213)	(1,462)
<u>3,459</u>	<u>4,686</u>	<u>8,586</u>	<u>17,743</u>	<u>4,102</u>	<u>210</u>	<u>48,684</u>	<u>47,062</u>
<u>\$3,459</u>	<u>\$4,686</u>	<u>\$10,526</u>	<u>\$17,996</u>	<u>\$5,357</u>	<u>\$ 290</u>	<u>\$57,559</u>	<u>\$49,744</u>

CITY OF STOCKTON

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(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	\$ -	\$ -	\$ -	\$ 2,169	\$ -	\$ -	\$ -
Taxes - transportation	-	-	192	-	-	-	-
Taxes - business improvement	-	-	-	-	-	-	91
Federal grants and subsidies	1,103	-	4,452	-	-	-	-
Intergovernmental	464	-	4,339	1,005	147	2,695	-
Charges for services	-	-	-	-	61	158	592
Use of money and property	1	7	115	240	-	-	-
Refunds and reimbursements	-	-	-	-	-	46	-
Miscellaneous	-	-	-	91	-	1	2
Total revenues	<u>1,568</u>	<u>7</u>	<u>9,098</u>	<u>3,505</u>	<u>208</u>	<u>2,900</u>	<u>685</u>
EXPENDITURES:							
Current:							
General government	-	-	-	-	-	-	106
Public safety	1,087	-	-	-	-	-	-
Public works	-	-	-	-	-	-	418
Library	59	-	-	-	208	7,259	-
Parks and recreation	22	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	6	-	-	-
Public safety	18	-	-	-	-	-	-
Public works	402	-	6,121	2,433	-	-	-
Library	(2)	-	-	-	-	29	-
Parks and recreation	2	-	-	-	-	-	-
Total expenditures	<u>1,588</u>	<u>-</u>	<u>6,121</u>	<u>2,439</u>	<u>208</u>	<u>7,288</u>	<u>524</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(20)</u>	<u>7</u>	<u>2,977</u>	<u>1,066</u>	<u>-</u>	<u>(4,388)</u>	<u>161</u>

Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Home Program	Other Special Revenue	Totals	
						1997	1996
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,169	\$ 2,070
-	-	-	-	-	-	192	-
-	-	-	-	-	-	91	90
-	-	4,933	-	1,208	-	11,696	9,109
-	-	-	-	-	109	8,759	8,321
-	-	-	-	-	108	919	830
-	-	47	269	20	11	710	775
-	-	-	-	-	-	46	48
<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>3</u>	<u>100</u>	<u>38</u>
<u>1</u>	<u>-</u>	<u>4,980</u>	<u>269</u>	<u>1,230</u>	<u>231</u>	<u>24,682</u>	<u>21,281</u>
-	-	-	221	-	21	348	380
-	-	-	-	-	62	1,149	816
-	-	-	-	-	-	418	428
-	-	-	-	-	-	7,526	6,908
-	-	-	-	-	91	113	128
-	-	-	-	-	-	6	-
-	-	-	-	-	56	74	101
-	-	2,663	-	76	-	11,695	7,558
-	-	-	-	-	-	27	727
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>18</u>	<u>10</u>
<u>-</u>	<u>-</u>	<u>2,663</u>	<u>221</u>	<u>76</u>	<u>246</u>	<u>21,374</u>	<u>17,056</u>
<u>1</u>	<u>-</u>	<u>2,317</u>	<u>48</u>	<u>1,154</u>	<u>(15)</u>	<u>3,308</u>	<u>4,225</u>

(continues)

CITY OF STOCKTON

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)**

	Special Grants	Revenue Sharing	Gas Tax	Measure K Sales Tax	Cooperative Library	City- County Library	Special Assessments
OTHER FINANCING SOURCES (USES):							
Operating transfers in	29	-	39	35	-	4,516	-
Operating transfers out	<u>-</u>	<u>(82)</u>	<u>(3,769)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>29</u>	<u>(82)</u>	<u>(3,730)</u>	<u>35</u>	<u>-</u>	<u>4,516</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	9	(75)	(753)	1,101	-	128	161
FUND BALANCES, BEGINNING OF YEAR	78	75	2,994	4,506	-	915	759
Residual equity transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 87</u>	<u>\$ -</u>	<u>\$2,241</u>	<u>\$5,607</u>	<u>\$ -</u>	<u>\$ 1,043</u>	<u>\$ 920</u>

Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Home Program	Other Special Revenue	Totals	
						1997	1996
-	-	-	1,504	1,514	21	7,658	8,277
<u>-</u>	<u>-</u>	<u>(3,979)</u>	<u>-</u>	<u>(1,514)</u>	<u>-</u>	<u>(9,344)</u>	<u>(8,157)</u>
<u>-</u>	<u>-</u>	<u>(3,979)</u>	<u>1,504</u>	<u>-</u>	<u>21</u>	<u>(1,686)</u>	<u>120</u>
1	-	(1,662)	1,552	1,154	6	1,622	4,345
3,458	4,686	10,248	16,191	2,948	204	47,062	42,725
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>
<u>\$ 3,459</u>	<u>\$4,686</u>	<u>\$ 8,586</u>	<u>\$17,743</u>	<u>\$4,102</u>	<u>\$210</u>	<u>\$48,684</u>	<u>\$47,062</u>

CITY OF STOCKTON

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON A BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 1997
(Dollar amounts in thousands)**

	Gas Tax			Measure K Sales Tax		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Sales and use tax	\$ -	\$ -	\$ -	\$ 2,150	\$2,169	\$ 19
Taxes - transportation	95	192	97	-	-	-
Taxes - business improvement	-	-	-	-	-	-
Federal grants and subsidies	8,248	4,452	(3,796)	-	-	-
Intergovernmental	4,446	4,339	(107)	18,410	1,005	(17,405)
Charges for services	-	-	-	-	-	-
Use of money and property	106	115	9	100	240	140
Refunds and reimbursements	-	-	-	-	-	-
Miscellaneous	-	-	-	-	91	91
Total revenues	<u>12,895</u>	<u>9,098</u>	<u>(3,797)</u>	<u>20,660</u>	<u>3,505</u>	<u>(17,155)</u>
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Library	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	60	6	54
Public safety	-	-	-	-	-	-
Public works	10,841	6,285	4,556	24,811	2,856	21,955
Library	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Total expenditures	<u>10,841</u>	<u>6,285</u>	<u>4,556</u>	<u>24,871</u>	<u>2,862</u>	<u>22,009</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,054</u>	<u>2,813</u>	<u>759</u>	<u>(4,211)</u>	<u>643</u>	<u>4,854</u>

City-County Library			Special Assessments		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	115	91	(24)
-	-	-	-	-	-
2,784	2,695	(89)	-	-	-
134	158	24	592	592	-
-	-	-	-	-	-
50	46	(4)	-	-	-
-	1	1	-	2	2
<u>2,968</u>	<u>2,900</u>	<u>(68)</u>	<u>707</u>	<u>685</u>	<u>(22)</u>
-	-	-	122	106	16
-	-	-	-	-	-
-	-	-	703	486	217
7,709	7,347	362	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
115	29	86	-	-	-
-	-	-	-	-	-
<u>7,824</u>	<u>7,376</u>	<u>448</u>	<u>825</u>	<u>592</u>	<u>233</u>
<u>(4,856)</u>	<u>(4,476)</u>	<u>380</u>	<u>(118)</u>	<u>93</u>	<u>211</u>

(continues)

CITY OF STOCKTON

SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON A BUDGETARY BASIS (Continued) FOR THE YEAR ENDED JUNE 30, 1997 (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	\$ -	\$ -	\$ -	\$ 2,150	\$ 2,169	\$ 19
Taxes - transportation	-	-	-	95	192	97
Taxes - business improvement	-	-	-	115	91	(24)
Federal grants and subsidies	-	-	-	8,248	4,452	(3,796)
Intergovernmental	65	109	44	25,705	8,148	(17,557)
Charges for services	96	108	12	822	858	36
Use of money and property	10	11	1	216	366	150
Refunds and reimbursements	-	-	-	50	46	(4)
Miscellaneous	-	3	3	-	97	97
	<u>171</u>	<u>231</u>	<u>60</u>	<u>37,401</u>	<u>16,419</u>	<u>(20,982)</u>
Total revenues						
EXPENDITURES:						
Current:						
General government	21	21	-	143	127	(16)
Public safety	155	65	(90)	155	65	(90)
Public works	-	-	-	703	486	(217)
Library	-	-	-	7,709	7,347	(362)
Parks and recreation	98	91	(7)	98	91	(7)
Capital outlay:						
General government	-	-	-	60	6	(54)
Public safety	61	60	(1)	61	60	(1)
Public works	-	-	-	35,652	9,141	(26,511)
Library	-	-	-	115	29	(86)
Parks and recreation	16	16	-	16	16	-
	<u>351</u>	<u>253</u>	<u>(98)</u>	<u>44,712</u>	<u>17,368</u>	<u>(27,344)</u>
Total expenditures						
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(180)</u>	<u>(22)</u>	<u>158</u>	<u>(7,311)</u>	<u>(949)</u>	<u>6,362</u>

(continues)



CITY OF STOCKTON

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON A BUDGETARY BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 1997
(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	39	39	-	35	35	-
Operating transfers out	(3,769)	(3,769)	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>(3,730)</u>	<u>(3,730)</u>	<u>-</u>	<u>35</u>	<u>35</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(1,676)	(917)	759	(4,176)	678	4,854
BASIS ADJUSTMENTS:						
Encumbrances	<u>-</u>	<u>164</u>	<u>164</u>	<u>-</u>	<u>423</u>	<u>423</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(1,676)	(753)	923	(4,176)	1,101	5,277
FUND BALANCES, BEGINNING OF YEAR	<u>2,994</u>	<u>2,994</u>	<u>-</u>	<u>4,506</u>	<u>4,506</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$1,318</u>	<u>\$2,241</u>	<u>\$ 923</u>	<u>\$ 330</u>	<u>\$5,607</u>	<u>\$ 5,277</u>

City-County Library			Special Assessments		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
4,516	4,516	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,516	4,516	-	-	-	-
(340)	40	380	(118)	93	211
<u>-</u>	<u>88</u>	<u>88</u>	<u>-</u>	<u>68</u>	<u>68</u>
(340)	128	468	(118)	161	279
<u>915</u>	<u>915</u>	<u>-</u>	<u>759</u>	<u>759</u>	<u>-</u>
<u>\$ 575</u>	<u>\$1,043</u>	<u>\$468</u>	<u>\$641</u>	<u>\$920</u>	<u>\$279</u>

(continues)

CITY OF STOCKTON

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL ON A BUDGETARY BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 1997
(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	21	21	-	4,611	4,611	-
Operating transfers out	-	-	-	(3,769)	(3,769)	-
Advances from other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>21</u>	<u>21</u>	<u>-</u>	<u>842</u>	<u>842</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(159)	(1)	158	(6,469)	(107)	6,362
BASIS ADJUSTMENTS:						
Encumbrances	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>	<u>750</u>	<u>750</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(159)	6	165	(6,469)	643	7,112
FUND BALANCES, BEGINNING OF YEAR	<u>204</u>	<u>204</u>	<u>-</u>	<u>9,378</u>	<u>9,378</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 45</u>	<u>\$ 210</u>	<u>\$ 165</u>	<u>\$2,909</u>	<u>\$10,021</u>	<u>\$7,112</u>

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

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, 1997

(With comparative totals for June 30, 1996)

(Dollar amounts in thousands)

	Mello- Roos Districts	1915 Act Assessment District	Redevelopment Agency	General Obligation
ASSETS				
ASSETS:				
Cash and temporary investments	\$ 6,024	\$ 7,429	\$ -	\$ -
Cash with fiscal agents	-	8	-	-
Receivables:				
Special assessments	475	1,145	-	-
Accounts and other	70	90	-	-
Due from other governments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 6,569</u>	<u>\$ 8,672</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ -	\$ 29	\$ -	\$ -
Matured bonds and interest payable	-	8	-	-
Deferred revenue	475	1,145	-	-
	<u>475</u>	<u>1,182</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>475</u>	<u>1,182</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Reserved:				
Debt service	-	530	-	-
Encumbrances	-	4	-	-
Unreserved:				
Designated for debt service	6,094	6,956	-	-
	<u>6,094</u>	<u>6,956</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>6,094</u>	<u>7,490</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 6,569</u>	<u>\$ 8,672</u>	<u>\$ -</u>	<u>\$ -</u>

Totals	
1997	1996
\$ 13,453	\$ 12,357
8	8
1,620	1,910
160	195
-	2,669
<u>\$ 15,241</u>	<u>\$ 17,139</u>

\$ 29	\$ -
8	8
<u>1,620</u>	<u>1,910</u>
<u>1,657</u>	<u>1,918</u>

530	530
4	9
<u>13,050</u>	<u>14,682</u>
<u>13,584</u>	<u>15,221</u>
<u>\$ 15,241</u>	<u>\$ 17,139</u>

CITY OF STOCKTON

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)

	Mello- Roos Districts	1915 Act Assessment District	Redevelopment Agency	General Obligation
REVENUES:				
Taxes	\$ 9,900	\$ 7,260	\$ -	\$ -
Use of money and property	226	278	-	-
Miscellaneous	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total revenues	<u>10,126</u>	<u>7,540</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
General government	-	181	-	-
Debt service:				
Principal retirement	1,825	3,415	425	190
Interest and fiscal charges	<u>8,088</u>	<u>4,436</u>	<u>84</u>	<u>7</u>
Total expenditures	<u>9,913</u>	<u>8,032</u>	<u>509</u>	<u>197</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>213</u>	<u>(492)</u>	<u>(509)</u>	<u>(197)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	171	40	509	197
Operating transfers out	<u>(1,250)</u>	<u>(319)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,079)</u>	<u>(279)</u>	<u>509</u>	<u>197</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(866)	(771)	-	-
FUND BALANCES, BEGINNING OF YEAR	6,960	8,261	-	-
Residual equity transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,094</u>	<u>\$ 7,490</u>	<u>\$ -</u>	<u>\$ -</u>

Totals	
1997	1996
\$17,160	\$17,439
504	457
<u>2</u>	<u>557</u>
17,666	18,453
181	120
5,855	5,082
<u>12,615</u>	<u>12,554</u>
18,651	17,756
<u>(985)</u>	<u>697</u>
917	807
<u>(1,569)</u>	<u>(240)</u>
<u>(652)</u>	<u>567</u>
(1,637)	1,264
15,221	13,686
<u>-</u>	<u>271</u>
<u>\$13,584</u>	<u>\$15,221</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, 1997

(With comparative totals for June 30, 1996)

(Dollar amounts in thousands)

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency	Mello-Roos Districts
ASSETS				
ASSETS:				
Cash and temporary investments	\$31,658	\$ 4,998	\$2,273	\$ 8,819
Cash with fiscal agents	-	-	640	1,383
Receivables:				
Interest	457	63	66	182
Accounts and other	1,514	2	1	-
Due from other funds	783	3,806	1,600	-
Due from other governments	-	-	52	-
Deposits	-	-	43	-
Advances to other funds	1,521	11,368	1,450	-
Advances to property owners	-	40	-	-
	<u>-</u>	<u>40</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$35,933</u>	<u>\$20,277</u>	<u>\$6,125</u>	<u>\$10,384</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 724	\$ 167	\$ 96	\$ 125
Due to other funds	783	-	11	-
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>1,507</u>	<u>197</u>	<u>113</u>	<u>125</u>
FUND BALANCES:				
Reserved:				
Continuing appropriations	30,473	8,240	4,150	2,391
Encumbrances	2,432	432	244	4
Debt service	-	-	125	7,864
Advances to other funds	1,521	11,368	1,450	-
Other items	-	40	43	-
	<u>-</u>	<u>40</u>	<u>43</u>	<u>-</u>
Total fund balances	<u>34,426</u>	<u>20,080</u>	<u>6,012</u>	<u>10,259</u>
Total liabilities and fund balances	<u>\$35,933</u>	<u>\$20,277</u>	<u>\$6,125</u>	<u>\$10,384</u>

1915 Act Assessment Districts	Totals	
	1997	1996
\$ 7,948	\$ 55,696	\$59,150
541	2,564	3,190
52	820	698
-	1,517	2,093
-	6,189	4,678
-	52	58
-	43	47
-	14,339	13,875
-	40	40
<u>\$ 8,541</u>	<u>\$ 81,260</u>	<u>\$83,829</u>

\$ 123	\$ 1,235	\$ 1,390
-	794	883
-	30	30
-	3	3
-	3	3
<u>123</u>	<u>2,065</u>	<u>2,309</u>

4,562	49,816	54,640
-	3,112	1,947
3,856	11,845	10,971
-	14,339	13,875
-	83	87
<u>8,418</u>	<u>79,195</u>	<u>81,520</u>
<u>\$ 8,541</u>	<u>\$ 81,260</u>	<u>\$83,829</u>

CITY OF STOCKTON

**CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)**

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency
REVENUES:			
Taxes:			
Property	\$ -	\$ -	\$ 1,123
Amusement	-	18	-
Intergovernmental	51	5	-
Federal grants and subsidies	-	-	34
Charges for services	8,088	-	-
Fines and forfeitures	6	-	-
Use of money and property	1,758	659	273
Refunds and reimbursements	15	-	56
Miscellaneous	104	11	2
Total revenues	10,022	693	1,488
EXPENDITURES:			
Capital outlay:			
General government	535	742	572
Public safety	250	205	-
Public works	3,764	90	4,447
Library	186	-	-
Parks and recreation	372	258	-
Total expenditures	5,107	1,295	5,019
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	4,915	(602)	(3,531)
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	230	3,320
Operating transfers out	(35)	(214)	(1,354)
Proceeds of long-term debt	-	-	-
Proceeds of refunding bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Advances from other funds	771	-	300
Repayment of advances from other funds	(486)	-	(164)
Total other financing sources (uses)	250	16	2,102
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	5,165	(586)	(1,429)

Mello-Roos Districts	1915 Act Assessment Districts	Totals	
		1997	1996
\$ 17	\$ -	\$ 1,140	\$ 1,263
-	-	18	21
-	-	56	219
-	-	34	-
32	-	8,120	7,772
-	-	6	8
632	353	3,675	3,755
2	-	73	690
-	-	117	704
<u>683</u>	<u>353</u>	<u>13,239</u>	<u>14,432</u>
1,480	107	3,436	1,924
-	-	455	415
9,898	2,384	20,583	7,376
-	-	186	1,026
-	-	630	840
<u>11,378</u>	<u>2,491</u>	<u>25,290</u>	<u>11,581</u>
<u>(10,695)</u>	<u>(2,138)</u>	<u>(12,051)</u>	<u>2,851</u>
1,250	319	5,119	6,374
(171)	(40)	(1,814)	(2,968)
-	2,280	2,280	7,860
32,975	7,055	40,030	-
(29,762)	(6,548)	(36,310)	-
-	-	1,071	1,400
-	-	(650)	(278)
<u>4,292</u>	<u>3,066</u>	<u>9,726</u>	<u>12,388</u>
(6,403)	928	(2,325)	15,239
			(continues)

CITY OF STOCKTON

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency
FUND BALANCES, BEGINNING OF YEAR	29,261	20,666	7,441
Residual equity transfers out	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$34,426</u>	<u>\$20,080</u>	<u>\$ 6,012</u>

Mello-Roos Districts	1915 Act Assessment Districts	Totals	
		1997	1996
16,662	7,490	81,520	66,562
<u>-</u>	<u>-</u>	<u>-</u>	<u>(281)</u>
<u>\$10,259</u>	<u>\$ 8,418</u>	<u>\$ 79,195</u>	<u>\$81,520</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, 1997
(Dollar amounts in thousands)**

	Public Facilities Impact Fees		
	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Amusement	\$ -	\$ -	\$ -
Intergovernmental	51	51	-
Charges for services	5,169	8,088	2,919
Fines and forfeitures	-	6	6
Use of money and property	489	1,758	1,269
Refunds and reimbursements	-	15	15
Miscellaneous	-	104	104
Total revenues	<u>5,709</u>	<u>10,022</u>	<u>4,313</u>
EXPENDITURES:			
Capital outlay:			
General government	1,047	535	512
Public safety	713	250	463
Public works	10,791	3,795	6,996
Library	1,281	186	1,095
Parks and recreation	1,566	372	1,194
Total expenditures	<u>15,398</u>	<u>5,138</u>	<u>10,260</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,689)</u>	<u>4,884</u>	<u>14,573</u>

Capital Improvement			Totals		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 19	\$ 18	\$ (1)	\$ 19	\$ 18	\$ (1)
5	5	-	56	56	-
-	-	-	5,169	8,088	2,919
-	-	-	-	6	6
85	659	574	574	2,417	1,843
-	-	-	-	15	15
-	11	11	-	115	115
<u>109</u>	<u>693</u>	<u>584</u>	<u>5,818</u>	<u>10,715</u>	<u>4,897</u>
3,534	805	2,729	4,581	1,340	3,241
584	437	147	1,297	687	610
619	91	528	11,410	3,886	7,524
-	-	-	1,281	186	1,095
<u>460</u>	<u>297</u>	<u>163</u>	<u>2,026</u>	<u>669</u>	<u>1,357</u>
<u>5,197</u>	<u>1,630</u>	<u>3,567</u>	<u>20,595</u>	<u>6,768</u>	<u>13,827</u>
<u>(5,088)</u>	<u>(937)</u>	<u>4,151</u>	<u>(14,777)</u>	<u>3,947</u>	<u>18,724</u>

(continues)

CITY OF STOCKTON

**CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL ON A BUDGETARY BASIS (Continued)
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)**

	Public Facilities Impact Fees		
	Final Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES):			
Operating transfers in	(35)	(35)	-
Operating transfers out	771	771	-
Advances from other funds	(542)	(486)	56
Repayment of advances	-	-	-
Total other financing sources (uses)	194	250	56
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(9,495)	5,134	14,629
BASIS ADJUSTMENTS:			
Encumbrances	-	31	31
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(9,495)	5,165	14,660
FUND BALANCES, BEGINNING OF YEAR	29,261	29,261	-
FUND BALANCES, END OF YEAR	<u>\$19,766</u>	<u>\$34,426</u>	<u>\$14,660</u>

Capital Improvement			Totals		
Final Budget	Actual	Variance Favorable Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
230	230	-	230	230	-
(214)	(214)	-	(249)	(249)	-
-	-	-	771	771	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(542)</u>	<u>(486)</u>	<u>56</u>
<u>16</u>	<u>16</u>	<u>-</u>	<u>210</u>	<u>266</u>	<u>56</u>
(5,072)	(921)	4,151	(14,567)	4,213	18,780
<u>-</u>	<u>335</u>	<u>335</u>	<u>-</u>	<u>366</u>	<u>366</u>
(5,072)	(586)	4,486	(14,567)	4,579	19,146
<u>20,666</u>	<u>20,666</u>	<u>-</u>	<u>49,927</u>	<u>49,927</u>	<u>-</u>
<u>\$15,594</u>	<u>\$20,080</u>	<u>\$4,486</u>	<u>\$35,360</u>	<u>\$54,506</u>	<u>\$19,146</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 of 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, 1997

(With comparative totals for June 30, 1996)

(Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
ASSETS			
CURRENT ASSETS:			
Cash and temporary investments	\$14,904	\$ 34,495	\$ 2,998
Cash with fiscal agent	-	521	-
Receivables:			
Interest	219	495	41
Accounts and others	1,280	4,125	627
Allowance for estimated uncollectible accounts	(167)	(139)	(39)
Due from other funds	-	-	1,000
Due from other governments	-	-	-
Inventory of supplies	-	1,232	-
Total current assets	<u>16,236</u>	<u>40,729</u>	<u>4,627</u>
RESTRICTED ASSETS:			
Cash and temporary investments	-	-	-
Cash and temporary investments with fiscal agents	1,543	22,674	-
Receivables:			
Interest	-	-	-
Accounts and others	-	-	-
Total restricted assets	<u>1,543</u>	<u>22,674</u>	<u>-</u>
NON-CURRENT ASSETS:			
Loans receivable	37	110	-
Advances to other funds	-	385	-
Total non-current assets	<u>37</u>	<u>495</u>	<u>-</u>
FIXED ASSETS:			
Land	1,022	758	412
Buildings and improvements	54,304	135,754	43,965
Machinery and equipment	4,088	4,379	47
Construction in progress	1,083	44,972	68
Total fixed assets	60,497	185,863	44,492
Accumulated depreciation	(12,400)	(43,379)	(15,475)
Net fixed assets	<u>48,097</u>	<u>142,484</u>	<u>29,017</u>
DEFERRED CHARGES	<u>384</u>	<u>923</u>	<u>-</u>
Total assets	<u>\$66,297</u>	<u>\$207,305</u>	<u>\$33,644</u>

Solid Waste	Golf Courses	Totals	
		1997	1996
\$2,949	\$ 591	\$ 55,937	\$ 42,482
-	-	521	489
45	-	800	619
349	2	6,383	6,541
(10)	-	(355)	(903)
-	-	1,000	1,000
-	-	-	180
-	-	1,232	1,208
<u>3,333</u>	<u>593</u>	<u>65,518</u>	<u>51,616</u>
4,734	-	4,734	4,343
-	-	24,217	36,359
70	-	70	374
<u>12</u>	<u>-</u>	<u>12</u>	<u>27</u>
<u>4,816</u>	<u>-</u>	<u>29,033</u>	<u>41,103</u>
-	-	147	164
<u>-</u>	<u>-</u>	<u>385</u>	<u>385</u>
<u>-</u>	<u>-</u>	<u>532</u>	<u>549</u>
644	360	3,196	3,196
410	3,733	238,166	235,609
258	109	8,881	8,768
<u>-</u>	<u>4</u>	<u>46,127</u>	<u>34,545</u>
1,312	4,206	296,370	282,118
<u>(237)</u>	<u>(2,956)</u>	<u>(74,447)</u>	<u>(69,250)</u>
1,075	1,250	221,923	212,868
<u>-</u>	<u>-</u>	<u>1,307</u>	<u>1,358</u>
<u>\$9,224</u>	<u>\$1,843</u>	<u>\$318,313</u>	<u>\$ 307,494</u>

(continues)

CITY OF STOCKTON

**ENTERPRISE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)**

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 399	\$ 1,545	\$ 55
Due to other governments	55	12	-
Deposits and other liabilities	725	-	-
Matured bonds and interest payable	5	15	-
Accrued interest	416	1,298	-
Long-term debt - current	476	1,210	-
Compensated absences - current	127	529	23
Deferred revenue	-	11	-
	<u>-</u>	<u>11</u>	<u>-</u>
Total current liabilities	<u>2,203</u>	<u>4,620</u>	<u>78</u>
LONG-TERM DEBT (LESS CURRENT PORTION):			
Compensated absences	167	962	59
Advances from other funds	-	-	385
Advances from other governments	1,185	-	1,330
Certificates of participation	16,644	57,125	-
Water extension agreements	11	-	-
Bonds payable and other long-term debt	341	6,575	-
Landfill closure/postclosure	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term debt	<u>18,348</u>	<u>64,662</u>	<u>1,774</u>
Total liabilities	<u>20,551</u>	<u>69,282</u>	<u>1,852</u>
FUND EQUITY:			
Contributed capital	28,697	113,910	35,359
Retained earnings:			
Unreserved	17,049	24,113	(3,567)
	<u>17,049</u>	<u>24,113</u>	<u>(3,567)</u>
Total fund equity	<u>45,746</u>	<u>138,023</u>	<u>31,792</u>
Total liabilities and fund equity	<u>\$ 66,297</u>	<u>\$ 207,305</u>	<u>\$ 33,644</u>

Solid Waste	Golf Courses	Totals	
		1997	1996
\$ 166	\$ 20	\$ 2,185	\$ 4,590
-	-	67	51
-	-	725	811
-	-	20	20
-	-	1,714	1,747
-	-	1,686	1,606
142	64	885	844
-	-	11	1
<u>308</u>	<u>84</u>	<u>7,293</u>	<u>9,670</u>
200	106	1,494	1,421
-	-	385	385
-	-	2,515	2,597
-	-	73,769	74,850
-	-	11	27
-	-	6,916	7,396
<u>7,254</u>	<u>-</u>	<u>7,254</u>	<u>6,895</u>
<u>7,454</u>	<u>106</u>	<u>92,344</u>	<u>93,571</u>
<u>7,762</u>	<u>190</u>	<u>99,637</u>	<u>103,241</u>
693	400	179,059	172,943
<u>769</u>	<u>1,253</u>	<u>39,617</u>	<u>31,310</u>
<u>1,462</u>	<u>1,653</u>	<u>218,676</u>	<u>204,253</u>
<u>\$ 9,224</u>	<u>\$ 1,843</u>	<u>\$ 318,313</u>	<u>\$ 307,494</u>

CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY FOR THE YEAR ENDED JUNE 30, 1997 (With comparative totals for June 30, 1996) (Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
OPERATING REVENUES:			
Charges for services	\$12,177	\$ 24,886	\$ 4,160
Loans and mortgage interest	5	17	-
Miscellaneous	234	515	65
Total operating revenues	<u>12,416</u>	<u>25,418</u>	<u>4,225</u>
OPERATING EXPENSES:			
Operation and maintenance	3,511	13,593	1,781
General and administrative	2,132	5,574	997
Depreciation and amortization	1,171	3,013	884
Purchased water	2,917	-	-
Total operating expenses	<u>9,731</u>	<u>22,180</u>	<u>3,662</u>
OPERATING INCOME (LOSS)	<u>2,685</u>	<u>3,238</u>	<u>563</u>
NON-OPERATING REVENUES (EXPENSES):			
Federal grants and subsidies	-	-	-
Investment earnings	875	3,119	140
Gain (loss) from disposal of property	-	(1)	-
Interest and fiscal charges	(1,054)	(1,374)	(123)
Total non-operating revenues (expenses)	<u>(179)</u>	<u>1,744</u>	<u>17</u>
INCOME BEFORE OPERATING TRANSFERS	2,506	4,982	580
Operating transfers in	1,158	4,595	-
Operating transfers out	<u>(1,158)</u>	<u>(4,595)</u>	<u>-</u>
NET INCOME	<u>2,506</u>	<u>4,982</u>	<u>580</u>
FUND EQUITY, BEGINNING OF YEAR	42,083	128,261	31,033
Residual equity transfers in	-	-	-
Residual equity transfers out	-	-	-
Contributed capital from developers	<u>1,157</u>	<u>4,780</u>	<u>179</u>
FUND EQUITY, END OF YEAR	<u>\$45,746</u>	<u>\$138,023</u>	<u>\$31,792</u>

Solid Waste	Golf Courses	Totals	
		1997	1996
\$4,504	\$1,589	\$ 47,316	\$ 47,146
-	-	22	172
80	122	1,016	878
<u>4,584</u>	<u>1,711</u>	<u>48,354</u>	<u>48,196</u>
4,711	1,598	25,194	27,365
-	-	8,703	8,873
39	121	5,228	5,097
-	-	2,917	2,885
<u>4,750</u>	<u>1,719</u>	<u>42,042</u>	<u>44,220</u>
<u>(166)</u>	<u>(8)</u>	<u>6,312</u>	<u>3,976</u>
-	-	-	175
413	-	4,547	5,165
-	-	(1)	9
-	-	<u>(2,551)</u>	<u>(2,914)</u>
<u>413</u>	<u>-</u>	<u>1,995</u>	<u>2,435</u>
247	(8)	8,307	6,411
300	-	6,053	5,458
<u>(300)</u>	<u>-</u>	<u>(6,053)</u>	<u>(5,458)</u>
<u>247</u>	<u>(8)</u>	<u>8,307</u>	<u>6,411</u>
1,215	1,661	204,253	190,270
-	-	-	1,019
-	-	-	(1,122)
-	-	<u>6,116</u>	<u>7,675</u>
<u>\$1,462</u>	<u>\$1,653</u>	<u>\$ 218,676</u>	<u>\$ 204,253</u>

CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 1997 (With comparative totals for June 30, 1996) (Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$2,685	\$ 3,238	\$ 563
Noncash adjustment to operating income:			
Depreciation and amortization	1,171	3,013	884
Allowance for estimated uncollectible accounts	(83)	(369)	(75)
Landfill closure/postclosure	-	-	-
Changes in assets and liabilities:			
Taxes and assessments receivables	-	-	-
Accounts and other receivables	(163)	90	311
Due from other funds	-	-	-
Due from other governments	4	176	-
Due to other funds	-	-	-
Inventory of supplies	-	(24)	-
Loans receivable	4	13	-
Deferred charges	16	35	-
Accounts payable	213	(2,467)	(43)
Compensated absences	3	111	(3)
Due to other governments	10	6	(48)
Deposits and other liabilities	(86)	-	-
Advances from other governments	(34)	-	-
Deferred revenue	-	10	-
Accrued interest	(10)	(23)	-
Net cash provided (used) by operating activities	<u>3,730</u>	<u>3,809</u>	<u>1,589</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	875	3,119	140
Investment purchases	-	-	-
Proceeds from sale of investments	-	23,257	-
Net cash provided (used) by investing activities	<u>875</u>	<u>26,376</u>	<u>140</u>

Solid Waste	Golf Courses	Totals	
		1997	1996
\$ (166)	\$ (8)	\$ 6,312	\$ 3,976
39	121	5,228	5,097
(21)	-	(548)	694
359	-	359	345
-	-	-	34
51	7	296	(1,875)
-	-	-	(882)
-	-	180	(180)
-	-	-	(115)
-	-	(24)	(69)
-	-	17	17
-	-	51	50
(120)	12	(2,405)	841
8	(5)	114	212
-	-	(32)	38
-	-	(86)	131
-	-	(34)	(33)
-	-	10	-
-	-	(33)	(344)
<u>150</u>	<u>127</u>	<u>9,405</u>	<u>7,937</u>
413	-	4,547	5,165
-	-	-	(59)
<u>-</u>	<u>-</u>	<u>23,257</u>	<u>13,159</u>
<u>413</u>	<u>-</u>	<u>27,804</u>	<u>18,265</u>

(continues)

CITY OF STOCKTON

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED JUNE 30, 1997

(With comparative totals for June 30, 1996)

(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	-	-	-
Repayment of debt	(459)	(2,173)	-
Proceeds from borrowing	-	1,135	-
Purchases of property and equipment	(1,515)	(12,555)	(210)
Interest expense on capital debt	(1,054)	(1,374)	(123)
Capital contributions	1,157	4,780	179
Residual equity transfers in	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(1,871)</u>	<u>(10,187)</u>	<u>(154)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	1,158	4,595	-
Operating transfers out	(1,158)	(4,595)	-
Proceeds from federal grants	-	-	-
Residual equity transfers out	-	-	-
Net cash (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,734</u>	<u>19,998</u>	<u>1,575</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>12,393</u>	<u>37,692</u>	<u>1,423</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$15,127</u>	<u>\$57,690</u>	<u>\$2,998</u>

Solid Waste	Golf Courses	Totals	
		1997	1996
-	-	-	17
-	-	(2,632)	(1,491)
-	-	1,135	
-	(4)	(14,284)	(25,424)
-	-	(2,551)	(2,434)
-	-	6,116	7,674
-	-	-	1,019
-	(4)	(12,216)	(20,639)
300	-	6,053	5,458
(300)	-	(6,053)	(5,458)
-	-	-	175
-	-	-	(1,122)
-	-	-	(947)
563	123	24,993	4,616
7,120	468	59,096	-
<u>\$7,683</u>	<u>\$591</u>	<u>\$ 84,089</u>	<u>\$ 59,096</u>

(continues)

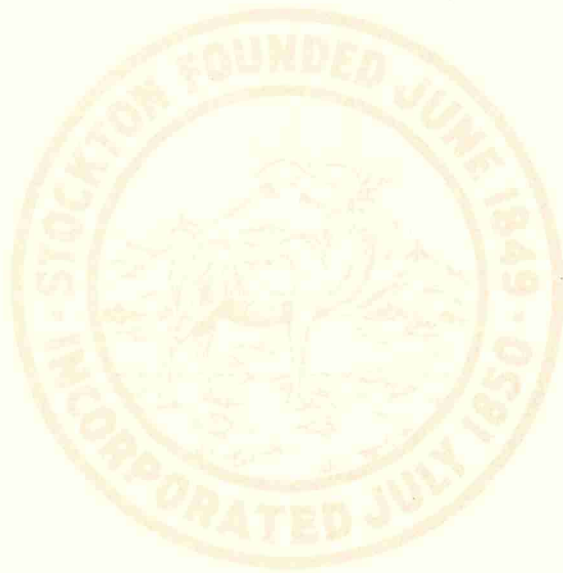
CITY OF STOCKTON

ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS (Continued) FOR THE YEAR ENDED JUNE 30, 1997 (With comparative totals for June 30, 1996) (Dollar amounts in thousands)

Reconciliation of cash and cash equivalents to the balance sheet:

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility	Solid Waste	Golf Courses
Unrestricted cash and investments on balance sheet:					
Cash and temporary investments	\$14,904	\$34,495	\$2,998	\$2,949	\$ 591
Cash with fiscal agents	-	521	-	-	-
Restricted cash and investments on balance sheet:					
Cash and temporary investments	-	-	-	4,734	-
Cash and temporary investments with fiscal agents	<u>1,543</u>	<u>22,674</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investments	<u>16,447</u>	<u>57,690</u>	<u>2,998</u>	<u>7,683</u>	<u>591</u>
Less investments:					
Cash and temporary investments with fiscal agents	<u>1,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash and cash equivalents	<u>\$15,127</u>	<u>\$57,690</u>	<u>\$2,998</u>	<u>\$7,683</u>	<u>\$ 591</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 operating 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, 1997

(With comparative totals for June 30, 1996)

(Dollar amounts in thousands)

ASSETS	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
CURRENT ASSETS:				
Cash and temporary investments	\$ 4,888	\$ 2,965	\$ 3,152	\$ 1,632
Accounts and other receivables	329	28	-	-
Allowance for uncollectibles	(99)	-	-	-
Due from other governments	-	20	-	-
Prepaid expenses	-	33	-	-
Total current assets	<u>5,118</u>	<u>3,046</u>	<u>3,152</u>	<u>1,632</u>
FIXED ASSETS:				
Improvements other than buildings	107	-	-	-
Machinery and equipment	20,692	8,040	3,944	965
Total fixed assets	<u>20,799</u>	<u>8,040</u>	<u>3,944</u>	<u>965</u>
Accumulated depreciation	(12,285)	(5,224)	(2,342)	(562)
Net fixed assets	<u>8,514</u>	<u>2,816</u>	<u>1,602</u>	<u>403</u>
DEFERRED CHARGES	-	-	-	-
Total assets	<u>\$ 13,632</u>	<u>\$ 5,862</u>	<u>\$ 4,754</u>	<u>\$ 2,035</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Current liabilities:				
Accounts payable	\$ 267	\$ 89	\$ -	\$ 52
Long term-debt - current	-	144	-	-
Compensated absences - current	133	8	-	14
Deferred revenue	-	-	-	-
Total current liabilities	<u>400</u>	<u>241</u>	<u>-</u>	<u>66</u>
LONG-TERM DEBT (LESS CURRENT PORTION):				
Compensated absences	224	7	-	30
Lease obligation	-	37	-	-
Self-insurance claims and judgments	-	-	-	-
Total long-term debt	<u>224</u>	<u>44</u>	<u>-</u>	<u>30</u>
Total liabilities	<u>624</u>	<u>285</u>	<u>-</u>	<u>96</u>
FUND EQUITY:				
Contributed capital	3,592	4,992	2,051	746
Retained earnings:				
Unreserved	<u>9,416</u>	<u>585</u>	<u>2,703</u>	<u>1,193</u>
Total fund equity	<u>13,008</u>	<u>5,577</u>	<u>4,754</u>	<u>1,939</u>
Total liabilities and fund equity	<u>\$ 13,632</u>	<u>\$ 5,862</u>	<u>\$ 4,754</u>	<u>\$ 2,035</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				1997	1996
\$ 3,907	\$ 6,439	\$ 2,041	\$ 661	\$ 25,685	\$ 25,839
106	108	41	-	612	511
-	-	-	-	(99)	(56)
-	-	-	-	20	
-	-	-	-	33	205
<u>4,013</u>	<u>6,547</u>	<u>2,082</u>	<u>661</u>	<u>26,251</u>	<u>26,499</u>
-	-	-	-	107	72
<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,643</u>	<u>31,235</u>
<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,750</u>	<u>31,307</u>
<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,415)</u>	<u>(18,011)</u>
-	-	-	-	13,335	13,296
-	-	61	-	61	61
<u>\$ 4,013</u>	<u>\$ 6,547</u>	<u>\$ 2,143</u>	<u>\$ 661</u>	<u>\$ 39,647</u>	<u>\$ 39,856</u>
\$ 17	\$ 5	\$ 150	\$ 66	\$ 646	\$ 819
972	2,681	1,742	-	5,539	5,860
7	15	-	-	177	141
-	1	-	-	1	1
<u>996</u>	<u>2,702</u>	<u>1,892</u>	<u>66</u>	<u>6,363</u>	<u>6,821</u>
27	12	-	-	300	290
-	-	-	-	37	181
<u>2,302</u>	<u>6,730</u>	<u>-</u>	<u>-</u>	<u>9,032</u>	<u>7,772</u>
<u>2,329</u>	<u>6,742</u>	<u>-</u>	<u>-</u>	<u>9,369</u>	<u>8,243</u>
<u>3,325</u>	<u>9,444</u>	<u>1,892</u>	<u>66</u>	<u>15,732</u>	<u>15,064</u>
-	-	-	-	11,381	11,283
<u>688</u>	<u>(2,897)</u>	<u>251</u>	<u>595</u>	<u>12,534</u>	<u>13,509</u>
<u>688</u>	<u>(2,897)</u>	<u>251</u>	<u>595</u>	<u>23,915</u>	<u>24,792</u>
<u>\$ 4,013</u>	<u>\$ 6,547</u>	<u>\$ 2,143</u>	<u>\$ 661</u>	<u>\$ 39,647</u>	<u>\$ 39,856</u>

CITY OF STOCKTON

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY FOR THE YEAR ENDED JUNE 30, 1997 (With comparative totals for June 30, 1996) (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
OPERATING REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	<u>5,342</u>	<u>2,865</u>	<u>854</u>	<u>1,158</u>
Total operating revenues	<u>5,342</u>	<u>2,865</u>	<u>854</u>	<u>1,158</u>
OPERATING EXPENSES:				
Operation and maintenance	2,871	1,028	290	776
General and administration	1,398	-	-	-
Depreciation	<u>1,755</u>	<u>1,297</u>	<u>425</u>	<u>149</u>
Total operating expenses	<u>6,024</u>	<u>2,325</u>	<u>715</u>	<u>925</u>
OPERATING INCOME (LOSS)	<u>(682)</u>	<u>540</u>	<u>139</u>	<u>233</u>
NON-OPERATING REVENUES (EXPENSES):				
Federal grants and subsidies	-	20	-	-
Investment earnings	-	-	-	-
Gain (loss) from disposal of property	78	(3)	(2)	-
Interest expense and fiscal charges	-	(17)	-	-
Other non-operating revenues	<u>2</u>	<u>(1)</u>	<u>1</u>	<u>1</u>
Total non-operating revenues (expenses)	<u>80</u>	<u>(1)</u>	<u>(1)</u>	<u>1</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(602)	539	138	234
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS)	<u>(602)</u>	<u>539</u>	<u>138</u>	<u>234</u>
FUND EQUITY, BEGINNING OF YEAR	13,652	4,909	4,614	1,696
Residual equity transfers in	-	-	-	-
Residual equity transfers out	-	-	-	-
Increase (decrease) in contributed capital	<u>(42)</u>	<u>129</u>	<u>2</u>	<u>9</u>
FUND EQUITY, END OF YEAR	<u>\$ 13,008</u>	<u>\$ 5,577</u>	<u>\$ 4,754</u>	<u>\$ 1,939</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				1997	1996
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37
<u>3,139</u>	<u>3,989</u>	<u>8,723</u>	<u>816</u>	<u>26,886</u>	<u>25,789</u>
<u>3,139</u>	<u>3,989</u>	<u>8,723</u>	<u>816</u>	<u>26,886</u>	<u>25,826</u>
1,165	5,609	9,281	1,143	22,163	19,855
636	939	189	-	3,162	2,827
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,626</u>	<u>3,408</u>
<u>1,801</u>	<u>6,548</u>	<u>9,470</u>	<u>1,143</u>	<u>28,951</u>	<u>26,090</u>
<u>1,338</u>	<u>(2,559)</u>	<u>(747)</u>	<u>(327)</u>	<u>(2,065)</u>	<u>(264)</u>
-	-	-	-	20	
179	373	160	-	712	780
-	-	-	-	73	92
-	-	-	-	(17)	(25)
<u>(2)</u>	<u>(1)</u>	<u>303</u>	<u>(1)</u>	<u>302</u>	<u>183</u>
<u>177</u>	<u>372</u>	<u>463</u>	<u>(1)</u>	<u>1,090</u>	<u>1,030</u>
1,515	(2,187)	(284)	(328)	(975)	766
-	-	-	-	-	500
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500)</u>
<u>1,515</u>	<u>(2,187)</u>	<u>(284)</u>	<u>(328)</u>	<u>(975)</u>	<u>766</u>
(827)	(710)	535	923	24,792	23,856
-	-	-	-	-	121
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98</u>	<u>49</u>
<u>\$ 688</u>	<u>\$ (2,897)</u>	<u>\$ 251</u>	<u>\$ 595</u>	<u>\$ 23,915</u>	<u>\$ 24,792</u>

CITY OF STOCKTON

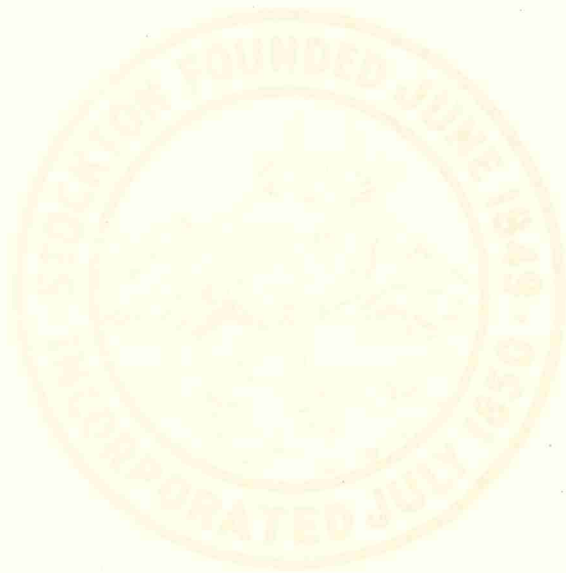
INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 1997 (With comparative totals for June 30, 1996) (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income	\$ (682)	\$ 540	\$ 139	\$ 233
Other non-operating revenues	2	19	1	1
Noncash adjustments to operating income:				
Depreciation	1,755	1,297	425	149
Provision for uncollectible accounts	43	-	-	-
Self-insurance	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(50)	(28)	-	-
Deferred charges	-	(20)	-	-
Prepays	146	26	-	-
Accounts payable	154	(58)	(7)	21
Compensated absences	23	(2)	-	16
Net cash provided (used) by operating activities	<u>1,391</u>	<u>1,774</u>	<u>558</u>	<u>420</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	80	3	-	-
Payment of long-term debt	-	(137)	-	-
Purchases of property and equipment	(2,265)	(1,043)	(251)	(116)
Interest expense on capital debt	-	(17)	-	-
Capital contributions (reimbursements)	(42)	129	2	9
Residual equity transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(2,227)</u>	<u>(1,065)</u>	<u>(249)</u>	<u>(107)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	-	-	-	-
Operating 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	(836)	709	309	313
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,724</u>	<u>2,256</u>	<u>2,843</u>	<u>1,319</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,888</u>	<u>\$ 2,965</u>	<u>\$ 3,152</u>	<u>\$ 1,632</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				1997	1996
\$ 1,338	\$ (2,559)	\$ (747)	\$ (327)	\$ (2,065)	\$ (264)
(2)	(1)	303	(1)	322	184
-	-	-	-	3,626	3,408
-	-	-	-	43	3
(580)	1,891	(379)	-	932	(1,769)
(16)	(15)	8	-	(101)	(58)
-	-	-	-	(20)	4
-	-	-	-	172	(120)
(9)	(33)	(70)	(171)	(173)	19
<u>3</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>77</u>
<u>734</u>	<u>(711)</u>	<u>(885)</u>	<u>(499)</u>	<u>2,782</u>	<u>1,484</u>
<u>179</u>	<u>373</u>	<u>160</u>	<u>-</u>	<u>712</u>	<u>780</u>
<u>179</u>	<u>373</u>	<u>160</u>	<u>-</u>	<u>712</u>	<u>780</u>
-	-	-	-	83	147
-	-	-	-	(137)	(178)
-	-	-	-	(3,675)	(3,374)
-	-	-	-	(17)	(25)
-	-	-	-	98	49
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,648)</u>	<u>(3,260)</u>
-	-	-	-	-	500
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
913	(338)	(725)	(499)	(154)	(996)
<u>2,994</u>	<u>6,777</u>	<u>2,766</u>	<u>1,160</u>	<u>25,839</u>	<u>26,835</u>
<u>\$ 3,907</u>	<u>\$ 6,439</u>	<u>\$ 2,041</u>	<u>\$ 661</u>	<u>\$ 25,685</u>	<u>\$ 25,839</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 benefited property owners, and corresponding expenditures to maintain and operate a swimming pool and park complex in the Holiday Park area.

City as Agent

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

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, 1997

(With comparative totals for June 30, 1996)
(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	\$ 126	\$ 447	\$ 10	\$ 5,336	\$ 81,990
Accounts and other receivables	-	6	-	177	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ 126</u>	<u>\$ 453</u>	<u>\$ 10</u>	<u>\$ 5,513</u>	<u>\$ 81,990</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ 13	\$ -	\$ 34	\$ -
Due to other governments	-	-	-	1,172	-
Deposits and other liabilities	-	-	10	4,307	81,990
Total liabilities	<u>-</u>	<u>13</u>	<u>10</u>	<u>5,513</u>	<u>81,990</u>
FUND BALANCES:					
Reserved:					
Encumbrances	-	3	-	-	-
Endowment	126	437	-	-	-
Total fund balances	<u>126</u>	<u>440</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 126</u>	<u>\$ 453</u>	<u>\$ 10</u>	<u>\$ 5,513</u>	<u>\$ 81,990</u>

Totals	
1997	1996

\$ 87,909	\$ 75,653
183	180
<u>-</u>	<u>9</u>
<u>\$ 88,092</u>	<u>\$ 75,842</u>

\$ 47	\$ 25
1,172	1,087
<u>86,307</u>	<u>74,202</u>
<u>87,526</u>	<u>75,314</u>

3	-
<u>563</u>	<u>528</u>
<u>566</u>	<u>528</u>
<u>\$ 88,092</u>	<u>\$ 75,842</u>

CITY OF STOCKTON

MISCELLANEOUS NONEXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)

	1997	1996
OPERATING REVENUES:		
Miscellaneous	\$ 3	\$ 43
OPERATING INCOME	<u>3</u>	<u>43</u>
NET INCOME	<u>3</u>	<u>43</u>
FUND BALANCE, BEGINNING OF YEAR	<u>123</u>	<u>80</u>
FUND BALANCE, END OF YEAR	<u>\$ 126</u>	<u>\$ 123</u>

CITY OF STOCKTON

MISCELLANEOUS NONEXPENDABLE TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income	\$ 3	\$ 43
Net cash provided by operating activities	<u>3</u>	<u>43</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3</u>	<u>43</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>123</u>	<u>80</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 126</u>	<u>\$ 123</u>

CITY OF STOCKTON

MISCELLANEOUS EXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1997
(With comparative totals for June 30, 1996)
(Dollar amounts in thousands)

	1997	1996
REVENUES:		
Use of money and property	\$ 17	\$ 17
Miscellaneous	<u>268</u>	<u>334</u>
Total revenues	<u>285</u>	<u>351</u>
EXPENDITURES:		
Current:		
General government	43	57
Public safety	15	12
Library	71	115
Parks and recreation	<u>121</u>	<u>134</u>
Total expenditures	<u>250</u>	<u>318</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>35</u>	<u>33</u>
FUND BALANCE, BEGINNING OF YEAR	<u>405</u>	<u>372</u>
FUND BALANCE, END OF YEAR	<u>\$ 440</u>	<u>\$ 405</u>



CITY OF STOCKTON

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 1997

(Dollar amounts in thousands)

	Holiday Park		
	Balance 7/1/96	Additions	Balance 6/30/97
ASSETS			
Cash and temporary investments	\$ -	\$ 65	\$ 55
Receivables:			\$ 10
Taxes and special assessments	-	47	-
Accounts and other	-	-	-
Due from other governments	9	-	-
	<u>9</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 9</u>	<u>\$ 112</u>	<u>\$ 111</u>
			<u>\$ 10</u>
LIABILITIES			
Accounts payable	\$ -	\$ 46	\$ 46
Due to other governments	-	-	-
Deposits and other liabilities	9	47	46
	<u>9</u>	<u>47</u>	<u>46</u>
Total liabilities	<u>\$ 9</u>	<u>\$ 93</u>	<u>\$ 92</u>
			<u>\$ 10</u>

City as Agent			
Balance 7/1/96	Additions	Deductions	Balance 6/30/97
\$5,033	\$ 5,169	\$ 4,866	\$ 5,336
-	-	-	-
175	64	62	177
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$5,208</u>	<u>\$ 5,233</u>	<u>\$ 4,928</u>	<u>\$ 5,513</u>
\$ 7	\$ 2,784	\$ 2,757	\$ 34
1,087	3,230	3,145	1,172
<u>4,114</u>	<u>1,821</u>	<u>1,628</u>	<u>4,307</u>
<u>\$5,208</u>	<u>\$ 7,835</u>	<u>\$ 7,530</u>	<u>\$ 5,513</u>

CITY OF STOCKTON

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 1997

(Dollar amounts in thousands)

	Deferred Compensation Plan			Balance 6/30/97
	Balance 7/1/96	Additions	Deductions	
ASSETS				
Cash and temporary investments	\$70,079	\$34,387	\$22,476	\$81,990
Receivables:				
Taxes and special assessments	-	-	-	-
Accounts and other	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$70,079</u>	<u>\$34,387</u>	<u>\$22,476</u>	<u>\$81,990</u>
LIABILITIES				
Accounts payable	\$ -	\$10,078	\$10,078	\$ -
Due to other governments	-	-	-	-
Deposits and other liabilities	<u>70,079</u>	<u>19,843</u>	<u>7,932</u>	<u>81,990</u>
Total liabilities	<u>\$70,079</u>	<u>\$29,921</u>	<u>\$18,010</u>	<u>\$81,990</u>

Total Agency Funds			
Balance 7/1/96	Additions	Deductions	Balance 6/30/97
\$ 75,112	\$ 39,621	\$ 27,397	\$ 87,336
-	47	47	-
175	64	62	177
<u>9</u>	<u>-</u>	<u>9</u>	<u>-</u>
<u>\$ 75,296</u>	<u>\$ 39,732</u>	<u>\$ 27,515</u>	<u>\$ 87,513</u>
\$ 7	\$ 12,908	\$ 12,881	\$ 34
1,087	3,230	3,145	1,172
<u>74,202</u>	<u>21,711</u>	<u>9,606</u>	<u>86,307</u>
<u>\$ 75,296</u>	<u>\$ 37,849</u>	<u>\$ 25,632</u>	<u>\$ 87,513</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, 1997

(With comparative totals for June 30, 1996)

(Dollar amounts in thousands)

	1997	1996
GENERAL FIXED ASSETS		
Land	\$12,836	\$11,953
Buildings and improvements	46,768	45,787
Equipment	1,629	1,651
Construction in progress	<u>937</u>	<u>996</u>
Total	<u>\$62,170</u>	<u>\$60,387</u>
INVESTMENT IN GENERAL FIXED ASSETS		
From governmental fund types	\$61,566	\$59,783
From other sources	<u>604</u>	<u>604</u>
Total	<u>\$62,170</u>	<u>\$60,387</u>

CITY OF STOCKTON

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION FOR THE YEAR ENDED JUNE 30, 1997 (Dollar amounts in thousands)

	Balance 7/1/96	Additions	Deletions	Transfers & Adjustments	Balance 6/30/97
General government	\$ 4,153	\$ 25	\$ -	\$ 1	\$ 4,179
Public safety	11,926	81	64	41	11,984
Public works	1,887	481	-	23	2,391
Library	8,091	22	-	-	8,113
Parks and recreation	31,018	467	-	(6)	31,479
Other property	2,316	901	71	(59)	3,087
Construction in progress	<u>996</u>	<u>741</u>	<u>800</u>	<u>-</u>	<u>937</u>
Total	<u>\$60,387</u>	<u>\$2,718</u>	<u>\$935</u>	<u>\$ -</u>	<u>\$62,170</u>

CITY OF STOCKTON

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION JUNE 30, 1997 (Dollar amounts in thousands)

	Land	Buildings & Improvements	Equipment	Total
General government	\$ 357	\$ 3,699	\$ 123	\$ 4,179
Public safety	1,104	10,003	877	11,984
Public works	66	2,097	228	2,391
Library	1,122	6,869	122	8,113
Parks and recreation	7,447	23,809	223	31,479
Other property	2,740	291	56	3,087
Construction in progress	<u>-</u>	<u>937</u>	<u>-</u>	<u>937</u>
Total	<u>\$12,836</u>	<u>\$47,705</u>	<u>\$1,629</u>	<u>\$62,170</u>

CITY OF STOCKTON

STATEMENT OF GENERAL LONG-TERM DEBT

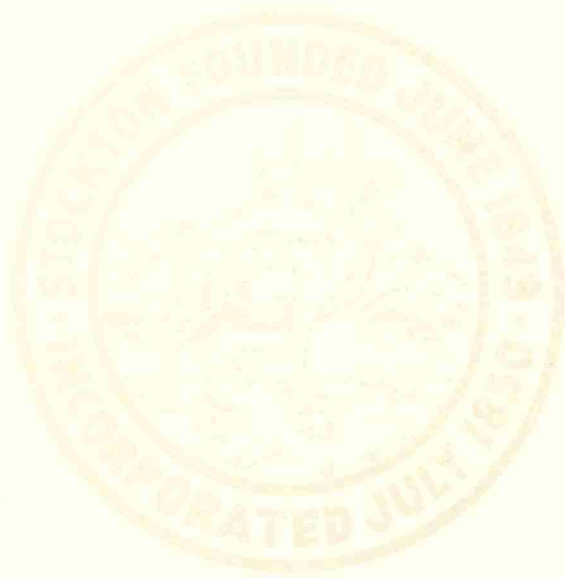
JUNE 30, 1997

(With comparative totals for June 30, 1996)

(Dollar amounts in thousands)

	1997	1996
AMOUNTS AVAILABLE IN DEBT SERVICE AND CAPITAL PROJECTS FUNDS FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
1915 Act Special Assessment Bonds	\$ 11,342	\$ 11,190
Mello-Roos Special Tax Bonds	13,958	14,868
Tax Allocation Bonds	125	125
AMOUNTS TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
1915 Act Special Assessment Bonds	41,401	49,748
Mello-Roos Special Tax Bonds	71,882	89,372
Refunding Revenue Bonds	24,945	-
Tax Allocation Bonds	820	1,245
Compensated Absences	16,246	15,647
Payable from General Fund	1,300	1,300
Payable from Other Special Revenue Fund	73	73
Payable from Redevelopment Agency	22,603	22,467
Payable from Public Facilities Impact Fees Fund	5,964	5,679
Certificates of Participation	-	190
Total	<u>\$ 210,659</u>	<u>\$ 211,904</u>
GENERAL LONG-TERM DEBT:		
1915 Act Special Assessment Bonds	\$ 52,743	\$ 60,938
Mello-Roos Special Tax Bonds	85,840	104,240
Refunding Revenue Bonds	24,945	-
Tax Allocation Bonds	945	1,370
Compensated Absences	16,246	15,647
Advance payable to General Fund	546	546
Advance payable to Urban Development Actions Grant Fund	4,686	4,686
Advance payable to Community Development Block Grant Fund	10,369	10,412
Advance payable to Public Facilities Impact Fees Fund	1,521	750
Advance payable to Capital Improvement Fund	11,368	11,975
Advance payable to Redevelopment Agency	1,450	1,150
Certificates of Participation	-	190
Total	<u>\$ 210,659</u>	<u>\$ 211,904</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 and Recreation	Capital Outlay	Debt Service	Total (1)
1988	\$ 8,131	\$ 41,991	\$ 9,506	\$ 5,514	\$ 4,953	\$ 13,541	\$ 5,323	\$ 88,959 <i>88,959</i>
1989	7,841	45,383	9,776	6,142	5,556	18,072	6,100	98,870 <i>94,465</i>
1990	9,138	48,696	9,286	6,482	5,987	37,840	10,439	127,868 <i>116,591</i>
1991	9,135	54,855	9,137	7,489	7,671	50,788	14,694	153,769 <i>132,984</i>
1992	10,168	59,649	10,442	8,272	8,076	43,578	17,051	157,236 <i>131,750</i>
1993	9,841	61,037	8,721	7,978	8,054	27,087	17,407	140,125 <i>113,870</i>
1994	9,806	63,283	9,393	7,225	8,048	25,554	34,280	157,589 <i>124,821</i>
1995	10,356	67,433	9,359	7,015	8,148	23,970	18,569	144,850 <i>111,527</i>
1996	11,131	69,566	10,912	6,908	7,932	20,098	17,636	144,183 <i>108,567</i>
1997	11,038	77,107	11,264	7,526	8,300	37,214	18,470	170,919 <i>105,274</i>

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

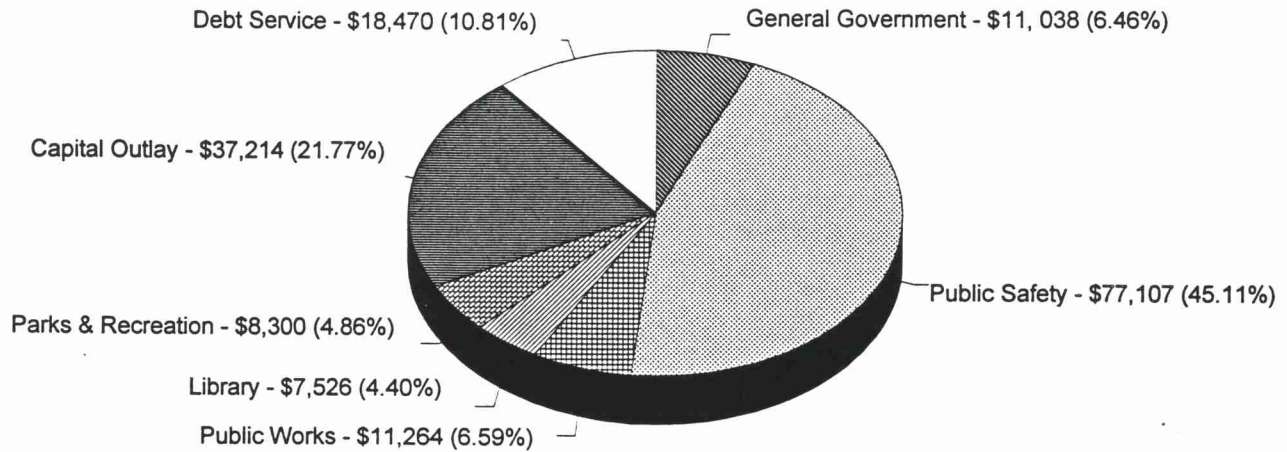
(1) Italicized numbers represent "constant dollars" based on the annual average (June-July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1988 as the base period (100%).
 Data provided by the United States Department of Labor, Bureau of Labor Statistics.

Source: City Finance Department

General Governmental Expenditures

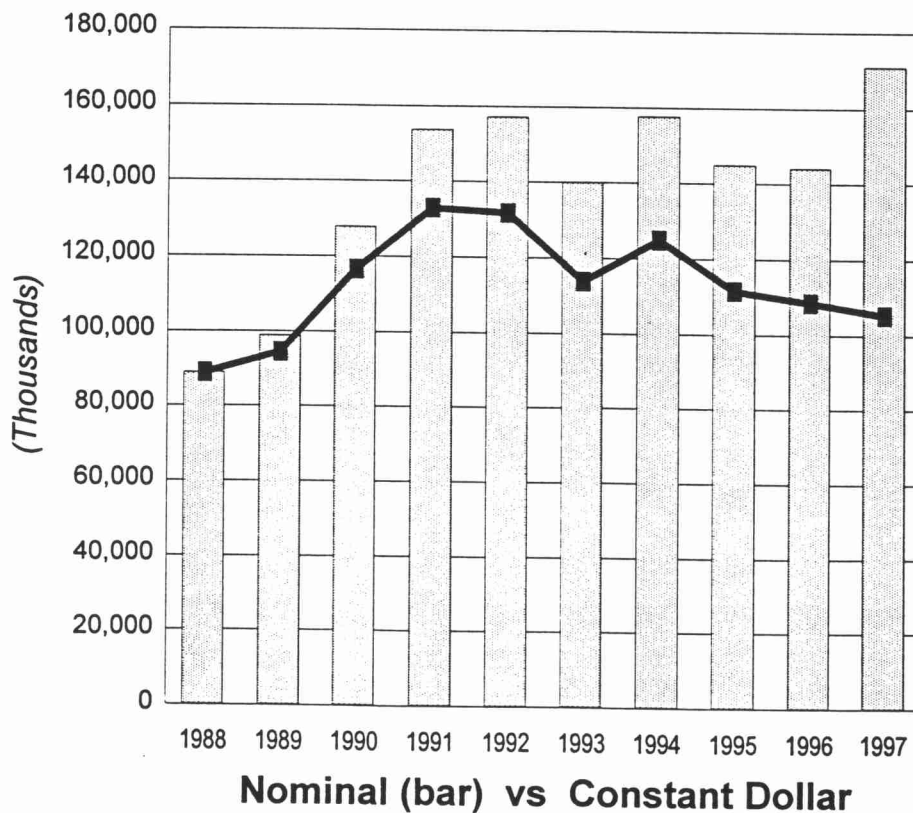
By Function

(in thousands)



Total Expenditures - \$170,919

Last Ten Fiscal Years



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	Inter-governmental	Charges for Services	Fines and Forfeit.	Use of Money & Property	Refunds and Reimb. (1)	Misc.	Total (2)
1988	\$ 53,179	\$ 2,351	\$ 2,183	\$ 10,773	\$ 8,992	\$ 733	\$ 4,118	\$ 0	\$ 2,289	\$ 84,803 84,803
1989	57,803	1,870	2,626	11,629	12,904	654	5,327	0	2,309	95,122 90,884
1990	63,657	1,947	2,827	13,166	15,972	670	7,561	0	3,188	108,988 99,376
1991	70,437	2,594	3,992	18,625	14,375	821	10,007	0	2,667	123,518 106,822
1992	76,883	2,198	4,565	16,660	11,144	786	8,030	5,031	1,773	127,070 106,474
1993	84,557	2,216	4,428	16,770	12,799	733	5,980	6,514	4,424	138,421 112,485
1994	89,530	2,217	3,301	16,557	14,033	632	4,673	2,065	4,060	137,068 108,567
1995	90,481	2,127	6,583	16,898	13,482	575	5,656	1,783	3,874	141,459 108,916
1996	89,402	2,281	9,943	17,977	16,051	612	6,809	6,611	5,017	154,703 106,025
1997	91,381	2,064	12,996	18,657	16,789	545	6,585	5,717	4,221	158,955 112,955

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

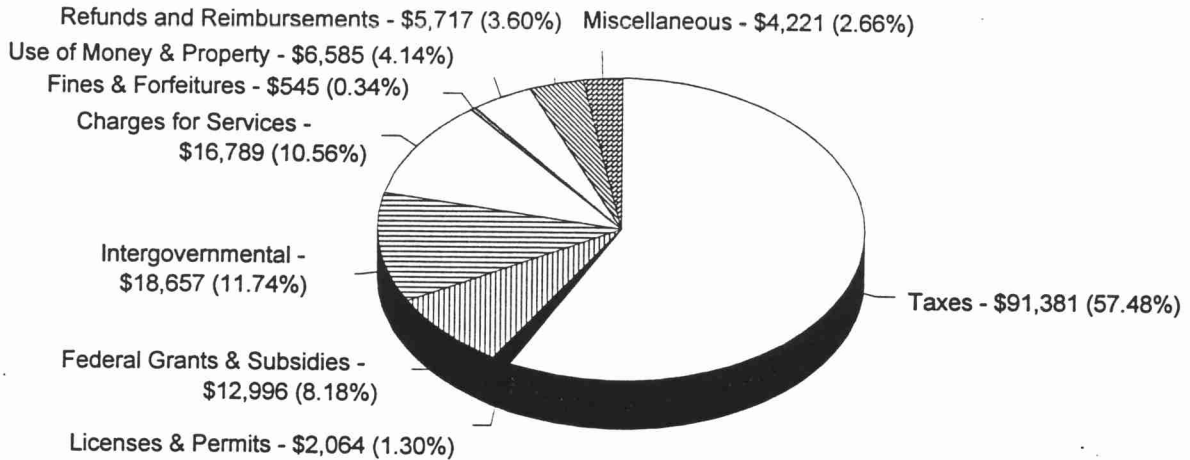
(1) Prior to fiscal year 1992, "Refunds and Reimbursements" was not reported as a revenue source.

(2) Italicized numbers represent "constant dollars" based on the annual average (June-July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1988 as the base period (100%).
Data provided by the United States Department of Labor, Bureau of Labor Statistics.

Source: City Finance Department

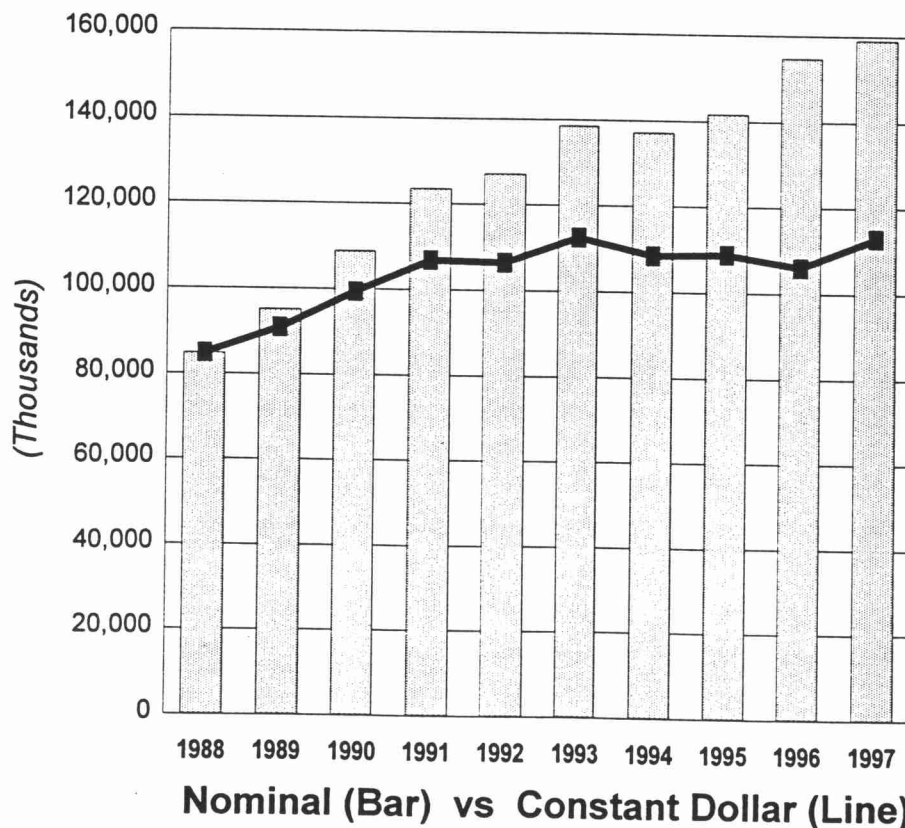
General Governmental Revenues by Source

(in thousands)



Total Governmental Revenues - \$158,955

Last Ten Fiscal Years



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	OTHER							Total (1)
				Transient Occupancy	Franchise	Document Transfer	Business License	Special Assmts.	Transit	Misc.	
1988	\$13,077	\$10,573	\$17,239	\$1,117	\$2,198	\$344	\$3,405	\$5,135	\$66	\$25	\$53,179 53,179
1989	13,815	11,541	18,139	1,150	2,425	290	3,656	6,687	79	21	57,803 55,228
1990	15,298	12,459	20,258	1,274	2,883	560	4,012	6,817	78	18	63,657 58,043
1991	16,853	14,531	20,689	1,274	2,981	381	4,520	9,102	83	23	70,437 60,916
1992	18,231	16,731	20,528	1,149	3,097	1,092	4,733	11,220	87	15	76,883 64,421
1993	17,703	18,719	21,017	1,107	3,414	1,266	4,990	16,237	83	21	84,557 68,714
1994	18,841	20,466	22,416	1,044	3,203	1,469	4,820	17,253	-	18	89,530 70,914
1995	15,684	21,706	22,984	1,121	3,935	1,395	4,927	18,470	176	83	90,481 69,666
1996	16,207	21,141	23,710	1,106	3,350	1,230	4,964	17,439	-	255	89,402 67,008
1997	15,820	22,271	23,983	1,136	3,951	1,391	5,459	17,160	192	18	91,381 66,721

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

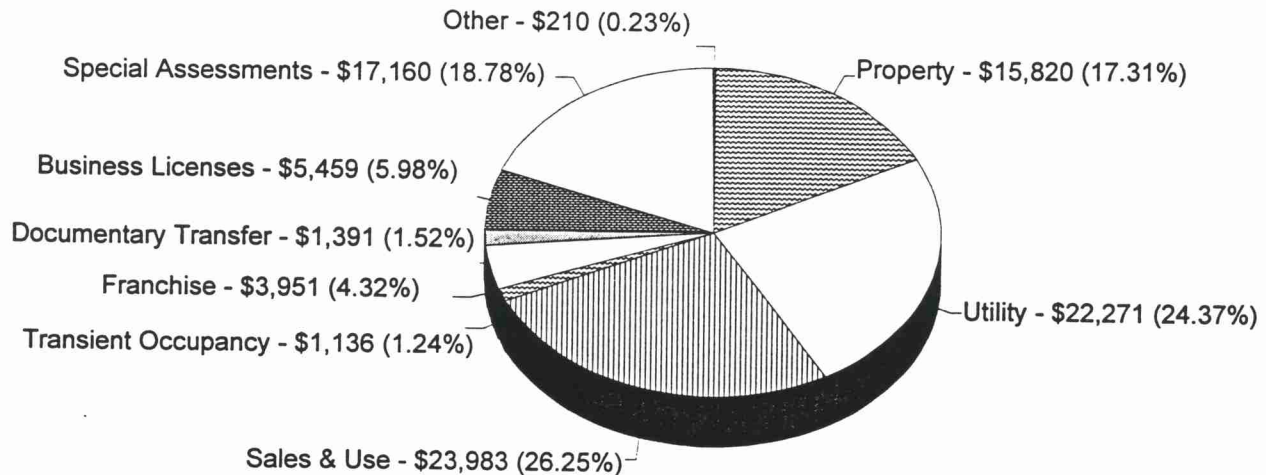
(1) Italicized numbers represent "constant dollars" based on the annual average (June-July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1988 as the base period (100%).
 Data provided by the United States Department of Labor, Bureau of Labor Statistics.

Source: City Finance Department

General Governmental Tax Revenues

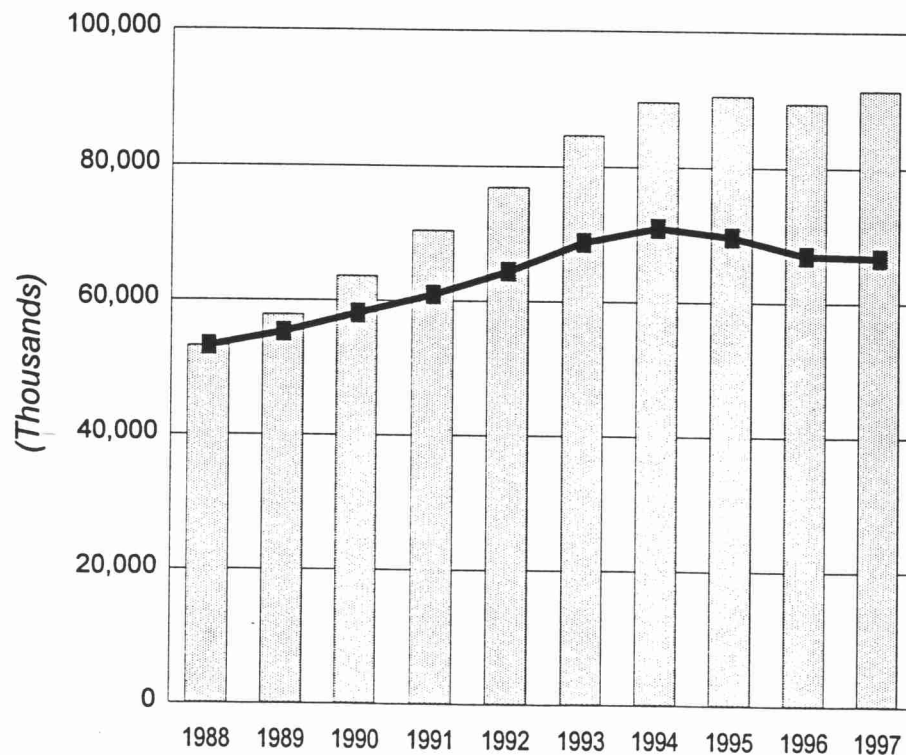
by Source

(in Thousands)



Total Tax Revenues - \$91,381

Last Ten Fiscal Years



Nominal (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	Percent of Total Collections to Tax Levy
1988	\$ 10,663	\$ 10,130	95.00 %	\$ 737	\$ 10,867	101.91 %
1989	10,849	10,307	95.00	338	10,645	98.12
1990	11,939	11,342	95.00	727	12,069	101.09
1991	13,591	12,911	95.00	742	13,653	100.46
1992	15,333	14,567	95.00	595	15,162	98.88
1993	14,758	14,021	95.01	746	14,767	100.06
1994	14,959	13,237	88.49	2,319	15,556	103.99
1995	13,539	13,146	97.10	--	13,146	97.10
1996	13,763	13,763	100.00	--	13,763	100.00
1997	13,626	13,626	100.00	--	13,626	100.00

Source: San Joaquin County Auditor/Controller's Office

CITY OF STOCKTON

TABLE 4

ASSESSED FULL CASH VALUE OF ALL TAXABLE PROPERTY LAST TEN FISCAL YEARS

(Dollar amounts in thousands)

Fiscal Year	Secured Roll	Mineral	Utility Roll	Unsecured Roll	Gross Assessed Value	Less Exemptions (1)	Net Assessed Value
1988	\$ 4,710,741	\$ 11,195	\$ 277,911	\$ 455,447	\$ 5,455,294	\$ 587,347	\$ 4,867,947
1989	5,035,095	4,721	14,091	619,707	5,673,614	613,203	5,060,411
1990	5,494,755	4,406	13,826	630,184	6,143,171	544,353	5,598,818
1991	6,189,799	77	13,407	685,871	6,889,154	580,050	6,309,104
1992	6,898,650	47	12,390	695,175	7,606,262	621,045	6,985,217
1993	7,332,787	47	8,628	714,270	8,055,732	640,394	7,415,338
1994	7,701,613	0	10,645	730,770	8,443,029	647,588	7,795,441
1995	7,808,294	0	11,171	755,919	8,575,384	678,052	7,897,332
1996	8,001,731	0	11,523	801,470	8,814,724	710,256	8,104,468
1997	7,995,188	0	11,644	783,505	8,790,337	733,337	8,057,000

Fiscal Year	Land	Improvements	Personal Property	Gross Assessed Value	Less Exemptions (1)	Net Assessed Value
1988	\$ 1,294,124	\$ 3,672,147	\$ 489,023	\$ 5,455,294	\$ 587,347	\$ 4,867,947
1989	1,381,723	3,658,708	633,183	5,673,614	613,203	5,060,411
1990	1,538,089	4,054,916	550,166	6,143,171	544,353	5,598,818
1991	1,853,170	4,434,840	601,144	6,889,154	580,050	6,309,104
1992	2,080,789	4,914,778	610,695	7,606,262	621,045	6,985,217
1993	2,224,227	5,214,891	616,614	8,055,732	640,394	7,415,338
1994	2,308,510	5,511,138	623,380	8,443,029	647,588	7,795,441
1995	2,296,566	5,659,621	619,197	8,575,384	678,052	7,897,332
1996	2,348,413	5,802,491	663,820	8,814,724	710,256	8,104,468
1997	2,297,478	5,848,754	644,105	8,790,337	733,337	8,057,000

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

(1) Exemptions are total of homeowners (225,050) and other (508,287) exemptions.

Source: San Joaquin County Auditor/Controller's Office

CITY OF STOCKTON

TABLE 5

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

Fiscal Year	Basic Countywide Levy	City	School (1)	Total
1988	1.00 %	0.36 %	1.62 %	2.98 %
1989	1.00	0.33	1.35	2.68
1990	1.00	0.32	1.28	2.60
1991	1.00	0.29	1.01	2.30
1992	1.00	0.28	3.13	4.41
1993	1.00	0.27	3.46	4.73
1994	1.00	0.24	3.04	4.28
1995	1.00	0.00	1.29	2.29
1996	1.00	0.00	3.32	4.32
1997	1.00	0.00	1.03	2.03

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

(1) Stockton Unified School District - Building Loan Repayment

Source: San Joaquin County Auditor/Controller's Office

CITY OF STOCKTON

TABLE 6

PRINCIPAL SECURED PROPERTY TAXPAYERS

June 30, 1997

(Dollar amounts in thousands)

Taxpayer	Nature of Business	1997 Assessed Valuation	Percentage of Total Assessed Valuation
C P C Inc., International	Heavy Industrial Factory	\$ 101,246	1.392 %
Kaiser Foundation Hospital	Medical Offices	82,150	1.129
Diamond Walnut Growers	Fruit and Vegetable	49,480	0.680
Newark Group, Industries Inc.	Heavy Industrial Factory	32,564	0.448
Posdef Power Company	Industrial	29,553	0.406
Cargill Incorporated	Feed and Grain Mill	21,605	0.297
American Savings Bank	Three + Story Office Building	21,044	0.289
American Honda Motor Company	Warehousing - Active	19,044	0.262
Toys R Us, Inc.	Warehousing - Active	17,940	0.247
Iris USA, Inc.	Light Industrial & Warehousing	17,734	0.244
Principal Secured Property Valuation		392,360	5.394
Other Secured Taxpayers		6,881,919	94.606
Total Secured Property Valuation - Net (1)		\$ 7,274,279	100.000 %

(1) Exemptions relative to the secured tax roll are \$224,857 (homeowners) and \$496,054 (other).

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
1988	\$ 6,115	\$ 5,755	94.11 %	\$ 792
1989	6,773	5,639	83.26	2,011
1990	7,512	7,157	95.27	765
1991	9,800	9,296	94.86	1,207
1992	12,880	11,114	86.29	1,766
1993	17,677	14,994	84.82	2,631
1994	18,596	16,441	88.41	2,815
1995	18,941	17,869	94.34	2,168
1996	17,241	16,845	97.70	1,909
1997	16,763	16,379	97.71	1,620

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, 1997

(Dollar amounts in thousands)

Total Assessed Valuation (net of exemptions)	\$8,282,050
Less: Redevelopment Tax Increments	102,759
Basis of Levy	<u>\$8,179,291</u>
Debt Limit - 15 Percent of Assessed Value (1)	\$1,242,308
Amount of Debt Applicable to Debt Limit	<u>- -</u>
Legal Debt Margin	<u>\$1,242,308</u>

(1) Section 43605 California Government Code

Source: 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	Gross Bonded Debt	Debt Payable From Enterprise Revenue	Net Debt	Ratio of Net Bonded to Assessed Value	Net Bond Debt per Capita
1988	189,192	\$ 5,455,294	\$ 2,865	\$ 2,130	\$ 735	0.013 %	\$ 3.885
1989	192,312	5,673,614	2,075	1,450	625	0.011	3.250
1990	195,223	6,143,171	1,250	740	510	0.008	2.612
1991	215,100	6,889,154	390	0	390	0.006	1.813
1992	221,585	7,606,262	265	0	265	0.003	1.196
1993	226,300	8,055,732	135	0	135	0.002	0.597
1994	228,733	8,443,029	0	0	0	0.000	0.000
1995	232,770	8,575,384	0	0	0	0.000	0.000
1996	233,600	8,814,724	0	0	0	0.000	0.000
1997	236,500	8,790,337	0	0	0	0.000	0.000

1990 Federal Census Population - 210,943

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

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

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	Ratio of Debt Service to General Government Expenditures
1988	\$ 105	\$ 34	\$ 139	\$ 88,959	0.156 %
1989	105	34	139	98,870	0.141
1990	115	25	140	127,868	0.109
1991	120	19	139	153,769	0.090
1992	301	60	361	157,236	0.230
1993	367	51	418	140,125	0.298
1994	290	41	331	157,589	0.210
1995	165	31	196	144,850	0.135
1996	180	19	199	144,183	0.138
1997	190	7	197	170,919	0.115

(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

CITY OF STOCKTON

TABLE 11

DIRECT AND OVERLAPPING BONDED DEBT (1)

June 30, 1997

Direct and Overlapping Bonded Debt	Percentage Applicable to City	City Share of Debt
San Joaquin County Certificates of Participation	36.276 %	\$ 70,206,757
San Joaquin Delta Community College District Certificates of Participatio	33.284	2,791,714
Lodi Unified School District Certificates of Participation	22.509	2,200,255
Lincoln Unified School District Community Facilities District #1	85.906	16,017,174
Manteca Unified School District Community Facilities District #89-1	100.000	1,440,000
Lincoln Unified School District Certificates of Participation	85.906	3,599,461
Stockton Unified School District Certificates of Participation	84.715	14,825,125
Tracy Joint Union High School District Certificates of Participation	0.007	17
Stockton Wastewater Service Facilities District	100.000	1,460,000
Stockton Water Service Facilities District	100.000	510,000
City of Stockton Parking District	100.000	9,030,000
City of Stockton Community Facilities District #1	100.000	32,660,000
City of Stockton Community Facilities District #90-1	97.282	14,674,990
City of Stockton Community Facilities District #90-2	100.000	36,135,000
City of Stockton Community Facilities District #90-4	100.000	17,890,554
City of Stockton Community Facilities District #96-1	100.000	1,960,000
City of Stockton 1915 Act Bonds	100.000	62,332,000
Reclamation District #2042 Community Facilities District #89-1	40.657	3,496,502
San Joaquin Area Flood Control Assessment District	84.019	46,420,498
South San Joaquin Irrigation District Certificates of Participation	84.019	15,442
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT		337,665,489
South San Joaquin Irrigation District (100% self-supporting)		15,442
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT		\$ 337,650,047

1996-97 Assessed Valuation: \$8,179,291,367

(after deducting \$102,758,947 redevelopment incremental valuation and other exemptions of \$508,287,040)

1996-97 Population: 236,500

Debt Ratios	Per Capita	Ratio to Assessed Value
Direct Debt - City of Stockton General Obligation Bond	--	--
Total Gross Debt	\$337,665,489	1,428
Total Net Debt	\$337,650,047	1,428

State School Building Aid Repayable as of 06/30/97 : \$2,118,500

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

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

CITY OF STOCKTON
TABLE 12

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		Total	Coverage
				Principal	Interest		
1988	\$ 878	\$ 24	\$ 854	\$ 1,490	\$ 0	\$ 1,490	0.573
1989	646	18	628	410	0	410	1.532
1990	505	16	489	790	0	790	0.619
1991	398	20	378	289	494	783	0.483
1992	297	13	284	117	246	363	0.782
1993	162	12	150	0	0	0	N/A
1994	84	24	60	0	0	0	N/A
1995	7	16	(9)	0	0	0	N/A
1996	4	2	2	0	0	0	N/A
1997	0	0	0	0	0	0	N/A

STOCKTON RECREATION CORPORATION - GOLF COURSE (2)

Fiscal Year	Operating Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements		Total	Coverage
				Principal	Interest		
1988	\$ 1,270	\$ 1,028	\$ 242	\$ 59	\$ 30	\$ 89	2.719
1989	1,369	1,179	190	62	26	88	2.159
1990	1,544	1,231	313	66	22	88	3.557
1991	1,472	1,208	264	70	18	88	3.000
1992	1,588	1,481	107	239	2	241	0.444
1993	1,639	1,337	302	0	0	0	N/A
1994	1,674	1,380	294	0	0	0	N/A
1995	1,535	1,672	(137)	0	0	0	N/A
1996	1,703	1,552	151	0	0	0	N/A
1997	1,709	1,719	(10)	0	0	0	N/A

(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.

TABLE 13

LAST TEN FISCAL YEARS

1990 Federal Census Population: 210,943 (City)
480,628 (County)

Source: City Community Development Department
State of California, Department of Finance, Demographic Research Unit

CITY OF STOCKTON
TABLE 14

CONSTRUCTION ACTIVITY AND BANK DEPOSITS
LAST TEN FISCAL YEARS

(Dollar amounts in thousands)

Fiscal Year	Building Permits Issued	Percent Change	Estimated Valuation	Percent Change	Deposits - Banks Savings & Loans Credit Unions (1)	Percent Change
1988	3,977	-0.996 %	\$ 199,753	1.712 %	\$ 4,650,329	-16.914 %
1989	4,298	8.071	193,330	-3.215	6,267,148	34.768
1990	4,646	8.097	208,117	7.649	3,870,805	-38.237
1991	5,358	15.325	238,298	14.502	3,611,945	-6.687
1992	5,097	-4.871	158,443	-33.511	3,446,481	-4.581
1993	4,890	-4.061	173,374	9.424	3,142,384	-8.823
1994	4,783	-2.188	191,629	10.529	2,993,673	-4.732
1995	4,775	-0.167	149,383	-22.046	3,225,068	7.729
1996	5,841	22.325	211,338	41.474	2,889,608	-10.402
1997	5,730	-1.900	211,016	-0.152	N/A	N/A

(1) Current Fiscal Year data becomes available the following year

Source: City Community Development Department
Sheshunoff Information Services, Austin TX

CITY OF STOCKTON

Table 15

MISCELLANEOUS STATISTICS

June 30, 1997

GEOGRAPHICAL LOCATION

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

GENERAL

Date of Incorporation	July 25, 1850
City Charter Adopted	January 15, 1889
Form of Government	Council-Manager
Area/Square Miles	55.50
Elevation	23

LAND USE -SQUARE MILES

Residential	14.47
Commercial	2.94
Industrial	5.94
Institutional	4.40
Vacant, Agricultural	17.00
All Other Use	10.75
	55.50

PUBLIC WORKS

Miles of Streets	660
Miles of Storm Sewers	377
Miles of Sanitary Sewers	733
Miles of Water Lines	381
Traffic Signals	204

LIBRARIES

Stockton	
Central Library	1
Branches	3
Library Mobile Units	2
S.J. County Branches	6
Total Volumes Held	1,867,175

HOSPITALS

Acute Care Facilities	2
Patient Beds	568

POLICE PROTECTION

Personnel:	
Sworn	373
Non-Sworn	170
Animal Control	10
Reserve/Volunteer Police	
Officers	31
Other Volunteers (VIP's)	63
Facilities:	
Stations and Substations	3
Animal Control Facility	1
Police Pistol Range	1
Vehicles:	
Automobiles	207
Motorcycles	20
Animal Control Vehicles	8
VIPS Vehicles	6
Other Mobile Units	54

FIRE PROTECTION

Firefighters - Sworn	231
Firefighters - Auxiliary	24
Non-Sworn Personnel	27
Paramedic Teams (2/Team)	7
Fire Stations	12
Training Facilities	1
Fire Insurance Class	1
Fire Hydrants	6,773

EMPLOYEES - ALL DEPARTMENTS

Full Time-Civil Service	1,621
Full time-Noncompetitive	145
Part-Time-Exempt	721
Total	2,487

CULTURE AND RECREATION

Parks and Squares	50
Park Acreage	527
Boating Facilities - Lanes	8
Municipal Golf Courses	3
Golf course acreage	390
Family Camps	1
Museums	1
Children's Amusement	1
Civic Auditorium (3,500 capacity)	1
Senior Citizens Centers	2
Ice Rinks	1
Community Centers	6
Swimming Pools	7
Baseball/Softball Diamonds	41
Tennis Courts	60

BUSINESS TAX CERTIFICATES

Retail Sales & Service	7,500
Wholesalers	300
Manufacturers & Processors	125
Professions	2,800
Misc. Contractors, Peddlers, Delivery Vehicles, etc.	3,500

DEMOGRAPHIC

Registered Voters - City	101,706
Registered Voters - County	249,595
Number of Households	77,608
Average Household Income	41,657

PUBLIC EDUCATION FACILITIES

Elementary Schools	42
Enrollment	28,984
K-8 Schools	12
Enrollment	6,412
Secondary Schools	8
Enrollment	7,967
High Schools	5
Enrollment	11,853
Alternative Education	6
Enrollment	3,139
Regional Occupational Center	1
Enrollment	1,200
Community Centers	6
Swimming Pools	7
Baseball/Softball Diamonds	41
Tennis Courts	60

COLLEGES & UNIVERSITIES

Junior Colleges	1
4-Year Colleges	5
4-Year Colleges (Satellite Campus)	2

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, 1997

Type of Coverage	Company	Period	Amount/Limits (in thousands)
General Liability Excess	California Joint Powers Authority	07/01/96 - 06/30/97	\$9,000,000 XS SIR
Worker's Comp Excess	General Reinsurance Corporation	01/01/96 - 01/01/98	\$ 10,000,000 - per accident/per employee \$ 1,000,000 - employer's liability
Property Coverage Including Library Comprehensive Business Policy	Westchester Fire Continental Casualty Lexington	07/01/96 - 07/01/97	\$200,000,000
Boiler & Machinery Insurance	American Manufacturers	07/01/96 - 07/01/97	\$10,000,000
Swimming Pool Insurance	Monticello Insurance Company	05/21/97 - 09/18/97	\$500,000 CSL GI, PI incl. \$500,000 Aggregate
Finance Director Bond	The Hartford	07/08/96 - 07/08/97	\$100,000
Employees Blanket Bond	Continental Insurance	09/22/96 - 09/22/97	\$250,000 \$65,000 inside premises \$25,000 outside premises
Public Official Bond	Continental Insurance	01/01/96 - 12/31/98	\$5,000
Blanket Notary	Western Surety Company	04/18/97 - 04/18/98	\$30,000
Medical Plan Stop Loss and Conversion Plan	Standard Insurance Company	05/01/97 - 04/30/98	\$850,000 per covered individual per coverage year
Accident Insurance	AIG Life Insurance Company	01/24/97 - 01/24/98	\$200,000 per person \$600,000 per accident
Accident Insurance	AIG Life Insurance Company	03/05/97 - 03/05/98	\$200,000 per person \$600,000 per accident

Deductible	Premium	Details of Coverage
\$1,000,000 SIR	\$486,335.00	Excess auto-comp., general liability errors and omissions liability and excess non-owned aircraft liability.
\$325,000 each accident each employee	\$0.153/\$100.00 Payroll	Covers worker's comp claims in excess of self-insured retention.
\$25,000	\$49,012.42	Real/personal property, rental value, extra expense, leasehold interest, valuable papers & records, A/R, fine arts, transit, demolition, and increased cost of construction. Automatic acquisition for the perils of all risk.
\$5,000	\$6,200.00	Boilers; compressed air storage tanks
\$1,000	\$10,835.00	OL&T liability coverage - City-owned pools (7) Non City-owned pools (10)
\$0	\$500.00	Bond
\$10,000 \$2,500	\$11,929.00	Employee dishonesty forgery, FP, theft, and disappearance
\$0	\$700.00	Faithful performance by Councilmembers
\$0	\$811.00	Errors and Omissions
\$150,000 per covered individual per coverage year	\$14.74 per employee per month	Medical plan claims in excess of self-insured retention, and conversion benefit plan option
\$0.00	\$2,363.00	Travel Accident Coverage when on business of this City for management employees
\$0.00	\$735.00	Travel Accident Coverage when on business of this City for non-management employees

LOCATION MAP



ACCOUNTING SECTION, CITY OF STOCKTON FINANCE DEPARTMENT



Pictured (left to right), first row: Glenda Harris Wall, Shazia Sualeheen, Janet Salvetti, Janice Carlile, second row: Candy Retamoza, Liz Lovato, Gilbert Garcia, Gay Scheile, Tammy Busby, Third row: Ralph Risso, Cathy Lucas, Lynne Farrar. Not pictured: Todd Reich

