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*Stockton*



*COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998*

*CITY OF STOCKTON, CALIFORNIA*

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

Through the years, several changes were made in an attempt to modernize the appearance of the 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, 1998***

***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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YEAR ENDED JUNE 30, 1998

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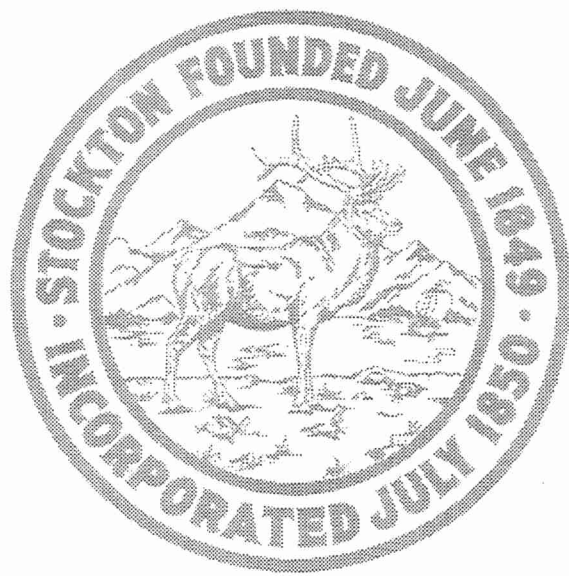
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**CITY OF STOCKTON**

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



December 1, 1998

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, 1998. 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 and Stockton Public Financing Authority are reported as part of the Special Revenue Funds, Capital Projects Funds, Debt Service Funds, and General Long-Term Debt Account Group.



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 CONDITIONS AND OUTLOOK**

### **Economic Trends**

The California economy has recovered from the recession of the early 1990's and the restructuring that was caused by the closing of many military bases and the reduction in federal defense spending.

Even as the California Economy improved as a whole some regions of the central valley, including San Joaquin County and Stockton, will lag behind statewide growth.

Consumer confidence, however is generally positive. This is attributable at least in part to lower interest rates, an increase in residential construction, and an increase in investment in plant and equipment. In addition the trend for non-residential construction is up, with the most prominent areas being industrial and office buildings, restaurants and hotels.

There is also an effort to attract high tech firms from the Silicon Valley. This is thought feasible because of lower wages, housing and land costs in the San Joaquin Valley.

The downside to the attempt to attract Silicon Valley companies is the cost of doing business in the form of the tax burden. Stockton is relatively high compared to bay area locations.

For the most part, the county area is doing well at attracting and retaining businesses. Although food processors seem to be leaving the county other manufacturing businesses are taking their place.

Agriculture continues to be the number one industry in the county and output reached another all time high of nearly \$1.5 billion in fiscal year 1998. The multiplier effect on the local economy could expand this to \$5-7 billion. For the first year, grapes have overtaken dairy products as the number one product in this sector.

### **Jobs/Labor Market**

The jobs picture in the Stockton area is the brightest in years with 56% of businesses planning to add staff or maintain current levels and none planning to decrease staff. Retail trade is one of the job market's strongest sectors, with residential and industrial construction also expected to grow.

Durable and nondurable goods manufacturing, wholesales/retail trade, services and public administration are

the sectors with the strongest growth projected.

### **Real Estate/Housing**

In spite of the fact that sales of single family home sales are up substantially, 56% over June 1997, the median sales price remains unchanged at \$97,000. While sales and price gains are expected to moderate somewhat as the impact of the Asian crisis reaches California's shores the real estate market is expected to remain strong.

The San Francisco 49er football team has relocated their summer practice camp to the University of the Pacific in Stockton. The result was an additional boost to the local economy. Over 129,000 fans attended sessions and spent an estimated \$3-5 million locally.

### **MAJOR INITIATIVES**

The fiscal year 1997-98 major focus was on streamlining City operations including possible privatization of some functions, crime reduction, and revitalizing the downtown area.

- Privatization has become an increasingly popular method of reducing costs in government and is receiving a lot of attention in Stockton. Currently a number of areas are served by outside contractors, including parking meter collections, security, parking citation processing, and utility payments to name a few. Additional areas that are candidates for privatization will be identified and studied for feasibility.
- Under the umbrella of the Safe Stockton Programs the Police Department has effectively implemented community oriented policing. After school recreation, a truancy and curfew center, and close collaboration with the Probation Department have all assisted in the continuance of a decline in the crime rate, down over 5% in 1997.
- In the downtown area, the Fox Theater Programs of major entertainment events has had a very positive impact on the downtown area as a whole.
- The purchase of the Gateway property, a major entrance to the City, for redevelopment is another positive step.
- Stanislaus State University is moving its multi-regional satellite campus from San Joaquin Delta College to the old State Hospital property and will provide additional educational opportunities for residents.
- Commuter rail service from Stockton to San Jose began in October of 1998.

### **For the Future**

A number of projects are planned or proposed for the downtown area, including: a multi-block shopping area at the east end of downtown, renovation of the Stockton Hotel, and a major theater complex which is proposed in conjunction with the Stockton Hotel renovation.



## **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, 1998, 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 1997</u>	<u>Percent Increase (Decrease)</u>	
Taxes						
Property	\$ 16,270	9.60	%	\$ 450	2.84	%
Utility	22,994	13.58		723	3.25	
Sales and Use	25,290	14.94		1,307	5.45	
Franchise	4,056	2.40		105	2.66	
Business License	5,244	3.10		(215)	(3.94)	
Other	20,048	11.84		151	0.76	
Licenses and Permits	2,337	1.38		273	13.23	
Federal Grants and Subsidies	13,269	7.84		273	2.10	
Intergovernmental	26,275	15.52		7,618	40.83	
Charges for Services	19,051	11.25		2,262	13.47	
Fines and Forfeitures	511	0.30		(34)	(6.24)	
Use of Money and Property	2,170	1.28		797	58.05	
* Investment Income	5,596	3.30		(265)	(4.52)	
Refunds and Reimbursements	988	0.58		(4,729)	(82.72)	
Miscellaneous	5226	3.09		1,005	23.21	
	<u>\$169,325</u>	<u>100.00</u>	%	<u>\$ 9,721</u>	<u>6.09</u>	%

\* The recognition of Investment Income as a separate revenue source, beginning in fiscal year 1998, is a result of the implementation of GASB 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools."

Net assessed full cash value of all taxable property was \$8,211 and increased 1.91 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, 1998, and the percentage of increase and decrease in relation to prior year amounts (as restated).

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1997</u>	<u>Percent Increase (Decrease)</u>
Current:				
General Government	\$ 11,037	6.73%	\$ (1)	(.01)%
Public Safety	79,432	48.46	2,325	3.02
Public Works	11,152	6.80	(112)	(.99)
Culture and Recreation	16,524	10.08	698	4.41
Capital Outlay	29,315	17.90	(7,899)	(21.23)
Debt Service				
Principal	5,623	3.43	(232)	(3.96)
Interest and				
Fiscal Charges	10,816	6.60	(1,799)	(14.26)
	<u>\$ 163,899</u>	<u>100.00%</u>	<u>\$ (7,020)</u>	<u>(4.11)%</u>

Total expenditures decreased by 4.11 percent or \$7,020.

### **General Fund Balance**

The fund balance of the general fund (as restated) decreased by \$3,333. The variance in fund balance is due primarily to cost of living adjustments and increases in operating and maintenance costs that were not offset by a corresponding increase in revenue to the general fund. The unreserved fund balance of \$6,968 is 4.25% of fiscal year 1997/98 total expenditures.

### **ENTERPRISE OPERATIONS** (Excluding Central Parking District)

Fiscal year 1997/98 ended with a total net increase of \$14,024 in total fund equity, 6.42 percent more than last year (as restated).

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	\$ 12,214	\$ 27,580	\$ 4,597	\$ 4,263	\$ 1,708
Operating Income	1,206	3,355	251	(2,484)	(123)
Bonds and Other Long-Term Liabilities Payable From					
Operating Revenue	18,162	116,148	1,584	9,509	--
Net Book Value of					
Fixed Assets	49,010	148,105	29,275	1,194	1,151
Total Assets	68,246	273,235	35,065	9,628	1,746
Fund Equity	48,318	149,946	33,320	(574)	1,530

### **FIDUCIARY OPERATIONS**

The City contributed to the Public Employees' Retirement System (PERS) \$16,029 (for employer and

employees). The gross reportable payroll for employees covered by PERS was \$76,704. The 1997/98 combined employer-employee rates as a percentage of payroll are as follows:

	<u>July-Dec</u>	<u>Jan-Jun</u>
Miscellaneous Members	15.892 %	18.084 %
Public Safety		
Police	26.006	24.205
Fire	26.006	24.205

The contribution rates will meet all ongoing costs and fund the unfunded actuarial liabilities for City employees by the year 2016.

### **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 1997/98, 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 was \$12,144. \$932 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 third year of a five-year contract. In addition to meeting the requirements of the City Charter, the audit was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related Circular A-133. The 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, 1997. 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 nine 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 seventh consecutive year from the California Society of Municipal Finance Officers (CSMFO) for its CAFR for the fiscal year ended June 30, 1997. 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. The Reprographics Section, under the supervision of Fred Dimas, Reprographics Supervisor, provides invaluable assistance in the printing and physical production of the CAFR.

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

Respectfully submitted,

A handwritten signature in black ink, reading "L. Patrick Samsell". The signature is written in a cursive, flowing style. The first name "L. Patrick" is written in a smaller, more compact script, while "Samsell" is written in a larger, more prominent script.

**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, 1997. 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, 1997**

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.



*Douglas R. Ellsworth*  
President

*Jeffrey L. Esser*  
Executive Director

# California Society of Municipal Finance Officers

Certificate of Award

*Outstanding Financial Reporting 1996-97*

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.*

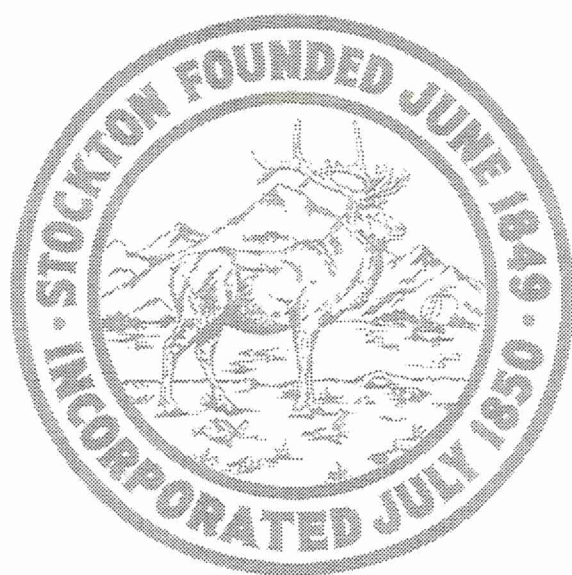
*February 23, 1998*



A stylized, handwritten signature in dark ink, appearing to read "D. H. H.", positioned above the title.

Chair, Professional & Technical Standards Committee

*Dedicated to Excellence in Municipal Financial Management*





# CITY OF STOCKTON CITY COUNCIL



GARY A. PODESTO  
MAYOR



VICTOR MOW  
VICE MAYOR  
*DISTRICT 3*



ANN JOHNSTON  
COUNCILMEMBER  
*DISTRICT 1*



RICHARD F. NICKERSON, MD  
COUNCILMEMBER  
*DISTRICT 2*



LARRY RUHSTALLER  
COUNCILMEMBER  
*DISTRICT 4*



DUANE ISETTI  
COUNCILMEMBER  
*DISTRICT 5*



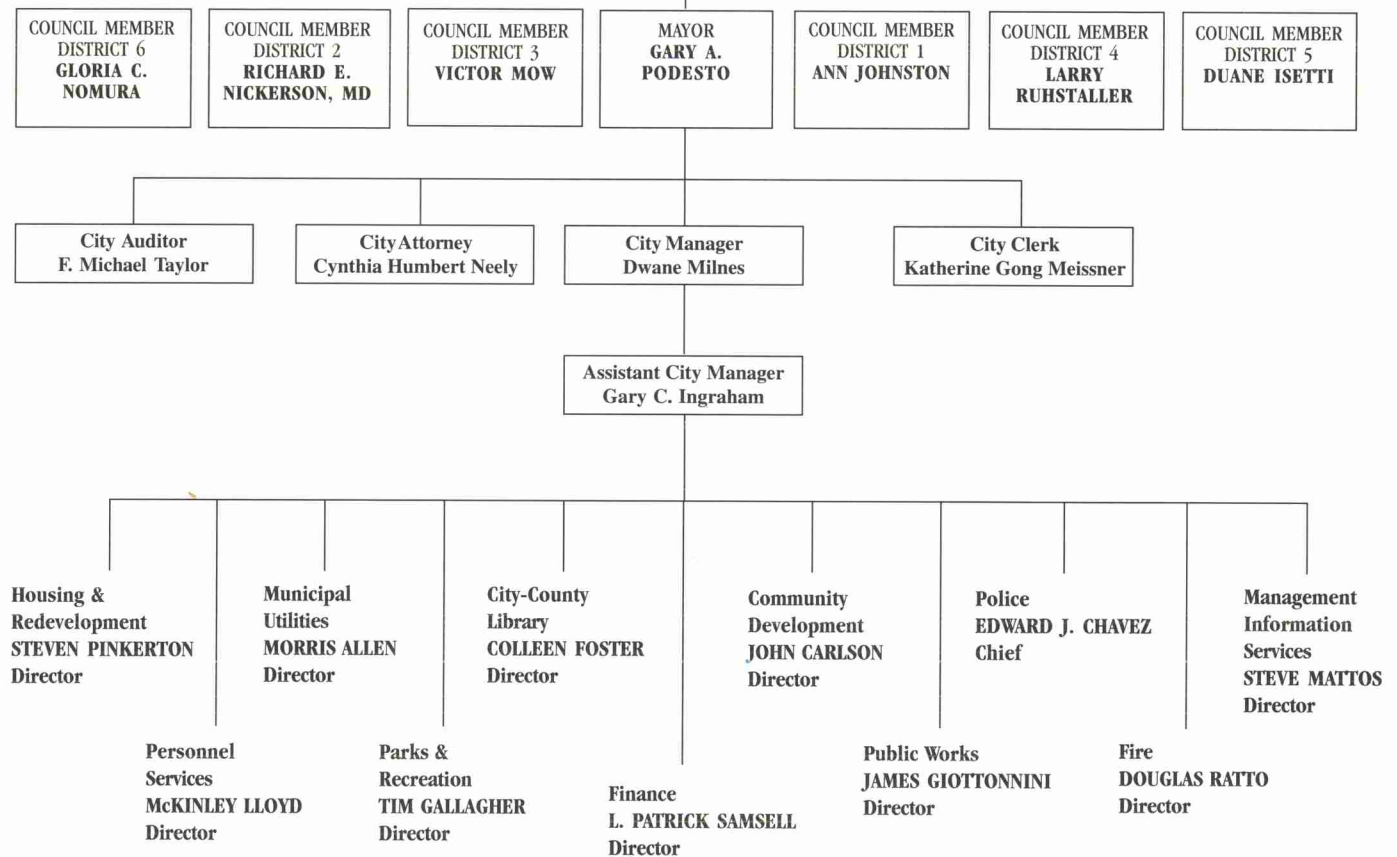
GLORIA C. NOMURA  
COUNCILMEMBER  
*DISTRICT 6*



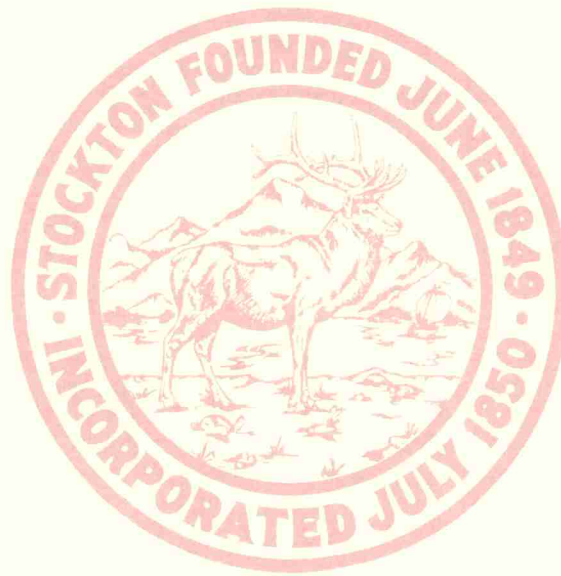
**CITY OF STOCKTON**  
**ORGANIZATION CHART / LIST OF PRINCIPAL OFFICIALS**  
**JUNE 30, 1998**

**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 Funds and Capital Projects Funds.

##### **Proprietary Fund Types**

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

##### **Fiduciary Fund Types**

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

##### **Account Groups**

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

#### 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, 1998, 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, 1998, 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.

As discussed in Notes 1 and 2 to the general purpose financial statements, in 1998 the City changed its method of accounting for investments to conform to Governmental Accounting Standards Board ("GASB") Statement 31, "Accounting and Reporting for Certain Investments and for External Investment Pools," and, retroactively, restated its 1997 financial statements for the change. As discussed in Notes 1 and 14, in 1998 the City adopted GASB Statement 27, "Accounting for Pensions by State and Local Government Employers," and accordingly, modified its footnote disclosure regarding its pension plan. As discussed in Notes 1 and 13, in 1998 the City adopted GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred compensation Plans," and, accordingly, removed the Deferred Compensation Agency Fund from its 1998 balance sheet.

Our audit was performed 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 purpose 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 30, 1998 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.

The data in the statistical section listed in the foregoing table of contents is presented for purpose 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 30, 1998

# CITY OF STOCKTON

## COMBINED BALANCE SHEET ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT JUNE 30, 1998 (With comparative totals for June 30, 1997) (Dollar amounts in thousands)

	Governmental Fund Type				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<b>ASSETS AND OTHER DEBITS</b>						
<b>ASSETS:</b>						
Cash and temporary investments	\$ 3,186	\$ 7,845	\$ 16,441	\$ 57,862	\$ 69,016	\$ 25,930
Cash with fiscal agents	74	-	8,469	2,248	201	-
Receivables:						
Interest	246	65	-	856	1,048	-
Taxes and special assessments	43	-	1,726	-	-	-
Accounts and other receivables	6,770	8	165	2,318	6,643	638
Allowance for uncollectibles	(895)	-	-	-	(379)	(269)
Due from other funds	1,330	-	-	2,282	-	-
Due from other governments	2,497	12,955	(3)	50	-	4
Due from other agencies	-	-	-	-	-	-
Inventory of supplies	300	-	-	-	1,250	-
Restricted assets:						
Cash and temporary investments	-	-	-	-	5,425	-
Cash and temporary investments with fiscal agents	-	-	-	-	72,267	-
Interest receivable	-	-	-	-	1,260	-
Accounts and other receivables	-	-	-	-	24	-
Deposits	-	-	-	40	-	-
Loans receivable	-	-	-	-	128	-
Advances to other funds	533	15,028	-	15,147	385	-
Advances to other agencies	-	-	-	-	-	-
Advances to property owners	-	29,599	-	40	-	-
Property held for resale	-	54	-	-	-	-
Net fixed assets	-	-	-	-	228,735	12,434
Deferred charges	-	-	-	-	1,917	61
Prepaid expenses	-	-	-	-	-	36
<b>OTHER DEBITS:</b>						
Amount available in the debt service fund	-	-	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-	-	-
<b>Total assets and other debits</b>	<b>\$ 14,084</b>	<b>\$ 65,554</b>	<b>\$ 26,798</b>	<b>\$ 80,843</b>	<b>\$ 387,920</b>	<b>\$ 38,834</b>

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	Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt			1998	1997 (as restated - see note 2)
\$ 6,657	\$ -	\$ -	\$ 186,937	\$ 1,341	\$ 188,278	\$ 254,742
-	-	-	10,992	-	10,992	3,164
-	-	-	2,215	29	2,244	2,035
-	-	-	1,769	-	1,769	1,663
273	-	-	16,815	32	16,847	14,610
-	-	-	(1,543)	(5)	(1,548)	(976)
-	-	-	3,612	-	3,612	9,523
-	-	-	15,503	-	15,503	10,656
-	-	-	-	-	-	4,700
-	-	-	1,550	-	1,550	1,547
-	-	-	-	-	-	-
-	-	-	5,425	870	6,295	5,556
-	-	-	72,267	45	72,312	24,262
-	-	-	1,260	-	1,260	70
-	-	-	24	-	24	12
-	-	-	40	-	40	43
-	-	-	128	-	128	147
-	-	-	31,093	-	31,093	30,325
-	-	-	-	-	-	1,600
-	-	-	29,639	-	29,639	24,006
-	-	-	54	-	54	53
-	64,381	-	305,550	12,654	318,204	310,395
-	-	-	1,978	69	2,047	1,443
-	-	-	36	-	36	33
-	-	25,034	25,034	-	25,034	25,425
-	-	193,185	193,185	-	193,185	185,234
<u>\$ 6,930</u>	<u>\$ 64,381</u>	<u>\$ 218,219</u>	<u>\$ 903,563</u>	<u>\$ 15,035</u>	<u>\$ 918,598</u>	<u>\$ 910,268</u>

(continues)

# CITY OF STOCKTON

**COMBINED BALANCE SHEET**  
**ALL FUND TYPES, ACCOUNT GROUPS AND**  
**DISCRETELY PRESENTED COMPONENT UNIT (Continued)**  
**JUNE 30, 1998**  
**(With comparative totals for June 30, 1997)**  
**(Dollar amounts in thousands)**

	Governmental Fund Type				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 885	\$ 2,839	\$ 3	\$ 1,067	\$ 4,049	\$ 1,899
Accrued payroll and benefits	3,418	-	-	-	-	-
Due to other funds	-	2,818	-	794	-	-
Due to other governments	-	3,158	-	30	135	-
Due to other agencies	111	-	-	-	-	-
Deposits and other liabilities	10	2,629	-	3	675	-
Matured bonds and interest payable	-	-	8	-	20	-
Accrued interest	-	-	-	-	2,484	-
Long-term debt - current	-	-	-	-	1,294	5,634
Compensated absences - current	-	-	-	-	793	141
Deferred revenue	342	2	1,752	-	18	1
Compensated absences - long-term	-	-	-	-	1,803	326
Advances from other funds	-	-	-	-	385	-
Advances from other governments	-	-	-	-	2,214	-
Certificates of participation	-	-	-	-	125,599	-
Lease obligation - long-term	-	-	-	-	-	317
Water extension agreements	-	-	-	-	2	-
Bonds payable and other long-term debt	-	-	-	-	15,909	10,932
Total liabilities	<u>4,766</u>	<u>11,446</u>	<u>1,763</u>	<u>1,894</u>	<u>155,380</u>	<u>19,250</u>
<b>EQUITY AND OTHER CREDITS:</b>						
Investment in general fixed assets	-	-	-	-	-	-
Contributed capital	-	-	-	-	187,859	11,577
Retained earnings - unreserved	-	-	-	-	44,681	8,007
Fund balances (deficit):						
Reserved	2,350	57,620	25,035	78,949	-	-
Unreserved:						
Designated	6,968	7,302	-	-	-	-
Undesignated	-	(10,814)	-	-	-	-
Total equity and other credits	<u>9,318</u>	<u>54,108</u>	<u>25,035</u>	<u>78,949</u>	<u>232,540</u>	<u>19,584</u>
Total liabilities, equity and other credits	<u>\$ 14,084</u>	<u>\$ 65,554</u>	<u>\$ 26,798</u>	<u>\$ 80,843</u>	<u>\$ 387,920</u>	<u>\$ 38,834</u>

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



Fiduciary Fund Types	Account Groups		Primary Government Totals (Memorandum Only)	Discretely Presented Component Unit  Central Parking District	Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt			1998	1997 (as restated - see note 2)
Trust and Agency						
\$ 87	\$ -	\$ -	\$ 10,829	\$ 10	\$ 10,839	\$ 8,147
-	-	-	3,418	-	3,418	3,209
-	-	-	3,612	-	3,612	9,523
1,384	-	-	4,707	-	4,707	2,289
-	-	-	111	-	111	177
4,750	-	-	8,067	31	8,098	88,580
-	-	-	28	45	73	76
-	-	-	2,484	272	2,756	1,999
-	-	-	6,928	490	7,418	7,690
-	-	-	934	5	939	1,065
-	-	-	2,115	-	2,115	1,752
-	-	17,076	19,205	8	19,213	18,045
-	-	30,708	31,093	-	31,093	30,325
-	-	-	2,214	-	2,214	2,515
-	-	-	125,599	-	125,599	73,769
-	-	-	317	-	317	37
-	-	-	2	-	2	11
-	-	170,435	197,276	8,075	205,351	196,240
<u>6,221</u>	<u>-</u>	<u>218,219</u>	<u>418,939</u>	<u>8,936</u>	<u>427,875</u>	<u>445,449</u>
-	64,381	-	64,381	-	64,381	62,170
-	-	-	199,436	-	199,436	190,440
-	-	-	52,688	6,099	58,787	57,942
709	-	-	164,663	-	164,663	144,610
-	-	-	14,270	-	14,270	24,870
<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,814)</u>	<u>-</u>	<u>(10,814)</u>	<u>(15,213)</u>
<u>709</u>	<u>64,381</u>	<u>-</u>	<u>484,624</u>	<u>6,099</u>	<u>490,723</u>	<u>464,819</u>
<u>\$ 6,930</u>	<u>\$ 64,381</u>	<u>\$ 218,219</u>	<u>\$ 903,563</u>	<u>\$ 15,035</u>	<u>\$ 918,598</u>	<u>\$ 910,268</u>

# CITY OF STOCKTON

**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 1998  
(With comparative totals for June 30, 1997)  
(Dollar amounts in thousands)**

	Governmental Fund Type			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES:				
Taxes:				
Property	\$15,108	\$ -	\$ -	\$ 1,162
Utility	22,994	-	-	-
Sales and use	22,943	2,347	-	-
Other	12,269	223	16,836	20
Licenses and permits	2,337	-	-	-
Federal grants and subsidies	779	12,404	-	86
Intergovernmental	10,563	15,712	-	-
Charges for services	9,514	993	-	8,544
Fines and forfeitures	508	-	-	3
Use of money and property	1,041	249	-	880
Investment income:				
Interest income	932	204	594	3,467
Net increase (decrease) in fair value of investments	142	15	20	222
Refunds and reimbursements	943	44	-	1
Miscellaneous	5,051	34	-	141
Total revenues	<u>105,124</u>	<u>32,225</u>	<u>17,450</u>	<u>14,526</u>
EXPENDITURES:				
Current:				
General government	10,472	246	319	-
Public safety	78,049	1,383	-	-
Public works	10,696	456	-	-
Library	-	7,619	-	-
Parks and recreation	8,783	122	-	-
Capital outlay	22	15,839	-	13,454
Debt service:				
Principal retirement	-	-	5,623	-
Interest and fiscal charges	-	-	10,816	-
Total expenditures	<u>108,022</u>	<u>25,665</u>	<u>16,758</u>	<u>13,454</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(2,898)</u>	<u>6,560</u>	<u>692</u>	<u>1,072</u>

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



---

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	1998	1997
		(as restated - see note 2)
\$ -	\$ 16,270	\$ 15,820
-	22,994	22,271
-	25,290	23,983
-	29,348	29,307
-	2,337	2,064
-	13,269	12,996
-	26,275	18,657
-	19,051	16,789
-	511	545
-	2,170	1,373
25	5,222	5,229
1	400	649
-	988	5,717
470	5,696	4,489
<u>496</u>	<u>169,821</u>	<u>159,889</u>
43	11,080	11,081
40	79,472	77,122
-	11,152	11,264
140	7,759	7,597
138	9,043	8,421
2	29,317	37,214
-	5,623	5,855
-	10,816	12,615
<u>363</u>	<u>164,262</u>	<u>171,169</u>
<u>133</u>	<u>5,559</u>	<u>(11,280)</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, 1998  
(With comparative totals for June 30, 1997)  
(Dollar amounts in thousands)**

	Governmental Fund Type			
	General	Special Revenue	Debt Service	Capital Projects
OTHER FINANCING SOURCES (USES):				
Operating transfers in	5,441	10,108	11,358	2,628
Operating transfers out	(4,480)	(11,035)	(579)	(12,782)
Operating transfers out to component unit	(98)	-	-	-
Sale of fixed assets	2	-	-	-
Proceeds of long-term debt	-	-	-	17,060
Proceeds of refunding bonds	-	-	-	71,100
Payment to refunded bond escrow agent	-	-	-	(81,203)
Advances from other funds	-	-	-	2,573
Repayment of advances from other funds	(1,300)	(2)	-	(503)
Total other financing sources (uses)	(435)	(929)	10,779	(1,127)
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(3,333)	5,631	11,471	(55)
FUND BALANCES, BEGINNING OF YEAR, as restated	12,651	48,669	13,564	79,004
Residual equity transfers out	-	(192)	-	-
FUND BALANCES, END OF YEAR	<u>\$ 9,318</u>	<u>\$ 54,108</u>	<u>\$ 25,035</u>	<u>\$ 78,949</u>

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

---

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	1998	1997 (as restated - see note 2)
-	29,535	17,424
-	(28,876)	(17,424)
-	(98)	(98)
-	2	31
-	17,060	2,280
-	71,100	40,030
-	(81,203)	(36,310)
-	2,573	1,071
-	<u>(1,805)</u>	<u>(650)</u>
-	<u>8,288</u>	<u>6,354</u>
133	13,847	(4,926)
440	154,328	159,254
-	<u>(192)</u>	<u>-</u>
<u>\$ 573</u>	<u>\$ 167,983</u>	<u>\$ 154,328</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, 1998  
(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	\$ 15,183	\$ 15,108	\$ (75)	\$ -	\$ -	\$ -
Utility	22,011	22,994	983	-	-	-
Sales and use	22,580	22,943	363	2,204	2,347	143
Other	11,607	12,269	662	221	223	2
Licenses and permits	2,340	2,337	(3)	-	-	-
Federal grants and subsidies	1,407	779	(628)	6,135	2,871	(3,264)
Intergovernmental	10,306	10,563	257	28,373	15,089	(13,284)
Charges for services	9,378	9,514	136	870	890	20
Fines and forfeitures	587	508	(79)	-	-	-
Use of money and property	592	1,041	449	-	-	-
Investment income:						
Interest income	1,300	932	(368)	262	134	(128)
Net increase (decrease) in fair value of investments	-	142	142	-	11	11
Refunds and reimbursements	408	943	535	126	44	(82)
Miscellaneous	4,919	5,051	132	1	34	33
Total revenues	<u>102,618</u>	<u>105,124</u>	<u>2,506</u>	<u>38,192</u>	<u>21,643</u>	<u>(16,549)</u>
EXPENDITURES:						
Current:						
General government	12,764	11,147	1,617	143	112	31
Public safety	78,617	78,189	428	127	59	68
Public works	11,338	10,986	352	593	467	126
Library	-	-	-	7,667	7,371	296
Parks and recreation	9,413	9,033	380	108	108	-
Capital outlay	<u>109</u>	<u>102</u>	<u>7</u>	<u>36,294</u>	<u>14,717</u>	<u>21,577</u>
Total expenditures	<u>112,241</u>	<u>109,457</u>	<u>2,784</u>	<u>44,932</u>	<u>22,834</u>	<u>22,098</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,623)</u>	<u>(4,333)</u>	<u>5,290</u>	<u>(6,740)</u>	<u>(1,191)</u>	<u>5,549</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)
\$ -	\$ -	\$ -	\$ 15,183	\$ 15,108	\$ (75)
-	-	-	22,011	22,994	983
-	-	-	24,784	25,290	506
19	20	1	11,847	12,512	665
-	-	-	2,340	2,337	(3)
-	-	-	7,542	3,650	(3,892)
-	-	-	38,679	25,652	(13,027)
4,699	8,457	3,758	14,947	18,861	3,914
-	3	3	587	511	(76)
-	805	805	592	1,846	1,254
783	2,305	1,522	2,345	3,371	1,026
-	76	76	-	229	229
-	-	-	534	987	453
376	3	(373)	5,296	5,088	(208)
<u>5,877</u>	<u>11,669</u>	<u>5,792</u>	<u>146,687</u>	<u>138,436</u>	<u>(8,251)</u>
-	-	-	12,907	11,259	1,648
-	-	-	78,744	78,248	496
-	-	-	11,931	11,453	478
-	-	-	7,667	7,371	296
-	-	-	9,521	9,141	380
19,814	6,915	12,899	56,217	21,734	34,483
<u>19,814</u>	<u>6,915</u>	<u>12,899</u>	<u>176,987</u>	<u>139,206</u>	<u>37,781</u>
<u>(13,937)</u>	<u>4,754</u>	<u>18,691</u>	<u>(30,300)</u>	<u>(770)</u>	<u>29,530</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, 1998  
(Dollar amounts in thousands)**

	General Fund			Annually Budgeted Special Revenue Funds		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES):						
Operating transfers in	\$ 5,441	\$ 5,441	\$ -	\$ 4,472	\$ 4,472	\$ -
Operating transfers out	(4,480)	(4,480)	-	(4,300)	(4,300)	-
Operating transfers out to component unit	(98)	(98)	-	-	-	-
Sale of fixed assets	24	2	(22)	-	-	-
Advances from other funds	-	-	-	-	-	-
Repayment of advances	(1,300)	(1,300)	-	(3)	(2)	1
Total other financing sources (uses)	(413)	(435)	(22)	169	170	1
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(10,036)	(4,768)	5,268	(6,571)	(1,021)	5,550
BASIS ADJUSTMENTS:						
Encumbrances	-	1,435	1,435	-	1,630	1,630
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (GAAP BASIS)	(10,036)	(3,333)	6,703	(6,571)	609	7,180
FUND BALANCES, BEGINNING OF YEAR, as restated	12,651	12,651	-	10,008	10,008	-
FUND BALANCES, END OF YEAR	\$ 2,615	\$ 9,318	\$ 6,703	\$ 3,437	\$ 10,617	\$ 7,180

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)
\$ 40 (390)	\$ 40 (390)	\$ - -	\$ 9,953 (9,170)	\$ 9,953 (9,170)	\$ - -
-	-	-	(98)	(98)	-
-	-	-	24	2	(22)
2,223 (681)	2,223 (422)	- 259	2,223 (1,984)	2,223 (1,724)	- 260
<u>1,192</u>	<u>1,451</u>	<u>259</u>	<u>948</u>	<u>1,186</u>	<u>238</u>
(12,745)	6,205	18,950	(29,352)	416	29,768
<u>-</u>	<u>422</u>	<u>422</u>	<u>-</u>	<u>3,487</u>	<u>3,487</u>
(12,745)	6,627	19,372	(29,352)	3,903	33,255
<u>54,441</u>	<u>54,441</u>	<u>-</u>	<u>77,100</u>	<u>77,100</u>	<u>-</u>
<u>\$ 41,696</u>	<u>\$ 61,068</u>	<u>\$ 19,372</u>	<u>\$ 47,748</u>	<u>\$ 81,003</u>	<u>\$ 33,255</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, 1998  
(With comparative totals for June 30, 1997)  
(Dollar amounts in thousands)**

	<b>Proprietary Fund Types</b>		<b>Fiduciary Fund Type</b>
	<b>Enterprise</b>	<b>Internal Service</b>	<b>Nonexpendable Trust</b>
<b>OPERATING REVENUES:</b>			
Federal grants and subsidies	\$ 29	\$ -	\$ -
Intergovernmental	10	-	-
Charges for services	49,307	26,438	-
Loans and mortgage interest	135	-	-
Miscellaneous	881	-	-
	<u>50,362</u>	<u>26,438</u>	<u>-</u>
<b>Total operating revenues</b>			
	<u>50,362</u>	<u>26,438</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>			
Operation and maintenance	27,285	24,631	-
General and administrative	11,353	3,592	-
Depreciation and amortization	6,362	3,424	-
Purchased water	3,157	-	-
	<u>48,157</u>	<u>31,647</u>	<u>-</u>
<b>Total operating expenses</b>			
	<u>48,157</u>	<u>31,647</u>	<u>-</u>
<b>OPERATING INCOME (LOSS)</b>	<u>2,205</u>	<u>(5,209)</u>	<u>-</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Taxes	-	-	-
Federal grants and subsidies	-	66	-
Investment income:			
Interest income	6,135	686	4
Net increase (decrease) in fair value of investments	168	26	6
Gain (loss) from disposal of property	(2)	(147)	-
Interest expense and fiscal charges	(3,282)	(16)	-
Other non-operating revenues	-	751	-
	<u>3,019</u>	<u>1,366</u>	<u>10</u>
<b>Total non-operating revenues (expenses)</b>			
	<u>3,019</u>	<u>1,366</u>	<u>10</u>

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

Primary Government Totals (Memorandum Only)	Discretely Presented Component Unit Central Parking District	Reporting Entity Totals (Memorandum Only)	
		1998	1997 (as restated - see note 2)
\$ 29	\$ -	\$ 29	\$ -
10	-	10	-
75,745	1,445	77,190	75,522
135	-	135	22
881	4	885	1,020
<u>76,800</u>	<u>1,449</u>	<u>78,249</u>	<u>76,564</u>
51,916	986	52,902	48,339
14,945	-	14,945	11,865
9,786	314	10,100	9,171
3,157	-	3,157	2,917
<u>79,804</u>	<u>1,300</u>	<u>81,104</u>	<u>72,292</u>
<u>(3,004)</u>	<u>149</u>	<u>(2,855)</u>	<u>4,272</u>
-	601	601	601
66	-	66	20
6,825	97	6,922	5,350
200	2	202	561
(149)	-	(149)	72
(3,298)	(637)	(3,935)	(3,234)
751	-	751	302
<u>4,395</u>	<u>63</u>	<u>4,458</u>	<u>3,672</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, 1998  
(With comparative totals for June 30, 1997)  
(Dollar amounts in thousands)**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	5,224	(3,843)	10
Operating transfers in	4,360	713	-
Operating transfers in from primary government	-	-	-
Operating transfers out	<u>(4,360)</u>	<u>(1,372)</u>	<u>-</u>
NET INCOME (LOSS)	<u>5,224</u>	<u>(4,502)</u>	<u>10</u>
FUND EQUITY, BEGINNING OF YEAR, as restated	218,516	23,890	126
Residual equity transfers in	-	216	-
Residual equity transfers out	-	(24)	-
Increase in contributed capital	<u>8,800</u>	<u>4</u>	<u>-</u>
FUND EQUITY, END OF YEAR	<u>\$232,540</u>	<u>\$19,584</u>	<u>\$ 136</u>

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



---

Primary Government Totals (Memorandum Only)	Discretely Presented Component Unit Central Parking District	Reporting Entity Totals (Memorandum Only)	
		1998	1997 (as restated - see note 2)
1,391	212	1,603	7,944
5,073	-	5,073	6,053
-	98	98	98
<u>(5,732)</u>	<u>-</u>	<u>(5,732)</u>	<u>(6,053)</u>
<u>732</u>	<u>310</u>	<u>1,042</u>	<u>8,042</u>
242,532	5,789	248,321	234,065
216	-	216	-
(24)	-	(24)	-
<u>8,804</u>	<u>-</u>	<u>8,804</u>	<u>6,214</u>
<u>\$ 252,260</u>	<u>\$ 6,099</u>	<u>\$258,359</u>	<u>\$ 248,321</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, 1998**  
**(With comparative totals for June 30, 1997)**  
**(Dollar amounts in thousands)**

	<b>Proprietary Fund Types</b>		<b>Fiduciary Fund Type</b>
	<b>Enterprise</b>	<b>Internal Service</b>	<b>Nonexpendable Trust</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 2,205	\$ (5,209)	\$ -
Other nonoperating revenues (expenses)	-	817	10
Noncash adjustment to operating income:			
Depreciation and amortization	6,362	3,424	-
Allowance for uncollectible accounts	24	170	-
Self-insurance	-	1,930	-
Landfill closure	2,255	-	-
Changes in assets and liabilities:			
Accounts and other receivables	(1,713)	(26)	-
Due from other funds	1,000	-	-
Due from other governments	-	16	-
Due to other funds	-	-	-
Inventory of supplies	(18)	-	-
Loans receivable	19	-	-
Deferred charges	(610)	-	-
Prepays	-	(2)	-
Accounts payable	1,864	1,252	-
Compensated absences	217	(10)	-
Due to other governments	68	-	-
Deposits and other liabilities	(50)	-	-
Advances from other governments	(301)	-	-
Deferred revenue	7	-	-
Accrued interest	770	-	-
Net cash provided (used) by operating activities	<u>12,099</u>	<u>2,362</u>	<u>10</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment earnings	6,303	712	-
Investment purchases	(68,893)	-	-
Proceeds from sale of investments	<u>20</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>(62,570)</u>	<u>712</u>	<u>-</u>

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

---

Primary Government Totals (Memorandum Only)	Discretely Presented Component Unit Central Parking District	Reporting Entity Totals (Memorandum Only)	
		1998	1997 (as restated - see note 2)
\$ (3,004)	\$ 149	\$ (2,855)	\$ 4,272
827	-	827	322
9,786	314	10,100	9,171
194	1	195	(504)
1,930	-	1,930	932
2,255	-	2,255	359
(1,739)	1	(1,738)	188
1,000	-	1,000	-
16	8	24	269
-	-	-	-
(18)	-	(18)	(24)
19	-	19	22
(610)	6	(604)	51
(2)	-	(2)	172
3,116	(8)	3,108	(2,649)
207	5	212	161
68	-	68	(32)
(50)	3	(47)	(82)
(301)	-	(301)	(34)
7	-	7	10
770	(13)	757	(45)
<u>14,471</u>	<u>466</u>	<u>14,937</u>	<u>12,559</u>
7,015	99	7,114	5,903
(68,893)	(50)	(68,943)	(44)
20	-	20	23,257
<u>(61,858)</u>	<u>49</u>	<u>(61,809)</u>	<u>29,116</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, 1998 (With comparative totals for June 30, 1997) (Dollar amounts in thousands)

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Nonexpendable Trust
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of property and equipment	36,536	88	-
Repayment of debt	(1,403)	(181)	-
Proceeds from borrowing	52,316	-	-
Purchases of property and equipment	(49,711)	(2,232)	-
Interest expense on capital debt	(3,282)	(16)	-
Capital contributions	8,802	4	-
Residual equity transfers in	-	216	-
Net cash provided (used) by capital and related financing activities	43,258	(2,121)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	4,360	713	-
Operating transfers in from primary government	-	-	-
Operating transfers out	(4,360)	(1,372)	-
Proceeds from taxes	-	-	-
Proceeds from federal grants	-	-	-
Residual equity transfers out	-	(24)	-
Net cash provided (used) by noncapital financing activities	-	(683)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,213)	270	10
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	83,929	25,660	126
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 76,716	\$25,930	\$ 136
NON-CASH TRANSACTIONS			
Acquisition of assets through capital leases for Internal Service Fund			\$ 492
Contribution of fixed assets to Internal Service Fund			\$ 4

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

Primary Government Totals (Memorandum Only)	Discretely Presented Component Unit  Central Parking District	Reporting Entity Totals (Memorandum Only)	
		1998	1997 (as restated - see note 2)
36,624	9	36,633	83
(1,584)	(469)	(2,053)	(3,204)
52,316	-	52,316	1,135
(51,943)	(5)	(51,948)	(17,999)
(3,298)	(637)	(3,935)	(3,234)
8,806	-	8,806	6,214
216	-	216	
<u>41,137</u>	<u>(1,102)</u>	<u>40,035</u>	<u>(17,005)</u>
5,073	98	5,171	6,053
-	-	-	98
(5,732)	-	(5,732)	(6,053)
-	601	601	601
-	-	-	-
(24)	-	(24)	-
<u>(683)</u>	<u>699</u>	<u>16</u>	<u>699</u>
(6,933)	112	(6,821)	25,369
<u>109,715</u>	<u>1,274</u>	<u>110,989</u>	<u>85,620</u>
<u>\$ 102,782</u>	<u>\$ 1,386</u>	<u>\$ 104,168</u>	<u>\$ 110,989</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, 1998

(With comparative totals for June 30, 1997)

(Dollar amounts in thousands)

Reconciliation of cash and cash equivalents to the balance sheet:

	Proprietary Fund Types		Fiduciary Fund Type	Discretely Presented Component Unit
	Enterprise	Internal Service	Nonexpendable Trust	Central Parking District
Unrestricted cash and investments on balance sheet:				
Cash and temporary investments	\$ 69,016	\$25,930	\$ 6,657	\$1,341
Cash with fiscal agents	201	-	-	-
Restricted cash and investments on balance sheet:				
Cash and temporary investments	5,425	-	-	870
Cash and temporary investments with fiscal agents	<u>72,267</u>	<u>-</u>	<u>-</u>	<u>45</u>
Total cash and investments	<u>146,909</u>	<u>25,930</u>	<u>6,657</u>	<u>2,256</u>
Less investments:				
Cash and temporary investments with fiscal agents	70,193	-	-	-
Investment pool	-	-	-	870
Less expendable trust and agency funds cash:				
Expendable trust fund	-	-	576	-
Agency funds	<u>-</u>	<u>-</u>	<u>5,945</u>	<u>-</u>
Net cash and cash equivalents	<u>\$ 76,716</u>	<u>\$25,930</u>	<u>\$ 136</u>	<u>\$1,386</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, 1998

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# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1998

(Dollar amounts in thousands)

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### 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 ("GASB") Statement 14, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City. Each blended and discretely presented component unit has a June 30 year end.

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

**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 Special Revenue Fund, Debt Service Fund, Capital Projects Fund, and General Long-Term Debt Account Group.

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

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 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

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.

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

#### ***Proprietary Fund Types:***

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

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

#### ***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.



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

Intergovernmental revenues, which are primarily grants and subventions, received as reimbursement for specific purposes or projects are recognized 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 GASB Statement 22 "Accounting For Taxpayer Assessed Tax Revenues in Governmental Funds" and are recognized as revenue when they are collected within 60 days of fiscal year-end. These include sales, transient occupancy, gas, utility user, and property taxes, franchise fees, interest, federal and state grants. Business 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.

**Changes in Accounting Principles** - Effective July 1, 1997, the City adopted GASB Statement 27, "Accounting for Pensions by State and Local Government Employers," GASB Statement 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," and GASB Statement 32, "Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans." GASB Statement 27 modifies reporting standards and footnote disclosures for defined benefit pension plans and requires governments to report the funding status on the same actuarial basis as used to determine the government's required contributions. GASB Statement 31 requires accounting for certain investments, including open-ended mutual funds, debt and equity securities at fair value. GASB Statement 31 also requires that all investment income, including the changes in fair value of the investments should be recorded in the statement

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of revenues, expenditures/expenses and changes in fund balance/retained earnings. The fiscal year 1997 financial information has been restated in accordance with the provisions of GASB Statement 31 (see Note 2). In instances where the government has established a trust fund for the assets of Section 457 Deferred Compensation Plans, GASB Statement 32 provides that the City may remove the assets and related liabilities from the City's financial statements.

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

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

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

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

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



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Budgetary Data*

#### *Budgetary Process*

- In accordance with the provisions of the City Charter, the City prepares and adopts a budget on or before June 30 for each fiscal year. The General Fund, certain Special Revenue Funds (Gas Tax, Measure K Sales Tax, City-County Library, Special Assessments, Other Special Revenue) and certain Capital Projects Funds (Public Facilities Impact Fees and Capital Improvement) have legally adopted annual budgets. Prior to July 1, the original adopted budget is legally enacted through the passage of a resolution by the City Council. In the event this does not occur, the manager's budget is in force until a budget is adopted by the City Council. The level of legal budgetary control by the City Council is established at the department level.
- Enterprise Funds, Internal Service Funds, and Nonexpendable Trust Funds are accounted for on a cost of service (net income) or capital maintenance measurement focus. The City is not legally mandated to report the results of operations for these fund types on a budget comparison basis; therefore, budgetary data related to these funds has not been presented.
- If expenditures exceed appropriations, the City Manager is authorized to transfer budgeted amounts between line items within any department, 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. A copy of the detail budget report which demonstrates compliance with the legal level of budgetary control is available by contacting the City of Stockton Finance Department at 425 N. El Dorado, Stockton, CA.
- 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 20.

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

	Special Revenue Funds	Capital Projects Funds
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis) - Budgeted Funds	\$ 609	\$ 6,627
Unbudgeted Funds:		
Special Grants	218	-
Revenue Sharing	4	-
Community Development Block Grant	(813)	-
Community Development Loan	4,474	-
Home Program	1,139	-
Redevelopment Agency	-	(1,165)
Mello-Roos Districts	-	(641)
1915 Act Assessment Districts	-	(3,140)
Stockton Public Financing Authority	-	(1,736)
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis) - All Funds	<u>\$ 5,631</u>	<u>\$ (55)</u>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

**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, 1998, capitalized interest costs equaled \$1,132 in connection with the construction in progress.



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Police and Fire department safety employees are eligible for pay-off of 100% of accumulated earned time 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.

***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 GASB Statement 20, to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Principles Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

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

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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.

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

**New Accounting Pronouncements** - The GASB issued Technical Bulletin No. 98-1 ("GTB 98-1") "Disclosures About Year 2000 Issues" effective for financial statements on which the auditors' report is dated after October 31, 1998. The provisions terminate for financial statements for periods ending after December 31, 1999 unless systems and other equipment are not year-2000 compliant as of the balance sheet date. GTB 98-1 requires that the financial statements discuss the year 2000 issue as it relates to the City. Such disclosure would include a description of the stages of work in process or completed as of June 30, 1999 to make computer systems and other electronic equipment critical to conducting operations year-2000 compliant. Any additional stages of work necessary to make such systems year-2000 compliant would also need to be disclosed. Management of the City does not expect the impact of adopting GTB 98-1 to be material.

**Reclassification** - Certain 1997 amounts have been reclassified to conform to the financial statement presentation for the 1998 fiscal year.



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 2. EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 1997, the City adopted the provisions of GASB 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The provisions of this statement require retroactive application. The effect of the change in accounting principle on fund balances/retained earnings at June 30, 1997 is as follows:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	Component Unit Central Parking District	Totals
June 30, 1997 fund balance/retained earnings as previously reported	\$ 12,691	\$ 48,684	\$ 13,584	\$ 79,195	\$ 218,676	\$ 23,915	\$ 566	\$ 62,170	\$ 5,791	\$ 465,272
Adjustment to beginning fund balance from adoption of GASB 31	(171)	(78)	(99)	(567)	(611)	(127)	-	-	(10)	(1,663)
Net increase in fair value of investments during fiscal year 1997	<u>131</u>	<u>63</u>	<u>79</u>	<u>376</u>	<u>451</u>	<u>102</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>1,210</u>
June 30, 1997 fund balance/retained earnings as restated	<u>\$ 12,651</u>	<u>\$ 48,669</u>	<u>\$ 13,564</u>	<u>\$ 79,004</u>	<u>\$ 218,516</u>	<u>\$ 23,890</u>	<u>\$ 566</u>	<u>\$ 62,170</u>	<u>\$ 5,789</u>	<u>\$ 464,819</u>

### 3. CASH AND INVESTMENTS

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

**Deposits** - At June 30, 1998, the recorded amount of the City's deposits were \$1,633; the component units deposits were \$1,386; and the bank balance was \$3,648. The bank balance and carrying amount differ due to deposits in transit of \$730 and outstanding checks of \$1,359. The component unit deposits are included in the City's investment pool, thus there are no specific bank balances.

The bank balances were entirely insured or collateralized at June 30, 1998. The California Government Code requires financial institutions to secure a city's deposits, in excess of insured amounts, by pledging government securities as collateral. The fair value of pledged securities must equal at least 110% of a city's deposits. California law also allows financial institutions to secure a city's deposits by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits.

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 3. CASH AND INVESTMENTS (Continued)

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 \$320 in Category 1 deposits at June 30, 1998.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. The City held \$3,328 Category 2 deposits at June 30, 1998.
- 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, 1998.

**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
- Guaranteed investment contracts

The City has entered into nonparticipating guaranteed investment contracts which bear interest ranging from 5.36% to 6.57%. The investment contracts are collateralized 100% to 104% by investments which are in compliance with the City's investment policy.

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.

During the year ended June 30, 1998, the City did not utilize investment types different from those categorized below.

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 3. CASH AND INVESTMENTS (Continued)

A summary of cash and investments by such categories at June 30, 1998 is as follows:

Investment Type	Category 1	Non Categorized	Fair Value
Primary government investments:			
U.S. Government securities	\$ 144,694	\$ -	\$ 144,694
Commercial paper	7,003	-	7,003
LAIF	-	19,760	19,760
Money market funds	-	32,271	32,271
Guaranteed investment contracts	-	70,260	70,260
Component unit investments:			
LAIF	-	870	870
Total investments	<u>\$ 151,697</u>	<u>\$ 123,161</u>	<u>\$ 274,858</u>

Summary of GASB 3 disclosure carrying amounts:

Primary government deposits	\$ 1,633
Component unit deposits	1,386
Investments	<u>274,858</u>
Total cash and investments	<u>\$ 277,877</u>

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

Cash and temporary investments	\$188,278
Cash with fiscal agents	10,992
Restricted cash and temporary investments	6,295
Restricted cash and temporary investments with fiscal agents	<u>72,312</u>
	<u>\$ 277,877</u>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 3. CASH AND INVESTMENTS (Continued)

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

At June 30, 1998, restricted cash and investments are as follows for the Enterprise Funds:

Primary Government:	
Water Utility	\$ 1,533
Sanitary Wastewater Utility	70,734
Solid Waste	5,425
	<u>77,692</u>
Component Unit:	
Central Parking District	<u>915</u>
Total	<u><u>\$ 78,607</u></u>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 4. INTERFUND ASSETS / LIABILITIES

Interfund receivables and payables are as follows at June 30, 1998:

	Due From	Due To	Advances To	Advances From
General Fund	\$ 1,330	\$ -	\$ 533	\$ -
Special Revenue Funds:				
Revenue Sharing	-	24	-	-
Gas Tax	-	435	-	-
Measure K Sales Tax	-	50	-	-
Urban Development Action Grant	-	-	4,686	-
Community Development Block Grant	-	1,464	10,342	-
Home Program	-	775	-	-
Other Special Revenue	-	70	-	-
Capital Projects Funds:				
Public Facilities Impact Fees	783	783	3,745	-
Capital Improvement	35	-	10,102	-
Redevelopment Agency	1,464	11	1,300	-
Enterprise Funds:				
Sanitary Wastewater Utility	-	-	385	-
Stormwater Utility	-	-	-	385
General Long-Term Debt Account Group:				
General Fund	-	-	-	-
Other Special Revenue	-	-	-	71
Redevelopment Agency	-	-	-	22,872
Public Facilities Impact Fees	-	-	-	7,765
Total	<u>\$ 3,612</u>	<u>\$ 3,612</u>	<u>\$31,093</u>	<u>\$ 31,093</u>

### 5. OPERATING / RESIDUAL EQUITY TRANSFERS

During the year various interfund transfers were made to finance expenditures, subsidize operating losses and service debt. These transfers are reflected as operating 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.

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 5. OPERATING / RESIDUAL EQUITY TRANSFERS (Continued)

Operating transfers for the year ended June 30, 1998 are summarized as follows:

	Operating Transfers	
	In	Out
Primary Government:		
General Fund	\$ 5,441	\$ 4,578
Special Revenue Funds:		
Special Grants	44	168
Gas Tax	-	4,300
City-County Library	4,450	-
Community Development Block Grant	-	5,349
Community Development Loan Fund	4,374	4
Home Program	1,218	1,214
Other Special Revenue	22	-
	<u>10,108</u>	<u>11,035</u>
Debt Service Funds:		
Mello-Roos Districts	6,580	252
1915 Act Assessment District	2,352	286
Redevelopment Agency	632	-
General Obligation	-	-
Stockton Public Financing Authority	1,794	41
	<u>11,358</u>	<u>579</u>
Capital Projects Funds:		
Capital Improvement	40	390
Redevelopment Agency	1,589	1,246
Mello-Roos Districts	661	6,989
1915 Act Assessment Districts	286	2,352
Stockton Public Financing Authority	52	1,805
	<u>2,268</u>	<u>12,782</u>
Enterprise Funds:		
Water Utility	1,180	1,180
Sanitary wastewater	3,180	3,180
	<u>4,360</u>	<u>4,360</u>
Internal Service Funds:		
Central Garage	-	712
Other Equipment	-	231
Health Benefits Insurance	683	-
Other Insurance	30	429
	<u>713</u>	<u>1,372</u>
Total primary government	<u>34,608</u>	<u>34,706</u>
Component Unit:		
Central Parking District	\$ 98	\$ -
Total	<u>\$ 34,706</u>	<u>\$ 34,706</u>



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 5. OPERATING / RESIDUAL EQUITY TRANSFERS (Continued)

Residual equity transfers for the year ended June 30, 1998 were as follows:

	<u>Residual Equity Transfers</u>	
	<u>In</u>	<u>Out</u>
Special revenue funds:		
Special grants	\$ -	\$ 192
Internal service funds:		
Central garage	39	-
Computer equipment	31	-
Radio equipment	122	-
Other equipment	24	24
	<u>\$ 216</u>	<u>\$ 216</u>

### 6. FIXED ASSETS

Fixed assets of the primary government at June 30, 1998 are as follows:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>General Fixed Assets</u>	<u>Total</u>
Land	\$ 3,360	\$ -	\$ 12,836	\$ 16,196
Buildings and improvements	277,062	129	47,764	324,955
Machinery and equipment	9,250	34,789	1,613	45,652
Construction in progress	19,770	-	2,168	21,938
Total fixed assets	309,442	34,918	64,381	408,741
Accumulated depreciation	<u>(80,707)</u>	<u>(22,484)</u>	-	<u>(103,191)</u>
Net fixed assets	<u>\$ 228,735</u>	<u>\$ 12,434</u>	<u>\$ 64,381</u>	<u>\$ 305,550</u>

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

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 1998</u>
Land	\$ 12,836	\$ -	\$ -	\$ -	\$ 12,836
Buildings and improvements	46,768	1,018	-	(22)	47,764
Machinery and equipment	1,629	35	51	-	1,613
Construction in progress	937	1,418	379	192	2,168
Total	<u>\$ 62,170</u>	<u>\$ 2,471</u>	<u>\$ 430</u>	<u>\$ 170</u>	<u>\$ 64,381</u>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 6. FIXED ASSETS (Continued)

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

	Internal Service Funds
Machinery and equipment	\$ 1,257
Accumulated depreciation	<u>(794)</u>
Net fixed assets	<u>\$ 463</u>

The following is a summary of proprietary fund type fixed assets for the Central Parking District (a component unit) at June 30, 1998:

Land	\$ 3,768
Buildings and improvements	12,076
Machinery and equipment	50
Construction in progress	<u>5</u>
Total fixed assets	15,899
Accumulated depreciation	<u>(3,245)</u>
Net fixed assets	<u>\$ 12,654</u>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 7. GENERAL LONG-TERM DEBT

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

	Balance July 1, 1997	Additions	Reductions	Reclassifications	Balance June 30, 1998
1915 Act Special Assessment Bonds	\$ 52,743	\$ 16,930	\$ 19,393	\$ (15,540)	\$ 34,740
Mello-Roos Special Tax Bonds	85,840	71,100	61,465	(71,100)	24,375
Revenue Bonds	24,945	130	885	86,640	110,830
Tax Allocation Bonds	945	-	455	-	490
Compensated absences	16,246	830	-	-	17,076
Advance from other funds:					
General Fund	1,300	-	1,300	-	-
Other Special Revenue Fund	73	-	2	-	71
Redevelopment Agency	22,603	350	81	-	22,872
Public Facilities Impact Fees Fund	5,964	2,223	422	-	7,765
Total	<u>\$ 210,659</u>	<u>\$ 91,563</u>	<u>\$ 84,003</u>	<u>\$ -</u>	<u>\$ 218,219</u>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 7. 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 18 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.

\$ 34,740

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 4.5% to 7.75% and final maturity in September 2015. Remaining debt service will be paid from assessments to property owners.

\$ 24,375

Refunding Revenue Bonds totaling \$24,945 were issued by the SPFA in 1997 pursuant to the Marks-Roos Local Bond Pooling Act of 1985 to purchase two series of local obligation refunding bonds. On March 31, 1998, the SPFA issued Reassessment Revenue Bonds (Arch Road and Stockton Business Park Assessment Districts, Series 1998) in the amount of \$15,670 to purchase three limited obligation improvement bonds. On September 11, 1997, the City issued \$32,320 of City of Stockton Mello-Roos Revenue Bonds, Series 1997A, Community Facilities District No. 90-2 (Brookside Estates) to purchase City of Stockton Refunding Special Tax Bonds and to finance the acquisition and construction of stormwater lines and pumping plants. On June 3, 1998, the City issued \$38,780 Mello-Roos Revenue Bonds, Series 1998A Community Facilities District No. 1 (Weston Ranch) to purchase special tax bonds. The revenues bonds have interest rates ranging from 3.48% to 6.5% and final maturity on September 1, 2024. Remaining debt service will be paid from revenues of the SPFA or City consisting primarily of payments received by the Authority and City as payments of assessments on the local obligation or special tax bonds.

\$ 110,830

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.

\$ 490

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 7. 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.

\$ 17,076

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

\$ 71

The advances to the Redevelopment Agency represent loans from: 1) the Urban Development Action Grant Fund - \$4,686, to provide funds for the West End (Waterfront) Redevelopment Project. Funds were advanced to the Agency pursuant to the Development Agreement (Waterfront Project) authorized by the City and the Redevelopment Agency in December 1980. The interest rate on this loan is 10% and the loan will be repaid to the Urban Development Action Grant Fund from excess tax increment allocations as they become available. Accumulated interest that totals \$16,881 through June 30, 1998 will be recognized as an expenditure when repaid; 2) the General Fund - \$462, Community Development Block Grant Fund - \$10,342, and Capital Improvement Fund - \$6,082, 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 - \$1,300. 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.

\$ 22,872

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 and Davis Road/Bear Creek Bridge improvements; 3) Parkland Fee Area #1 to the Parkland City-wide account for Weber Point Events Center improvements. These loans are interest bearing based on the average annual interest earned by the City of Stockton. The loans will be repaid as excess public facilities impact fees become available.

\$ 7,765



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 7. GENERAL LONG-TERM DEBT (Continued)

#### *Defeasance of Debt*

##### **Brookside Estates**

On September 11, 1997, the City issued City of Stockton Refunding Special Tax Bonds in the aggregate principal amount of \$32,320, the proceeds of which were used to defease two prior issues of special tax bonds consisting of the Community Facilities District 90-2 (Brookside Estates) Special Tax Bonds, Series 305 and 002 of \$6,010 and \$25,060, respectively, and to finance various new projects relating to Brookside Estates, consisting of the acquisition and construction of stormwater lines and pumping plants. Funds deposited to defease the prior special tax bonds, together with interest earned thereon, are intended to be fully sufficient to redeem the bonds when due. Accordingly, the prior special tax bonds are considered defeased and are not recorded in these financial statements.

At June 30, 1998, the outstanding balances of the bonds considered defeased were as follows:

Community Facilities District 90-2, Series 305	\$ 5,415
Community Facilities District 90-2, Series 002	22,475

Also on September 11, 1997, the City issued City of Stockton Mello-Roos Revenue Bonds, Series 1997A Community Facilities District No. 90-2 (Brookside Estates) in the amount of \$32,320, the proceeds of which were used to immediately purchase City of Stockton Refunding Special Tax Bonds (Brookside Estates) described above.

The City reduced its total debt service over the next 18 years by \$759 and realized an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$2,989.

Because the special tax bonds are an asset of the City as well as debt issued by the City, such special tax 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 special tax bonds equals the debt service payments made on the Revenue Bonds.

##### **Arch Road**

On March 20, 1998, the City issued three limited obligation improvement bonds (Series 229, \$7,890 Stockton Airport Business Park Assessment District, Project 84-1, Phase IV; Series 230, \$2,840, Stockton Airport Business Park Assessment District Project 84-1, Phase V; and Series 231, \$4,810 Arch Road Industrial Park Assessment District, Project No. 84-2, Phase I). The proceeds of the limited obligation improvement bonds were used to defease three prior issues of assessment district bonds pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds (Series 221, \$8,985 Stockton Airport Business Park Assessment District Project 84-1, Phase IV; Series 226, \$2,850 Stockton Airport Business Park Assessment District Project 84-1, Phase V, and Series 222, \$5,275 Arch Road Industrial



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 7. GENERAL LONG-TERM DEBT (Continued)

Park Assessment District Project 84-2, Phase I) ("prior assessment district bonds"). Funds deposited to defease the prior assessment district bonds, together with interest earned thereon, are intended to be fully sufficient to redeem the bonds by September 1, 1998. Accordingly, the prior assessment district bonds are considered defeased and are not recorded in these financial statements.

At June 30, 1998, the outstanding balances of the three bond issues considered defeased, which were redeemed September 1, 1998, were as follows:

Stockton Airport Business Park, Assessment District, Project 84-1, Phase IV	\$8,675
Stockton Airport Business Park, Assessment District, Project 84-1, Phase V	2,850
Arch Road Industrial Park Assessment District, Project 84-2, Phase I	5,275

Also on March 20, 1998, the Stockton Public Financing Authority issued Reassessment Revenue Bonds (Arch Road and Stockton Business Park Assessment Districts), Series 1998 ("Revenue Bonds") in the amount of \$15,670, the proceeds of which were used to immediately purchase the three limited obligation improvement bonds (Series 229, \$7,890 Stockton Airport Business Park Assessment District, Project 84-1, Phase IV; Series 230, \$2,840, Stockton Airport Business Park Assessment District Project 84-1, Phase V; and Series 231, \$4,810 Arch Road Industrial Park Assessment District, Project No. 84-2, Phase I), described above. The aggregate principal of the Revenue Bonds exceeds the aggregate principal of the limited obligation bonds by \$130. Because interest rates on the limited obligation bonds are significantly higher than interest rates on the Revenue Bonds, debt service from the reassessment bonds is expected to be sufficient to pay debt service on the Revenue Bonds when due.

The City reduced its total debt service over the next 23 years by \$4,762 and realized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,193.

Because the limited obligation improvement bonds are an asset of the City as well as debt issued by the City, such limited 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.

#### Weston Ranch

On June 3, 1998, the City issued Community Facilities District No. 1 (Weston Ranch) Refunding Special Tax Bonds in the aggregate principal amount of \$38,780, the proceeds of which were used to defease three prior issues of special tax bonds and to acquire and construct various public capital improvements within Weston Ranch. The prior issues of special tax bonds which were defeased include \$24,490 of Series 1989 Community Facilities District No. 1 Bonds dated April 1, 1989, \$6,025 of Series 307 Community Facilities District No. 1 Bonds dated October 1, 1994 and \$3,050 of Series 308 Community Facilities District No. 1 Bonds dated April 11, 1996 ("prior special tax bonds"). Funds deposited to defease the prior special tax bonds, together with interest earned

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 7. GENERAL LONG-TERM DEBT (Continued)

thereon, are intended to be fully sufficient to redeem the bonds when due. Accordingly, the prior special tax bonds are considered defeased and are not recorded in these financial statements. The Series 1989 Community Facilities District No. 1 Bonds with an outstanding balance at June 30, 1998 of \$23,420, were redeemed September 1, 1998.

On June 3, 1998, the City issued Mello-Roos Revenue Bonds, Series 1998A Community Facilities District No. 1 (Weston Ranch) in the amount of \$38,780, the proceeds of which were used to immediately purchase the Community Facilities District No. 1 (Weston Ranch) Refunding Special Tax Bonds described above. Debt service related to the special tax bonds equals the debt service payments made on the Revenue Bonds.

The City reduced its total debt service payments over the next 27 years by \$79 and realized an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$5,116.

Because the special tax bonds are an asset of the City as well as debt issued by the City, such special tax 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.

#### *Prior Year Defeasance of Debt*

In prior years, the City and the SPFA defeased certain General Long-Term Debt Account Group debt by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the old debt until called. Accordingly, the trust account assets and liabilities for the following defeased debt issues are not included in the City's financial statements. At June 30, 1998, the outstanding balances considered defeased are as follows:

Stockton Public Financing Authority Community Facilities District 90-4 (Spanos Park Mello-Roos Bonds)	\$16,730
City of Stockton South Stockton Community Facilities District No. 90-1 Special Tax Bonds	\$14,265

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 7. GENERAL LONG-TERM DEBT (Continued)

At June 30, 1998, revenue, special assessment, Mello-Roos and tax allocation bond debt service requirements to maturity are as follows:

	Principal				Total
	Special Assessment	Mello-Roos	Revenue Bonds	Tax Allocation Bonds	
1998-1999	\$ 1,930	\$ 625	\$ 3,890	\$ 490	\$ 6,935
1999-2000	1,130	670	3,405	-	5,205
2000-2001	1,260	785	3,620	-	5,665
2001-2002	1,270	835	3,905	-	6,010
2002-2003	1,360	1,030	4,145	-	6,535
Thereafter	27,790	20,430	91,865	-	140,085
	<u>\$ 34,740</u>	<u>\$ 24,375</u>	<u>\$ 110,830</u>	<u>\$ 490</u>	<u>\$ 170,435</u>

	Interest				Total
	Special Assessment	Mello-Roos	Revenue Bonds	Tax Allocation Bonds	
1998-1999	\$ 2,552	\$ 849	\$ 6,243	\$ 18	\$ 9,662
1999-2000	2,440	1,529	5,975	-	9,944
2000-2001	2,357	1,488	5,811	-	9,656
2001-2002	2,267	1,441	5,629	-	9,337
2002-2003	2,172	1,386	5,428	-	8,986
Thereafter	19,351	10,010	44,634	-	73,995
	<u>\$ 31,139</u>	<u>\$ 16,703</u>	<u>\$ 73,720</u>	<u>\$ 18</u>	<u>\$ 121,580</u>

	Principal and Interest				Total
	Special Assessment	Mello-Roos	Revenue Bonds	Tax Allocation Bonds	
1998-1999	\$ 4,482	\$ 1,474	\$ 10,133	\$ 508	\$ 16,597
1999-2000	3,570	2,199	9,380	-	15,149
2000-2001	3,617	2,273	9,431	-	15,321
2001-2002	3,537	2,276	9,534	-	15,347
2002-2003	3,532	2,416	9,573	-	15,521
Thereafter	47,141	30,440	136,499	-	214,080
	<u>\$ 65,879</u>	<u>\$ 41,078</u>	<u>\$ 184,550</u>	<u>\$ 508</u>	<u>\$ 292,015</u>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 8. LONG-TERM DEBT - ENTERPRISE FUNDS

The following is a summary of all long-term debt in the primary government Enterprise Funds at June 30, 1998:

	Long-Term	Current	Total
Compensated absences	\$ 1,803	\$ 793	\$ 2,596
Advance payable to Sanitary Wastewater Utility Fund	385	-	385
Advances from other governments	2,214	134	2,348
Certificates of Participation	133,415	620	134,035
Unamortized discount	(546)	-	(546)
Unamortized extraordinary loss Sanitary Wastewater Utility Fund	(7,270)	-	(7,270)
Water extension agreements	2	20	22
Special assessment bonds	965	520	1,485
Unamortized discount	(5)	-	(5)
Developer agreement	5,440	-	5,440
Solid Waste Landfill closure/postclosure liability	9,509	-	9,509
	<u>9,509</u>	<u>-</u>	<u>9,509</u>
Total	<u>\$ 145,912</u>	<u>\$ 2,087</u>	<u>\$ 147,999</u>

#### *Compensated Absences*

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

#### *Advance Payable to Sanitary Wastewater Utility Fund*

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

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 8. LONG-TERM DEBT - ENTERPRISE FUNDS (Continued)

#### *Advance From Other Governments*

	Water Utility	Stormwater Utility	Total
Federal Drought Relief Act	\$ 1,149	\$ -	\$ 1,149
Federal Clean Water Act	-	1,199	1,199
Total	<u>\$ 1,149</u>	<u>\$ 1,199</u>	<u>\$ 2,348</u>
Less current portion	-	134	134
Long-term portion	<u>1,149</u>	<u>1,065</u>	<u>2,214</u>

- In August 1977, the City accepted a Federal Drought Relief Act grant of \$1,934 (which was later reduced by \$313) and a loan not to exceed \$1,834 for drought relief projects for the Water Utility (Enterprise Fund). As of June 30, 1998, advances totaled \$1,149. 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, 1998 advances totaled \$1,119. 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, 1998	<u>\$ 16,700</u>	<u>\$ 117,335</u>	<u>\$ 134,035</u>

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

	Principal	Interest	Total
1998-1999	\$ 620	\$ 6,869	\$ 7,489
1999-2000	2,045	6,730	8,775
2000-2001	2,135	6,642	8,777
2001-2002	2,225	6,549	8,774
2002-2003	2,325	6,451	8,776
Thereafter	<u>124,685</u>	<u>103,431</u>	<u>228,116</u>
Total	<u>\$ 134,035</u>	<u>\$ 136,672</u>	<u>\$ 270,707</u>



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 8. LONG-TERM DEBT - ENTERPRISE FUNDS (Continued)

**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, 1998	\$16,700
Less issue discount	<u>54</u>
Total	<u>\$16,646</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. Consistent with NCGA Statement No. 5 and GASB Statement No. 14 capital leases between the primary government and blended component units are eliminated. The debt and assets are reported in the primary government's Water Utility Enterprise Fund.

\$1,533 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.

**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, 1998	<u>\$15,685</u>
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# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 8. LONG-TERM DEBT - ENTERPRISE FUNDS (Continued)

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

Principal amount outstanding at June 30, 1998	\$ 101,650
Less issue discount	492
Less unamortized loss on defeasance	6,257
Less debt issue costs	<u>1,013</u>
	<u>\$ 93,888</u>

The proceeds of the 1998 issue were used to finance the design and construction of a sewer interceptor and to make improvements and modifications to the southern industrial sewer trunk line, and to defease the 1995 Certificates of Participation issue that was to finance the design, improvements and modifications to the regional wastewater control facilities serving the citizens of the City of Stockton. The defeasance resulted in an unamortized extraordinary loss of \$6,257, which will be amortized over the life of the 1995 Certificates. Interest with respect to the 1998 Certificates of Participation began on the date of issuance. Restrictive covenants include the requirement of a reserve for debt service by providing a reserve policy provided by an outside insurer. The reserve policy is in the amount of the maximum annual debt service on the 1998 and 1993 Certificates. The Certificates will be prepaid from the net revenues of the Sanitary Wastewater Utility Fund.

\$70,719 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 investment of idle funds and disbursements for the improvements and modifications of the project being financed.

#### *Water Extension Agreements*

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

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 8. LONG-TERM DEBT - ENTERPRISE FUNDS (Continued)

#### *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, 1998 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	\$ 110
Service facilities	159 B	7.32	07-02-74	07-02-99	1,650	240
Sanitary Wastewater Utility:						
Wastewater service facilities	181	7.19	07-02-75	07-02-00	4,700	1,135
						<u>1,485</u>
Less issue discount						<u>5</u>
Total						<u><u>\$ 1,480</u></u>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 8. 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
	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003		
Principal:							
Water Utility Fund	\$ 170	\$ 180	\$ -	\$ -	\$ -	\$ -	\$ 350
Sanitary Wastewater Utility Fund	<u>350</u>	<u>375</u>	<u>410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,135</u>
Total principal	<u>\$ 520</u>	<u>\$ 555</u>	<u>\$ 410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,485</u>
Interest:							
Water Utility Fund	\$ 18	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ 24
Sanitary Wastewater Utility Fund	<u>68</u>	<u>42</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126</u>
Total interest	<u>\$ 86</u>	<u>\$ 48</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>
Total Principal and Interest:							
Water Utility Fund	\$ 188	\$ 186	\$ -	\$ -	\$ -	\$ -	\$ 374
Sanitary Wastewater Utility Fund	<u>418</u>	<u>417</u>	<u>426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,261</u>
Total	<u>\$ 606</u>	<u>\$ 603</u>	<u>\$ 426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,635</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 capacity filled as of June 30, 1998. See Note 22 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, 1998 (Dollar amounts in thousands)

### 8. 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, 1998:

	Long-Term	Current	Total
Special assessment bonds	\$ 8,075	\$ 490	\$ 8,565
Compensated absences	<u>8</u>	<u>5</u>	<u>13</u>
Total	<u>\$ 8,083</u>	<u>\$ 495</u>	<u>\$ 8,578</u>

Special assessment bonds of the Central Parking District currently outstanding at June 30, 1998 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	\$ 515
Division 2	148 B	5.35	02-02-68	07-02-02	1,000	240
Division 3	148 C	5.47	11-02-68	07-02-05	1,000	240
Division 4	148 D	7.00	04-02-70	07-02-05	583	535
District Bonds of 1991	148 E	5.5-7.9	08-01-91	08-01-11	8,475	<u>7,035</u>
Total						<u>\$ 8,565</u>

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

	Principal	Interest	Total
1998-1999	\$ 490	\$ 630	\$ 1,120
1999-2000	515	600	1,115
2000-2001	555	565	1,120
2001-2002	590	530	1,120
2002-2003	615	491	1,106
Thereafter	<u>5,800</u>	<u>2,376</u>	<u>8,176</u>
Total	<u>\$ 8,565</u>	<u>\$ 5,192</u>	<u>\$ 13,757</u>



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 8. LONG-TERM DEBT - ENTERPRISE FUNDS (Continued)

#### *Defeasance of Debt*

On February 1, 1998, the City issued \$101,650 of 1998 City of Stockton Revenue Certificates of Participation, at rates of 4.00% to 5.2% to advance refund \$42,905 of outstanding 1995 Stockton Public Financing Authority Certificates of Participation with interest rates from 5.00% to 6.85%. A portion of the net proceeds of the 1998 Certificates, \$48,334, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1995 Certificates. As a result, the 1995 Certificates are considered to be defeased and the liability for those bonds has been removed from the Sanitary Wastewater Enterprise Fund. At June 30, 1998, the outstanding balance on the 1995 defeased Certificates of Participation was \$42,905. While the advance refunding of the 1995 Certificates resulted in increased debt service payments over the next 30 years of approximately \$6,309 and an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$5,196, the entire financing provided approximately \$51,544 of additional construction funds for wastewater system improvements at lower interest rates.

#### *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. The 1986 Certificates of Participation - Water Utility Fund were called during fiscal year 1998. At June 30, 1998, the outstanding balance considered defeased is as follows:

	Amount
Primary Government:	
1990 Certificates of Participation - Sanitary Wastewater Utility Fund	\$ 13,235

### 9. 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, 1998:

	Long-Term	Current	Total
Self-insurance liabilities	\$ 10,932	\$ 5,425	\$ 16,357
Capitalized lease payable	317	209	526
Compensated absences	326	141	467
	<hr/>	<hr/>	<hr/>
Total	\$ 11,575	\$ 5,775	\$ 17,350
	<hr/>	<hr/>	<hr/>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 9. 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	\$ 2,475	\$ 1,063	\$ 3,538
Workers' compensation	8,457	2,342	10,799
Health insurance		2,020	2,020
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 10,932</u>	<u>\$ 5,425</u>	<u>\$ 16,357</u>

**Capitalized Lease Payable** - The City has entered into various capitalized lease agreements for computer equipment. These leases expire in various years through March 2001.

Future minimum lease payments under capitalized leases are as follows:

1998-1999	\$ 221
1999-2000	185
2000-2001	139
	<u>545</u>
Less amounts representing interest	19
Present value of future minimum lease payments	<u>526</u>
Less current portion	<u>209</u>
Long-term portion	<u>\$ 317</u>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 10. 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, 1998, there were six series of revenue bonds outstanding, with an aggregate principal amount payable of \$83,505.

### 11. NATURE AND PURPOSE OF REPORTED RESERVES AND DESIGNATIONS

A summary of reported reserves and designations by fund at June 30, 1998 follows:

	Governmental Fund Types				Fiduciary Fund Type Trust and Agency
	General	Special Revenue	Debt Service	Capital Projects	
Account Title:					
Reserves:					
Encumbrances	\$ 1,435	\$ 14,459	\$ 1	\$ 4,738	\$ 4
Special district maintenance	-	897	-	-	-
Capital projects	-	598	-	58,984	-
Debt service	-	-	25,034	-	-
Advances to other funds	533	15,028	-	15,147	-
Advances for loans	-	26,171	-	-	-
Other items	382	467	-	80	705
Total reserves	<u>\$ 2,350</u>	<u>\$ 57,620</u>	<u>\$ 25,035</u>	<u>\$ 78,949</u>	<u>\$ 709</u>
Designations:					
Administrative contingency	\$ 6,521	\$ -			
Loans	-	6,314			
Library	-	659			
Compensated absences contingency	447	329			
Total designations	<u>\$ 6,968</u>	<u>\$ 7,302</u>			

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued) YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 11. 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.

**Special District Maintenance** - For special district maintenance services.

**Capital Projects** - For current and future infrastructure projects.

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

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

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

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

**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 YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 12. 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, 1998 is as follows:

	Water Utility	Sanitary Waste- water Utility	Storm- water Utility	Solid Waste	Golf Courses	Central Parking District
Operating revenue	\$ 12,214	\$ 27,580	\$ 4,597	\$ 4,263	\$ 1,708	\$ 1,449
Depreciation and amortization expense	1,214	4,086	899	45	118	314
Operating income (loss)	1,206	3,355	251	(2,484)	(123)	149
Operating transfers in	1,180	3,180	-	-	-	98
Operating transfers (out)	(1,180)	(3,180)	-	-	-	-
Net income (loss)	1,240	5,733	396	(2,022)	(123)	310
Current capital contributions/(deletions)	1,411	6,252	1,137	-	-	-
Fixed assets:						
Additions	2,106	9,649	1,157	164	19	5
Deletions	17	2	-	-	4	10
Net working capital	15,262	44,537	5,562	2,439	511	544
Total assets	68,246	273,235	36,065	9,628	1,746	15,035
Bonds and other long-term liabilities payable from						
operating revenue	18,162	116,148	1,584	9,509	-	8,565
Total equity	48,318	149,946	33,320	(574)	1,530	6,099

#### *Types of Goods and Services*

##### *Primary Government*

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

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

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

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

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



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 12. SEGMENT INFORMATION FOR ENTERPRISE FUNDS (Continued)

#### *Component Unit*

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

### 13. 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 1% to 5.5% of the employees' base salary, except for the City Manager. The City Manager's contribution is \$7.5 annually. The employee may contribute up to a combined City and employee total of 25% of their gross pay, not to exceed a total of \$8 annually.

In accordance with the Small Business Job Protection Act of 1996, which amended Internal Revenue Code Section 457, the City set up a trust on February 20, 1998 to hold assets and income of its deferred compensation plan for the exclusive benefit of the participants. Prior to this Act, all amounts of compensation deferred under the plan, all property purchased with such amounts, and all related income, had been subject to the claims of the City's general creditors.

As of June 30, 1998 the City no longer held the assets of the plan in a trustee capacity under Section 457, and management of the City determined that the City does not have fiduciary accountability since amounts accumulated by the City, under the plan, have been invested at the direction of the employees in several investment options. Therefore, in accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the City removed the Deferred Compensation Agency Fund, with assets and liabilities of \$94,207, from its balance sheet as of June 30, 1998. The table below reflects percentage of contribution based on bargaining unit:

Bargaining Unit	January 1, 1997	January 1, 1998
Unrepresented - Department Heads	5%	5.5%
Public Safety Department Heads - Police Chief and Fire Chief	2.5%	3%
Unrepresented Mid-Management	4%	4.5%
Unrepresented Confidential	3%	3.5%
Mid-Management Level	4%	4.5%
Supervisory Level	3%	3.5%
Fire Management - Battalion Chiefs	2%	2%
Police Management		
Deputy Chief and Captain	1%	1%
Lieutenant	1%	1%
Professional and Technical Services	3%	3.5%
Administrative, Clerical and Services	3%	3.5%
Fire Telecommunicators	3%	3.5%
Fire Unit	0	1%
Police Unit	0	0
Trades and Maintenance	3.5%	4.5%
Executive Personnel - (City Attorney)	5%	5.5%
Professional Personnel - (City Attorney)	4%	4.5%
Support Personnel - (City Attorney)	3%	3.5%

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 14. PENSION PLAN

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

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

**Funding Policy** - Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. As part of the City employees' benefit package, the City pays the employees' contribution. The City is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 1998 was 8.892% (13.082% for safety) of annual covered payroll. The contribution requirements of the Plans' members and the City are established and may be amended by PERS.

**Annual Pension Cost** - For the year ended June 30, 1998, the City's annual pension cost of \$8,053 was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 1995 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.5% investment rate of return (net of administrative expenses); and (b) projected salary increases that vary by duration of service ranging from 4.5% to 14.95%. Both (a) and (b) include an inflation component of 4.5%. The actuarial value of the Plans' assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. The Plans' unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll in a closed basis. The remaining amortization period at June 30, 1998 was 18 years.

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/97	\$14,300	100%	\$0
6/30/96	11,786	100	0
6/30/95	11,189	100	0

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 15. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City established a Risk Management Fund (Internal Service Fund) to account for its uninsured risk of loss. Under this program, the Risk Management Fund provides coverage up to a maximum of \$1,000 for each general liability claim, \$325 for each worker's compensation claim and \$150 for each health insurance claim. The City purchases commercial insurance for claims in excess of the coverage provided by the fund and for all other risks of loss for worker's compensation and health claims. The City joined together with other cities in 1987 to form the California Joint Powers Risk Management Authority ("CJPRMA"), a public entity risk pool currently operating as a risk management and insurance program for 23 member entities which represent in excess of 150 cities. The City pays an annual premium to CJPRMA for its general liability excess insurance coverage for claims over \$1,000.

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

At June 30, 1998, \$3,538, \$10,799, and \$2,020 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, 1998, 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, 1998 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.



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 15. RISK MANAGEMENT (Continued)

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

	Liability	Workers' Compensation	Health	Total
Balance, July 1, 1996	\$ 3,854	\$ 7,520	\$ 2,121	\$ 13,495
Claims provision	366	5,171	7,904	13,441
Claims paid	(946)	(3,280)	(8,283)	(12,509)
Balance, June 30, 1997	3,274	9,411	1,742	14,427
Claims provision	651	4,620	10,902	16,173
Claims paid	(387)	(3,232)	(10,624)	(14,243)
Balance, June 30, 1998	<u>\$ 3,538</u>	<u>\$ 10,799</u>	<u>\$ 2,020</u>	<u>\$ 16,357</u>

### 16. 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.

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 17. POST-RETIREMENT HEALTH CARE BENEFITS

In addition to providing pension benefits through the Public Employees' Retirement System, the City provides certain health care benefits for retired employees under contractual obligations negotiated between the City and various employee bargaining units. All City management and public safety employees who receive a PERS retirement allowance upon separation are eligible for coverage under the Retiree Medical Plan at age 50. Some management/safety employees retired for disability may qualify at a younger age. All other employees who receive a PERS retirement allowance and have 15 or more years of service are eligible at age 55. Full medical benefits are continued until age 65. Such coverage includes the retiree and one dependent. At age 65, eligible retirees are covered under a Medicare Supplemental Plan. This is a lifetime benefit provided to the retired employee and his or her eligible spouse. Currently, 336 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 \$3,594 were recognized for post-employment health care.

Most retirees do not contribute to the plan. Those that qualify for City paid benefits may purchase coverage for additional dependents not covered by the City's contribution to the Plan. During the year, \$84 of dependent coverage was purchased by retirees and terminated employees.

### 18. 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.

During fiscal year 1997, as part of ongoing groundwater monitoring at the Austin Road Landfill, there was an indication of contaminants from the landfill migrating beyond the 1000 foot plume boundary established in the 1991 Correction Action Plan. The Central Valley Regional Water Quality Control Board directed the City to submit an amended report and bring the landfill into compliance with state regulations. As a result, a consultant was hired to prepare an amended report of waste discharge. The study is now in progress and a report including the corrective action plan is expected late in fiscal year 1999. The implementation of a corrective action plan is expected to be completed in fiscal year 1999. The amount of potential liability to mitigate the contamination cannot be determined at this time.

The City is self-insured and participates in a Public Entity Risk Pool. Details of this are covered in Notes 15 and 16.



# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

### 18. CONTINGENT LIABILITIES (Continued)

#### *Accumulated Deficit and Unfunded Liabilities*

- The Stormwater Utility Fund (Enterprise) had a deficit retained earnings of \$3,177 at June 30, 1998 and \$3,567 at June 30, 1997. 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, 1998 partly due to depreciation of \$5,824 charged to earnings since inception of the Fund. However, at June 30, 1998, this fund had a positive net working capital of \$5,562, taking into consideration other components such as contributions from other sources and loans, that have an affect on total fund equity.
- The Solid Waste Fund (Enterprise) had a deficit retained earnings of \$1,267 at June 30, 1998. There was no deficit recorded at June 30, 1997. The deficit is due to the expansion of the Austin Road Landfill and increases in the estimated closure and postclosure costs. See Note 22.
- 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 \$8,457 and an unfunded liability of \$4,704. The cash balance of the fund at June 30, 1998 is \$6,029. 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, 1998:

• Regional Wastewater Control Facility expansion	\$ 5,787
• Street improvements	13,957
• Waterfront improvements	2,900
• Westside Sewer Interceptor	22,995

### 19. CHANGES IN CONTRIBUTED CAPITAL

#### *Enterprise Funds*

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility	Solid Waste	Golf Courses	Total
Balance, July 1, 1997	\$28,697	\$113,910	\$35,359	\$693	\$400	\$179,059
Additions	1,593	6,252	1,137			8,982
Deletions	(182)	-	-	-	-	(182)
Balance, June 30, 1998	<u>\$30,108</u>	<u>\$120,162</u>	<u>\$36,496</u>	<u>\$693</u>	<u>\$400</u>	<u>\$187,859</u>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1998

(Dollar amounts in thousands)

### 19. CHANGES IN CONTRIBUTED CAPITAL (Continued)

#### *Internal Service Funds*

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment	Total
Balance, July 1, 1997	\$3,592	\$4,992	\$2,051	\$ 746	\$ 11,381
Additions	39	35	122	24	220
Deletions	-	-	-	(24)	(24)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance, June 30, 1998	<u>\$ 3,631</u>	<u>\$ 5,027</u>	<u>\$ 2,173</u>	<u>\$ 746</u>	<u>\$ 11,577</u>

### 20. 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.

### 21. 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
1999	\$ 267
2000	271
2001	160
2002	159
2003	161
Thereafter	<u>1,732</u>
Total	<u>\$2,750</u>

# CITY OF STOCKTON

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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### 22. 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 and to perform certain maintenance and monitoring functions at the site for thirty years after the closure (per California state regulations subtitle d). Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

During the year ended June 30, 1998, the City obtained permits and expanded the Austin Road landfill. This expansion resulted in an increase in estimated capacity for the Austin Road facility from 4,596 tons at June 30, 1997 to 16,000 tons at June 30, 1998 and an increase in the estimate of total closure and postclosure care costs for the Austin Road facility from \$4,957 at June 30, 1997 to \$24,838 at June 30, 1998. The expected close date increased from the year 2000 to 2053 and the utilization decreased from 92% to 27% from June 30, 1997 to June 30, 1998. Current year expense was calculated using the revised estimated capacity.

The \$6,717 and \$2,791 for the Austin Road and French Camp landfill closure and postclosure care liability at June 30, 1998, represents the cumulative amount reported to date based on the use of 27% and 69% for Austin Road and French Camp of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$18,121 and \$1,239 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 1998. 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 2053 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, 1998, \$4,181 for Austin Road and \$1,353 for French Camp are held for these purposes. Contributions are reported as restricted assets 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.

### 23. SUBSEQUENT EVENTS

Subsequent to June 30, 1998, the City authorized the issuance of Limited Obligation Refunding Improvement Bonds, Series 232, Weber/Sperry Ranches Assessment District dated August 12, 1998. The new bonds are being issued to refund two prior issues of limited obligation improvement bonds consisting of Weber/Sperry Ranches Assessment District, Project No. 88-1, Series 213 and Project No. 88-2, Series 215. The bonds are issued pursuant to the provisions of the Refunding Act of 1984 for 1915 Act Bonds (Division 11.5 of the California Streets and Highways Code). The bonds are issued in the par amount of \$8,775 with interest ranging from 4.10%-5.75% and mature September 2, 2013.

\* \* \* \* \*

# CITY OF STOCKTON

## REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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

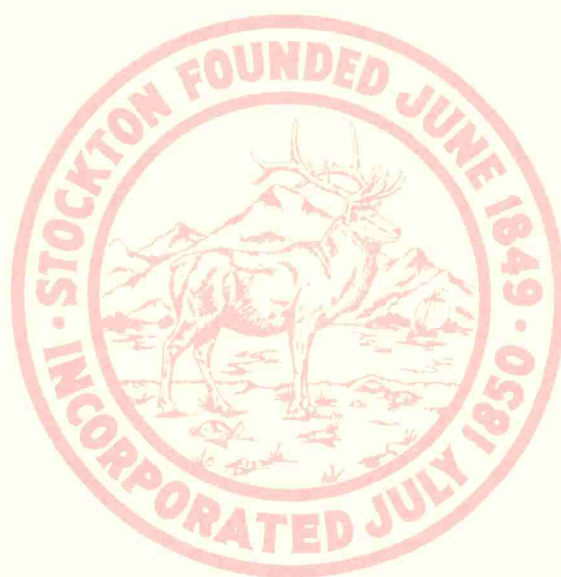
### FUNDED STATUS OF MISCELLANEOUS PLAN

Actuarial Valuation Date	Entry Age Actuarial Accrued Liability (1)	Actuarial Asset Value (2)	Unfunded Actuarial Accrued Liability (1)-(2)	Funded Ratio (2)/(1)	Covered Payroll	UAAL Percentage of Covered Payroll
6/30/96	\$182,931	\$177,677	\$5,254	97.1%	\$37,683	13.94%
6/30/95	157,746	156,671	1,075	99.3	39,006	2.76
6/30/94	146,637	144,493	2,144	98.5	35,416	6.05

### FUNDED STATUS OF SAFETY PLAN

Actuarial Valuation Date	Entry Age Actuarial Accrued Liability (1)	Actuarial Asset Value (2)	Unfunded Actuarial Accrued Liability (Excess Assets) (1)-(2)	Funded Ratio (2)/(1)	Covered Payroll	UAAL Percentage of Covered Payroll
6/30/96	\$231,555	\$226,407	\$5,148	97.8%	\$31,048	16.58%
6/30/95	203,421	202,769	652	99.7	29,857	2.18
6/30/94	189,033	190,358	(1,325)	100.7	28,476	(4.65)

# 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, 1998

(With comparative totals for June 30, 1997)

(Dollar amounts in thousands)

	1998	1997 (as restated)
<b>ASSETS</b>		
ASSETS:		
Cash and temporary investments	\$ 3,186	\$ 5,038
Cash with fiscal agents	74	71
Receivables:		
Interest	246	245
Taxes and special assessments	43	43
Accounts and others	6,770	5,714
Allowance for uncollectibles	(895)	(518)
Due from other funds	1,330	2,334
Due from other governments	2,497	2,448
Due from other agencies	-	4,700
Inventory of supplies	300	315
Advances to other funds	533	546
Advances to other agencies	-	1,600
Total assets	<u>\$14,084</u>	<u>\$ 22,536</u>
<b>LIABILITIES AND FUND BALANCES</b>		
LIABILITIES:		
Accounts payable	\$ 885	\$ 1,659
Accrued payroll and benefits	3,418	3,209
Due to other funds	-	4,700
Due to other agencies	111	177
Deposits and other liabilities	10	20
Deferred revenue	342	120
Total liabilities	<u>4,766</u>	<u>9,885</u>
FUND BALANCES:		
Reserved:		
Encumbrances	1,435	1,801
Advances to other funds	533	546
Advances to other agencies	-	1,600
Other items	382	358
Unreserved:		
Designated for administrative contingency	6,521	5,321
Designated for compensated absences contingency	447	3,025
Total fund balances	<u>9,318</u>	<u>12,651</u>
Total liabilities and fund balances	<u>\$14,084</u>	<u>\$ 22,536</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, 1998  
(With comparative totals for June 30, 1997)  
(Dollar amounts in thousands)**

	1998		
	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Property	\$15,183	\$ 15,108	\$ (75)
Utility	22,011	22,994	983
Sales and use	22,580	22,943	363
Other	11,607	12,269	662
Licenses and permits	2,340	2,337	(3)
Federal grants and subsidies	1,407	779	(628)
Intergovernmental	10,306	10,563	257
Charges for services	9,378	9,514	136
Fines and forfeitures	587	508	(79)
Use of money and property	592	1,041	449
Investment income:			
Interest income	1,300	932	(368)
Net increase (decrease) in fair value of investments	-	142	142
Refunds and reimbursements	408	943	535
Miscellaneous	4,919	5,051	132
Total revenues	<u>102,618</u>	<u>105,124</u>	<u>2,506</u>
EXPENDITURES:			
Current:			
General government:			
City council	304	219	85
City manager	1,790	1,655	135
Attorney	1,284	1,057	227
City clerk	814	631	183
City auditor	299	257	42
Finance	2,820	2,595	225
Management information services	1,169	1,160	9
Personnel	1,472	1,180	292
Housing and redevelopment	58	53	5
Community development	1,821	1,557	264
Non-departmental	933	783	150
Total general government	<u>12,764</u>	<u>11,147</u>	<u>1,617</u>
Public safety:			
Police	47,552	47,433	119
Fire	27,734	27,734	-
Community development	3,331	3,022	309
Total public safety	<u>78,617</u>	<u>78,189</u>	<u>428</u>

1997		
(as restated)		

Final Budget	Actual	Variance Favorable (Unfavorable)
\$15,205	\$14,680	\$ (525)
21,867	22,271	404
21,734	21,814	80
11,503	11,846	343
2,336	2,064	(272)
1,190	1,266	76
9,378	9,842	464
8,558	7,750	(808)
603	539	(64)
1,808	589	(1,219)
-	1,107	1,107
-	131	131
1,144	5,598	4,454
4,088	4,002	(86)
<u>99,414</u>	<u>103,499</u>	<u>4,085</u>

231	229	2
1,587	1,585	2
1,285	1,284	1
653	652	1
288	275	13
2,504	2,503	1
1,116	1,116	-
1,260	1,260	-
56	47	9
1,579	1,578	1
705	704	<u>1</u>
<u>11,264</u>	<u>11,233</u>	<u>31</u>

46,441	46,333	108
26,998	26,997	1
2,853	2,853	-
<u>76,292</u>	<u>76,183</u>	<u>109</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, 1998  
(With comparative totals for June 30, 1997)  
(Dollar amounts in thousands)**

	1998		
	Final Budget	Actual	Variance Favorable (Unfavorable)
Public works	11,338	10,986	352
Parks and recreation	<u>9,413</u>	<u>9,033</u>	<u>380</u>
Total current expenditures	112,132	109,355	2,777
Capital outlay	<u>109</u>	<u>102</u>	<u>7</u>
Total expenditures	<u>112,241</u>	<u>109,457</u>	<u>2,784</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	<u>(9,623)</u>	<u>(4,333)</u>	<u>5,290</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	5,441	5,441	-
Operating transfers out	(4,480)	(4,480)	-
Operating transfers out to component unit	(98)	(98)	-
Sale of fixed assets	24	2	(22)
Advances from other funds	-	-	-
Repayments of advances from other funds	<u>(1,300)</u>	<u>(1,300)</u>	<u>-</u>
Total other financing sources (uses)	(413)	(435)	(22)
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	<u>(10,036)</u>	<u>(4,768)</u>	<u>5,268</u>



1997 (as restated)		
Final Budget	Actual	Variance Favorable (Unfavorable)
11,467	11,279	188
<u>8,973</u>	<u>8,539</u>	<u>434</u>
107,996	107,234	762
<u>185</u>	<u>171</u>	<u>14</u>
<u>108,181</u>	<u>107,405</u>	<u>776</u>
 <u>(8,767)</u>	 <u>(3,906)</u>	 <u>4,861</u>
 3,730	 3,730	 -
(4,695)	(4,697)	(2)
-	-	-
(98)	(98)	-
15	31	16
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
(1,048)	(1,034)	14
 <u>(9,815)</u>	 <u>(4,940)</u>	 <u>4,875</u>

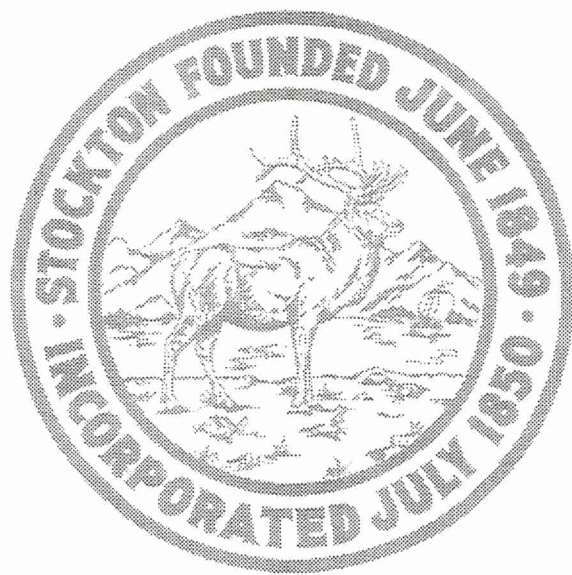
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# CITY OF STOCKTON

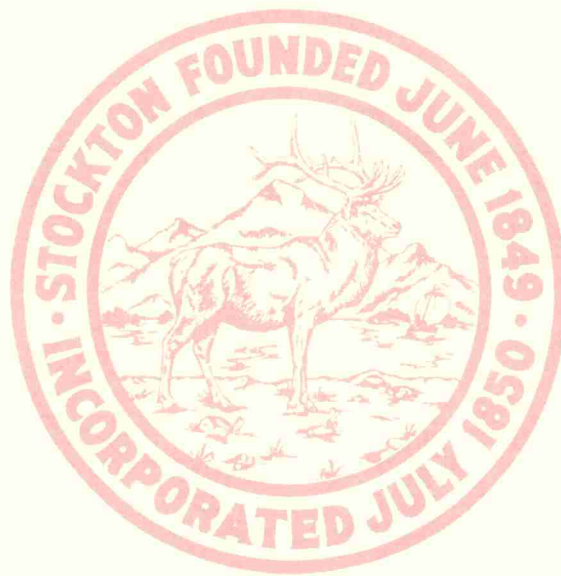
**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
ON A BUDGETARY BASIS (Continued)  
FOR THE YEAR ENDED JUNE 30, 1998  
(With comparative totals for June 30, 1997)  
(Dollar amounts in thousands)**

	1998		Variance
	Final Budget	Actual	Favorable (Unfavorable)
BASIS ADJUSTMENTS:			
Encumbrances	-	1,435	1,435
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(10,036)	(3,333)	6,703
FUND BALANCES, BEGINNING OF YEAR, as restated	12,651	12,651	-
FUND BALANCES, END OF YEAR	\$ 2,615	\$ 9,318	\$ 6,703

1997 (as restated)		
Final Budget	Actual	Variance Favorable (Unfavorable)
-	1,801	1,801
(9,815)	(3,139)	6,676
15,961	15,790	(171)
<u>\$ 6,146</u>	<u>\$ 12,651</u>	<u>\$ 6,505</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, 1998

(With comparative totals for June 30, 1997)

(Dollar amounts in thousands)

	Special Grants	Revenue Sharing	Gas Tax	Measure K Sales Tax	Cooperative Library
<b>ASSETS</b>					
ASSETS:					
Cash and temporary investments	\$ 1,148	\$ 27	\$ -	\$ -	\$ 149
Receivables:					
Interest	23	1	32	-	-
Accounts and other	-	-	-	-	-
Due from other governments	213	-	3,033	8,617	-
Advances to other funds	-	-	-	-	-
Advances to property owners	-	-	-	-	-
Property held for resale	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,384</u>	<u>\$ 28</u>	<u>\$ 3,065</u>	<u>\$ 8,617</u>	<u>\$ 149</u>
<b>LIABILITIES AND FUND BALANCES</b>					
LIABILITIES:					
Accounts payable	\$ 23	\$ -	\$ 726	\$ 1,822	\$ 5
Due to other funds	-	24	435	50	-
Due to other governments	1,251	-	212	241	144
Deferred revenues	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,274</u>	<u>24</u>	<u>1,373</u>	<u>2,113</u>	<u>149</u>
FUND BALANCES:					
Reserved:					
Special district maintenance	-	-	-	-	-
Capital Projects	-	-	598	-	-
Encumbrances	89	-	1,094	12,645	87
Advances to other funds	-	-	-	-	-
Advances for loans	-	-	-	-	-
Other items	21	-	-	-	-
Unreserved:					
Designated for library	-	-	-	-	-
Designated for loans	-	-	-	-	-
Designated for compensated absences contingency	-	-	-	-	-
Undesignated	-	4	-	(6,141)	(87)
	<u>-</u>	<u>4</u>	<u>-</u>	<u>(6,141)</u>	<u>(87)</u>
Total fund balances	<u>110</u>	<u>4</u>	<u>1,692</u>	<u>6,504</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,384</u>	<u>\$ 28</u>	<u>\$ 3,065</u>	<u>\$ 8,617</u>	<u>\$ 149</u>

City-County Library	Special Assessments	Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Home Program	Other Special Revenue	Totals	
								1998	1997 (as restated)
\$ 1,235	\$ 1,138	\$ 275	\$ -	\$ 60	\$ 3,498	\$ -	\$ 315	\$ 7,845	\$ 10,193
-	-	-	-	3	2	-	4	65	144
3	2	1	-	-	-	-	2	8	5
-	-	-	-	115	-	977	-	12,955	8,128
-	-	-	4,686	10,342	-	-	-	15,028	15,055
-	-	3,182	-	-	19,781	6,636	-	29,599	23,966
-	-	-	-	54	-	-	-	54	53
<u>\$ 1,238</u>	<u>\$ 1,140</u>	<u>\$ 3,458</u>	<u>\$ 4,686</u>	<u>\$ 10,574</u>	<u>\$ 23,281</u>	<u>\$ 7,613</u>	<u>\$ 321</u>	<u>\$ 65,554</u>	<u>\$ 57,544</u>
\$ 85	\$ 49	\$ -	\$ -	\$ 96	\$ 18	\$ 14	\$ 1	\$ 2,839	\$ 2,329
-	-	-	-	1,464	-	775	70	2,818	4,029
72	-	-	-	1,238	-	-	-	3,158	1,020
-	2	-	-	-	-	-	-	2	-
-	-	-	-	2	1,044	1,583	-	2,629	1,497
<u>157</u>	<u>51</u>	<u>-</u>	<u>-</u>	<u>2,800</u>	<u>1,062</u>	<u>2,372</u>	<u>71</u>	<u>11,446</u>	<u>8,875</u>
-	897	-	-	-	-	-	-	897	694
-	-	-	-	-	-	-	-	598	-
93	11	-	-	416	-	16	8	14,459	20,308
-	-	-	4,686	10,342	-	-	-	15,028	15,055
-	-	3,182	-	-	16,181	6,808	-	26,171	23,966
-	181	-	-	-	-	-	265	467	385
659	-	-	-	-	-	-	-	659	585
-	-	276	-	-	6,038	-	-	6,314	2,519
329	-	-	-	-	-	-	-	329	370
-	-	-	-	(2,984)	-	(1,583)	(23)	(10,814)	(15,213)
<u>1,081</u>	<u>1,089</u>	<u>3,458</u>	<u>4,686</u>	<u>7,774</u>	<u>22,219</u>	<u>5,241</u>	<u>250</u>	<u>54,108</u>	<u>48,669</u>
<u>\$ 1,238</u>	<u>\$ 1,140</u>	<u>\$ 3,458</u>	<u>\$ 4,686</u>	<u>\$ 10,574</u>	<u>\$ 23,281</u>	<u>\$ 7,613</u>	<u>\$ 321</u>	<u>\$ 65,554</u>	<u>\$ 57,544</u>

# CITY OF STOCKTON

## SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 1998 (With comparative totals for June 30, 1997) (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	\$ -	\$ -	\$ -	\$ 2,347	\$ -	\$ -	\$ -
Taxes - transportation	-	-	114	-	-	-	-
Taxes - business improvement	-	-	-	-	-	-	109
Federal grants and subsidies	1,328	-	2,869	-	23	-	-
Intergovernmental	476	-	4,421	7,905	147	2,676	-
Charges for services	-	-	-	-	103	175	606
Use of money and property	-	-	-	-	-	-	-
Investment income:							
Interest income	15	4	118	-	-	-	-
Net increase (decrease) in fair value of investments	3	-	4	6	-	-	-
Refunds and reimbursements	-	-	-	-	-	42	-
Miscellaneous	-	-	33	-	-	-	1
	<u>1,822</u>	<u>4</u>	<u>7,559</u>	<u>10,258</u>	<u>273</u>	<u>2,893</u>	<u>716</u>
Total revenues	1,822	4	7,559	10,258	273	2,893	716
EXPENDITURES:							
Current:							
General government	-	-	-	-	-	-	90
Public safety	1,330	-	-	-	-	-	-
Public works	-	-	-	-	-	-	456
Library	61	-	-	-	273	7,285	-
Parks and recreation	14	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	55	-	3,806	9,352	-	-	-
Library	-	-	-	-	-	18	-
Parks and recreation	20	-	-	-	-	-	-
	<u>1,480</u>	<u>-</u>	<u>3,806</u>	<u>9,352</u>	<u>273</u>	<u>7,303</u>	<u>546</u>
Total expenditures	1,480	-	3,806	9,352	273	7,303	546
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>342</u>	<u>4</u>	<u>3,753</u>	<u>906</u>	<u>-</u>	<u>(4,410)</u>	<u>170</u>



Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Home Program	Other Special Revenue	Totals	
						1998	1997 (as restated)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,347	\$ 2,169
-	-	-	-	-	-	114	192
-	-	-	-	-	-	109	91
-	-	6,993	-	1,189	2	12,404	11,696
-	-	-	-	-	87	15,712	8,759
-	-	-	-	-	109	993	919
-	-	-	230	19	-	249	284
-	-	43	8	-	16	204	426
-	-	1	-	-	1	15	63
-	-	-	-	-	2	44	46
-	-	-	-	-	-	34	100
-	-	7,037	238	1,208	217	32,225	24,745
-	-	-	134	-	22	246	348
-	-	-	-	-	53	1,383	1,149
-	-	-	-	-	-	456	418
-	-	-	-	-	-	7,619	7,526
-	-	-	-	-	108	122	113
-	-	-	-	-	14	14	6
-	-	-	-	-	-	-	74
-	-	2,501	-	73	-	15,787	11,695
-	-	-	-	-	-	18	27
-	-	-	-	-	-	20	18
-	-	2,501	134	73	197	25,665	21,374
-	-	4,536	104	1,135	20	6,560	3,371

(continues)

# CITY OF STOCKTON

**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 1998**  
**(With comparative totals for June 30, 1997)**  
**(Dollar amounts in thousands)**

	Special Grants	Revenue Sharing	Gas Tax	Measure K Sales Tax	Cooperative Library	City- County Library
<b>OTHER FINANCING SOURCES</b>						
(USES):						
Operating transfers in	44	-	-	-	-	4,450
Operating transfers out	(168)	-	(4,300)	-	-	-
Repayment of advances from other funds	-	-	-	-	-	-
Total other financing sources (uses)	(124)	-	(4,300)	-	-	4,450
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	218	4	(547)	906	-	40
<b>FUND BALANCES, BEGINNING OF YEAR, as restated</b>	84	-	2,239	5,598	-	1,041
Residual equity transfers out	(192)	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 110</u>	<u>\$ 4</u>	<u>\$ 1,692</u>	<u>\$ 6,504</u>	<u>\$ -</u>	<u>\$ 1,081</u>

Special Assessments	Redevelopment Agency Loan	Urban Development Action Grant	Community Development Block Grant	Community Development Loan	Home Program	Other Special Revenue	Totals	
							1998	1997 (as restated)
-	-	-	-	4,374	1,218	22	10,108	7,658
-	-	-	(5,349)	(4)	(1,214)	-	(11,035)	(9,344)
-	-	-	-	-	-	(2)	(2)	-
-	-	-	(5,349)	4,370	4	20	(929)	(1,686)
170	-	-	(813)	4,474	1,139	40	5,631	1,685
919	3,458	4,686	8,587	17,745	4,102	210	48,669	46,984
-	-	-	-	-	-	-	(192)	-
<u>\$ 1,089</u>	<u>\$ 3,458</u>	<u>\$ 4,686</u>	<u>\$ 7,774</u>	<u>\$ 22,219</u>	<u>\$ 5,241</u>	<u>\$ 250</u>	<u>\$ 54,108</u>	<u>\$ 48,669</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, 1998 (Dollar amounts in thousands)

	Gas Tax		
	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Sales and use tax	\$ -	\$ -	-
Taxes - transportation	100	114	\$ 14
Taxes - business improvement	-	-	-
Federal grants and subsidies	6,135	2,869	(3,266)
Intergovernmental	4,807	4,421	(386)
Charges for services	-	-	-
Use of money and property			
Investment income:			
Interest income	104	118	14
Net increase (decrease) in fair value of investments	-	4	4
Refunds and reimbursements	84	-	(84)
Miscellaneous	-	33	33
Total revenues	<u>11,230</u>	<u>7,559</u>	<u>(3,671)</u>
EXPENDITURES:			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Library	-	-	-
Parks and recreation	-	-	-
Capital outlay:			
General government	-	-	-
Public safety	-	-	-
Public works	8,205	4,011	4,194
Library	-	-	-
Parks and recreation	-	-	-
Total expenditures	<u>8,205</u>	<u>4,011</u>	<u>4,194</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,025</u>	<u>3,548</u>	<u>523</u>

Measure K Sales Tax			City-County Library			Special Assessments		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,204	\$2,347	\$ 143	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	121	109	(12)
-	-	-	-	-	-	-	-	-
20,795	7,905	(12,890)	2,651	2,676	25	-	-	-
-	-	-	156	175	19	606	606	-
-	-	-	-	-	-	-	-	-
145	-	(145)	-	-	-	-	-	-
-	6	6	-	-	-	-	-	-
-	-	-	42	42	-	-	-	-
-	-	-	-	-	-	1	1	-
<u>23,144</u>	<u>10,258</u>	<u>(12,886)</u>	<u>2,849</u>	<u>2,893</u>	<u>44</u>	<u>728</u>	<u>716</u>	<u>(12)</u>
-	-	-	-	-	-	121	90	31
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	593	467	126
-	-	-	7,667	7,371	296	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
27,986	10,665	17,321	-	-	-	-	-	-
-	-	-	86	25	61	-	-	-
-	-	-	-	-	-	-	-	-
<u>27,986</u>	<u>10,665</u>	<u>17,321</u>	<u>7,753</u>	<u>7,396</u>	<u>357</u>	<u>714</u>	<u>557</u>	<u>157</u>
<u>(4,842)</u>	<u>(407)</u>	<u>4,435</u>	<u>(4,904)</u>	<u>(4,503)</u>	<u>401</u>	<u>14</u>	<u>159</u>	<u>145</u>

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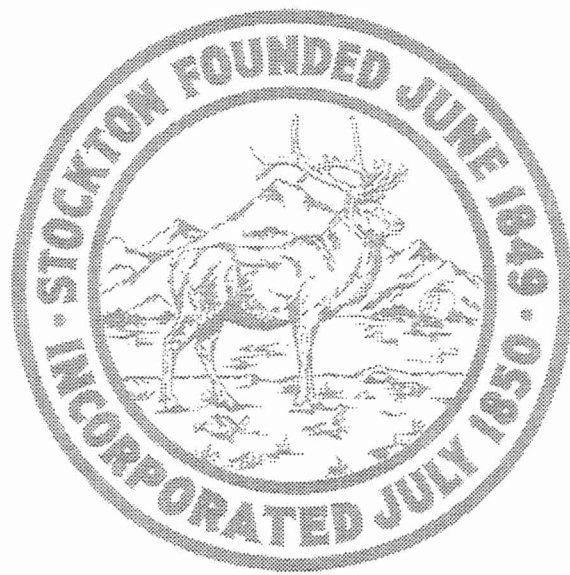


# CITY OF STOCKTON

## SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON A BUDGETARY BASIS (Continued) FOR THE YEAR ENDED JUNE 30, 1998 (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	\$ -	\$ -	\$ -	\$ 2,204	\$ 2,347	\$ 143
Taxes - transportation	-	-	-	100	114	14
Taxes - business improvement	-	-	-	121	109	(12)
Federal grants and subsidies	-	2	2	6,135	2,871	(3,264)
Intergovernmental	120	87	(33)	28,373	15,089	(13,284)
Charges for services	108	109	1	870	890	20
Use of money and property	-	-	-	-	-	-
Investment income:						
Interest income	13	16	3	262	134	(128)
Net increase (decrease) in net investments	-	1	1	-	11	11
Refunds and reimbursements	-	2	2	126	44	(82)
Miscellaneous	-	-	-	1	34	33
Total revenues	241	217	(24)	38,192	21,643	(16,549)
EXPENDITURES:						
Current:						
General government	22	22	-	143	112	31
Public safety	127	59	68	127	59	68
Public works	-	-	-	593	467	126
Library	-	-	-	7,667	7,371	296
Parks and recreation	108	108	-	108	108	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	15	14	1	15	14	1
Public works	-	-	-	36,191	14,676	21,515
Library	-	-	-	86	25	61
Parks and recreation	2	2	-	2	2	-
Total expenditures	274	205	69	44,932	22,834	22,098
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(33)	12	45	(6,740)	(1,191)	5,549

(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, 1998 (Dollar amounts in thousands)

	Gas Tax		
	Final Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES			
(USES):			
Operating transfers in	-	-	-
Operating transfers out	(4,300)	(4,300)	-
Advances from other funds	-	-	-
Total other financing sources (uses)	<u>(4,300)</u>	<u>(4,300)</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(1,275)	(752)	523
BASIS ADJUSTMENTS:			
Encumbrances	<u>-</u>	<u>205</u>	<u>205</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(1,275)	(547)	728
FUND BALANCES, BEGINNING OF YEAR, as restated	<u>2,239</u>	<u>2,239</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 964</u>	<u>\$ 1,692</u>	<u>\$ 728</u>

Measure K Sales Tax			City-County Library			Special Assessments		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
-	-	-	4,450	4,450	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	4,450	4,450	-	-	-	-
(4,842)	(407)	4,435	(454)	(53)	401	14	159	145
-	1,313	1,313	-	93	93	-	11	11
(4,842)	906	5,748	(454)	40	494	14	170	156
5,598	5,598	-	1,041	1,041	-	920	920	-
\$ 756	\$6,504	\$ 5,748	\$ 587	\$1,081	\$ 494	\$934	\$ 1,090	\$ 156

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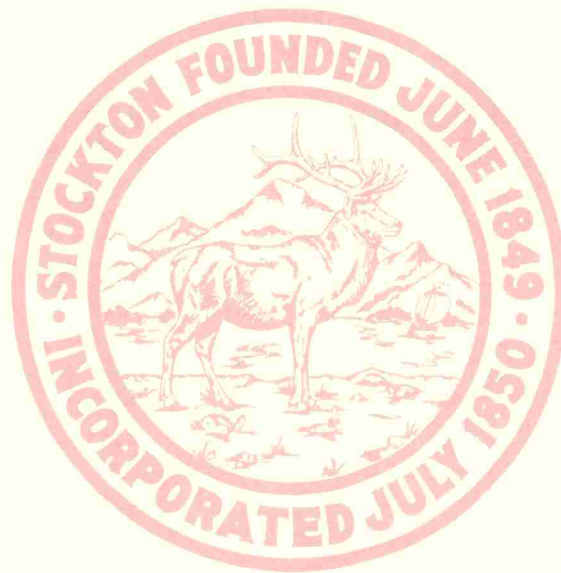
# CITY OF STOCKTON

**SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL ON A BUDGETARY BASIS (Continued)  
FOR THE YEAR ENDED JUNE 30, 1998  
(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	22	22	-	4,472	4,472	-
Operating transfers out	-	-	-	(4,300)	(4,300)	-
Advances from other funds	-	-	-	-	-	-
Repayment of advances to other funds	(3)	(2)	1	(3)	(2)	1
Total other financing sources (uses)	19	20	1	169	170	1
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(14)	32	46	(6,571)	(1,021)	5,550
BASIS ADJUSTMENTS:						
Encumbrances	-	8	8	-	1,630	1,630
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(14)	40	54	(6,571)	609	7,180
FUND BALANCES, BEGINNING OF YEAR, as restated	210	210	-	10,008	10,008	-
FUND BALANCES, END OF YEAR	\$ 196	\$ 250	\$ 54	\$ 3,437	\$10,617	\$7,180



# Stockton



**DEBT SERVICE FUNDS**

## ***DEBT SERVICE FUNDS***

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

## **DEBT SERVICE FUNDS**

### **Mello-Roos Districts**

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

### **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.

### **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.

### **Stockton Public Financing Authority**

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

# CITY OF STOCKTON

## DEBT SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 1998

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

	Mello- Roos Districts	1915 Act Assessment District	Redevelopment Agency
<b>ASSETS</b>			
ASSETS:			
Cash and temporary investments	\$ 6,176	\$ 9,450	\$ -
Cash with fiscal agents	6,221	8	125
Receivables:			
Special assessments	601	1,125	-
Accounts and other	67	91	-
Due from other governments	-	(3)	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 13,065</u>	<u>\$ 10,671</u>	<u>\$ 125</u>
<b>LIABILITIES AND FUND BALANCES</b>			
LIABILITIES:			
Accounts payable	\$ -	\$ 3	\$ -
Matured bonds and interest payable	-	8	-
Deferred revenue	601	1,151	-
	<u>601</u>	<u>1,151</u>	<u>-</u>
Total liabilities	<u>601</u>	<u>1,162</u>	<u>-</u>
FUND BALANCES:			
Reserved:			
Debt service	12,464	9,508	125
Encumbrances	-	1	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>12,464</u>	<u>9,509</u>	<u>125</u>
Total liabilities and fund balances	<u>\$ 13,065</u>	<u>\$ 10,671</u>	<u>\$ 125</u>

Stockton Public Financing Authority	Totals	
	1998	1997 (as restated)
\$ 815	\$ 16,441	\$ 13,433
2,115	8,469	8
-	1,726	1,620
7	165	160
-	(3)	-
		0
<u>\$ 2,937</u>	<u>\$ 26,798</u>	<u>\$ 15,221</u>

\$ -	\$ 3	\$ 29
-	8	8
-	1,752	1,620
-	1,763	1,657

2,937	25,034	13,560
-	1	4
2,937	25,035	13,564
<u>\$ 2,937</u>	<u>\$ 26,798</u>	<u>\$ 15,221</u>

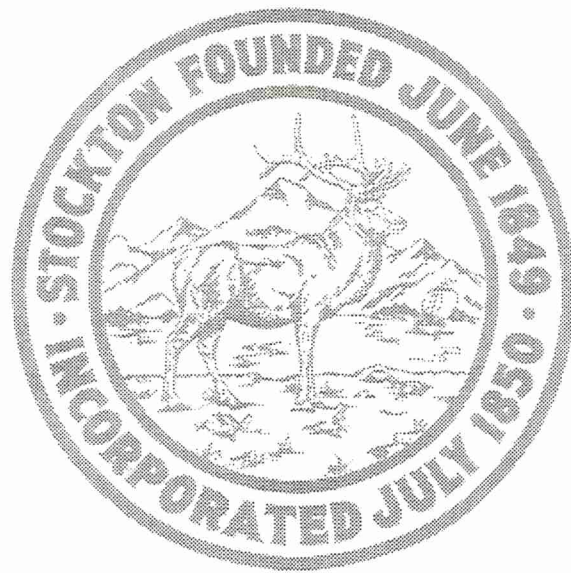
# CITY OF STOCKTON

**DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 1998  
(With comparative totals for June 30, 1997)  
(Dollar amounts in thousands)**

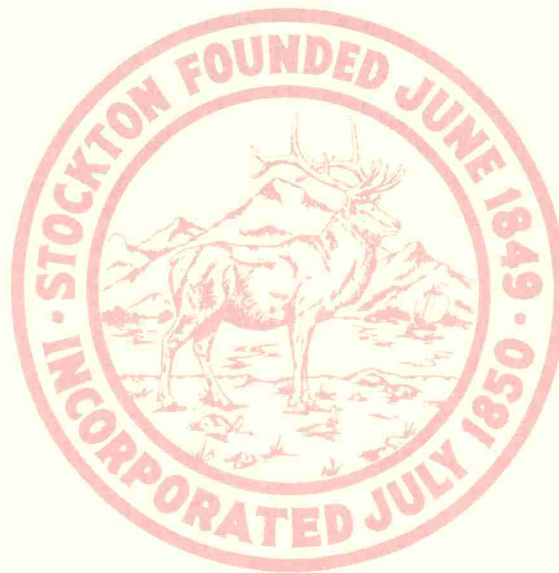
	Mello- Roos Districts	1915 Act Assessment District	Redevelopment Agency
REVENUES:			
Taxes	\$ 8,021	\$ 7,276	\$ -
Use of money and property	-	-	-
Investment income:			
Interest income	165	383	-
Net increase (decrease) in fair value of investments	6	12	-
Miscellaneous	-	-	-
Total revenues	<u>8,192</u>	<u>7,671</u>	<u>-</u>
EXPENDITURES:			
General government	-	319	-
Debt service:			
Principal retirement	1,310	3,163	455
Interest and fiscal charges	<u>5,712</u>	<u>4,224</u>	<u>52</u>
Total expenditures	<u>7,022</u>	<u>7,706</u>	<u>507</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,170</u>	<u>(35)</u>	<u>(507)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	6,580	2,352	632
Operating transfers out	<u>(252)</u>	<u>(286)</u>	<u>-</u>
Total other financing sources (uses)	<u>6,328</u>	<u>2,066</u>	<u>632</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	7,498	2,031	125
FUND BALANCES, BEGINNING OF YEAR, as restated	<u>4,966</u>	<u>7,478</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 12,464</u>	<u>\$ 9,509</u>	<u>\$ 125</u>



Stockton Public Financing Authority	Totals	
	1998	1997 (as restated)
\$ 1,539	\$16,836	\$ 17,160
-	-	-
46	594	504
2	20	79
-	-	2
<u>1,587</u>	<u>17,450</u>	<u>17,745</u>
-	319	181
695	5,623	5,855
<u>828</u>	<u>10,816</u>	<u>12,615</u>
<u>1,523</u>	<u>16,758</u>	<u>18,651</u>
<u>64</u>	<u>692</u>	<u>(906)</u>
1,794	11,358	917
<u>(41)</u>	<u>(579)</u>	<u>(1,569)</u>
<u>1,753</u>	<u>10,779</u>	<u>(652)</u>
1,817	11,471	(1,558)
<u>1,120</u>	<u>13,564</u>	<u>15,122</u>
<u>\$ 2,937</u>	<u>\$25,035</u>	<u>\$ 13,564</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

### **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.

### **1915 Act Assessment Districts**

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

### **Stockton Public Financing Authority**

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

# CITY OF STOCKTON

## CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET

JUNE 30, 1998

(With comparative totals for June 30, 1997)

(Dollar amounts in thousands)

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency
<b>ASSETS</b>			
ASSETS:			
Cash and temporary investments	\$35,621	\$ 9,434	\$ 1,681
Cash with fiscal agents	-	-	383
Receivables:			
Interest	570	75	16
Accounts and other	2,316	1	1
Due from other funds	783	35	1,464
Due from other governments	1	1	48
Deposits	-	-	40
Advances to other funds	3,745	10,102	1,300
Advances to property owners	-	40	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$43,036</u>	<u>\$19,688</u>	<u>\$ 4,933</u>
<b>LIABILITIES AND FUND BALANCES</b>			
LIABILITIES:			
Accounts payable	\$ 388	\$ 455	\$ 84
Due to other funds	783	-	11
Due to other governments	-	30	-
Deposits and other liabilities	-	-	3
Matured bonds and interest payable	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>1,171</u>	<u>485</u>	<u>98</u>
FUND BALANCES:			
Reserved:			
Capital Projects	34,416	8,155	3,368
Encumbrances	3,704	906	127
Debt service	-	-	-
Advances to other funds	3,745	10,102	1,300
Other items	-	40	40
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>41,865</u>	<u>19,203</u>	<u>4,835</u>
Total liabilities and fund balances	<u>\$43,036</u>	<u>\$19,688</u>	<u>\$ 4,933</u>



Mello-Roos Districts	1915 Act Assessment Districts	Stockton Public Financing Authority	Totals	
			1998	1997 (as restated)
\$ 6,481	\$ 4,628	\$ 17	\$ 57,862	\$ 55,505
1,676	-	189	2,248	2,564
94	101	-	856	820
-	-	-	2,318	1,517
-	-	-	2,282	6,189
-	-	-	50	52
-	-	-	40	43
-	-	-	15,147	14,339
-	-	-	40	40
<u>\$ 8,251</u>	<u>\$ 4,729</u>	<u>\$ 206</u>	<u>\$ 80,843</u>	<u>\$ 81,069</u>
\$ 140	\$ -	\$ -	\$ 1,067	\$ 1,235
-	-	-	794	794
-	-	-	30	30
-	-	-	3	3
-	-	-	-	3
<u>140</u>	<u>-</u>	<u>-</u>	<u>1,894</u>	<u>2,065</u>
8,110	4,729	206	58,984	49,625
1	-	-	4,738	3,112
-	-	-	-	11,845
-	-	-	15,147	14,339
-	-	-	80	83
<u>8,111</u>	<u>4,729</u>	<u>206</u>	<u>78,949</u>	<u>79,004</u>
<u>\$ 8,251</u>	<u>\$ 4,729</u>	<u>\$ 206</u>	<u>\$ 80,843</u>	<u>\$ 81,069</u>

# CITY OF STOCKTON

## CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 1998 (With comparative totals for June 30, 1997) (Dollar amounts in thousands)

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency
REVENUES:			
Taxes:			
Property	\$ -	\$ -	\$ 1,141
Amusement	-	20	-
Intergovernmental	-	-	-
Federal grants and subsidies	-	-	86
Charges for services	8,457	-	-
Fines and forfeitures	3	-	-
Use of money and property	74	731	75
Investment income:			
Interest income	2,037	268	61
Net increase (decrease) in fair value of investments	73	3	4
Refunds and reimbursements	-	-	1
Miscellaneous	-	3	84
Total revenues	10,644	1,025	1,452
EXPENDITURES:			
Capital outlay:			
General government	359	1,152	516
Public safety	192	123	-
Public works	3,062	117	2,713
Library	28	-	-
Parks and recreation	1,305	155	-
Total expenditures	4,946	1,547	3,229
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	5,698	(522)	(1,777)
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	40	1,589
Operating transfers out	-	(390)	(1,246)
Proceeds of long-term debt	-	-	-
Proceeds of refunding bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Advances from other funds	2,223	-	350
Repayment of advances from other funds	(422)	-	(81)
Total other financing sources (uses)	1,801	(350)	612

Mello-Roos Districts	1915 Act Assessment Districts	Stockton Public Financing Authority	Totals	
			1998	1997 (as restated)
\$ 21	\$ -	\$ -	\$ 1,162	\$ 1,140
-	-	-	20	18
-	-	-	-	56
-	-	-	86	34
87	-	-	8,544	8,120
-	-	-	3	6
-	-	-	880	502
527	479	95	3,467	3,173
117	26	(1)	222	376
-	-	-	1	73
54	-	-	141	117
<u>806</u>	<u>505</u>	<u>94</u>	<u>14,526</u>	<u>13,615</u>
1,953	119	537	4,636	3,436
-	-	-	315	455
162	961	-	7,015	20,583
-	-	-	28	186
-	-	-	1,460	630
<u>2,115</u>	<u>1,080</u>	<u>537</u>	<u>13,454</u>	<u>25,290</u>
<u>(1,309)</u>	<u>(575)</u>	<u>(443)</u>	<u>1,072</u>	<u>(11,675)</u>
661	286	52	2,628	5,119
(6,989)	(2,352)	(1,805)	(12,782)	(1,814)
-	1,390	15,670	17,060	2,280
71,100	-	-	71,100	40,030
(64,104)	(1,889)	(15,210)	(81,203)	(36,310)
-	-	-	2,573	1,071
-	-	-	(503)	(650)
<u>668</u>	<u>(2,565)</u>	<u>(1,293)</u>	<u>(1,127)</u>	<u>9,726</u>

(continues)

# CITY OF STOCKTON

## CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued) FOR THE YEAR ENDED JUNE 30, 1998 (With comparative totals for June 30, 1997) (Dollar amounts in thousands)

	Public Facilities Impact Fees	Capital Improvement	Redevelopment Agency
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	7,499	(872)	(1,165)
FUND BALANCES, BEGINNING OF YEAR, as restated	<u>34,366</u>	<u>20,075</u>	<u>6,000</u>
FUND BALANCES, END OF YEAR	<u>\$41,865</u>	<u>\$ 19,203</u>	<u>\$ 4,835</u>

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Mello-Roos Districts	1915 Act Assessment Districts	Stockton Public Financing Authority	Totals	
			1998	1997 (as restated)
(641)	(3,140)	(1,736)	(55)	(1,949)
<u>8,752</u>	<u>7,869</u>	<u>1,942</u>	<u>79,004</u>	<u>80,953</u>
<u>\$ 8,111</u>	<u>\$ 4,729</u>	<u>\$ 206</u>	<u>\$ 78,949</u>	<u>\$ 79,004</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, 1998 (Dollar amounts in thousands)

	Public Facilities Impact Fees		
	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Amusement	\$ -	\$ -	\$ -
Charges for services	4,699	8,457	3,758
Fines and forfeitures	-	3	3
Use of money and property	-	74	74
Investment income:			
Interest income	703	2,037	1,334
Net increase (decrease) in fair value of investments	-	73	73
Refunds and reimbursements	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>5,402</u>	<u>10,644</u>	<u>5,242</u>
EXPENDITURES:			
Capital outlay:			
General government	384	359	25
Public safety	460	192	268
Public works	10,324	3,235	7,089
Library	570	28	542
Parks and recreation	<u>3,708</u>	<u>1,305</u>	<u>2,403</u>
Total expenditures	<u>15,446</u>	<u>5,119</u>	<u>10,327</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,044)</u>	<u>5,525</u>	<u>15,569</u>



Capital Improvement			Totals		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 19	\$ 20	\$ 1	\$ 19	\$ 20	\$ 1
-	-	-	4,699	8,457	3,758
-	-	-	-	3	3
-	731	731	-	805	805
80	268	188	783	2,305	1,522
-	3	3	-	76	76
-	-	-	-	-	-
<u>376</u>	<u>3</u>	<u>(373)</u>	<u>376</u>	<u>3</u>	<u>(373)</u>
<u>475</u>	<u>1,025</u>	<u>550</u>	<u>5,877</u>	<u>11,669</u>	<u>5,792</u>
3,257	1,274	1,983	3,641	1,633	2,008
371	246	125	831	438	393
454	121	333	10,778	3,356	7,422
-	-	-	570	28	542
<u>286</u>	<u>155</u>	<u>131</u>	<u>3,994</u>	<u>1,460</u>	<u>2,534</u>
<u>4,368</u>	<u>1,796</u>	<u>2,572</u>	<u>19,814</u>	<u>6,915</u>	<u>12,899</u>
<u>(3,893)</u>	<u>(771)</u>	<u>3,122</u>	<u>(13,937)</u>	<u>4,754</u>	<u>18,691</u>

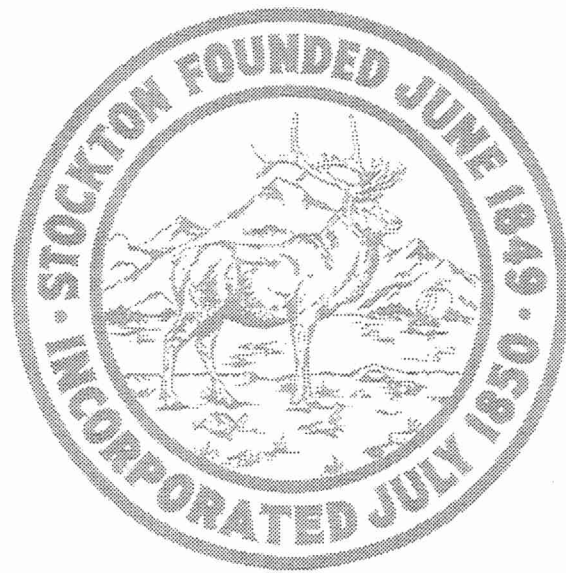
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# CITY OF STOCKTON

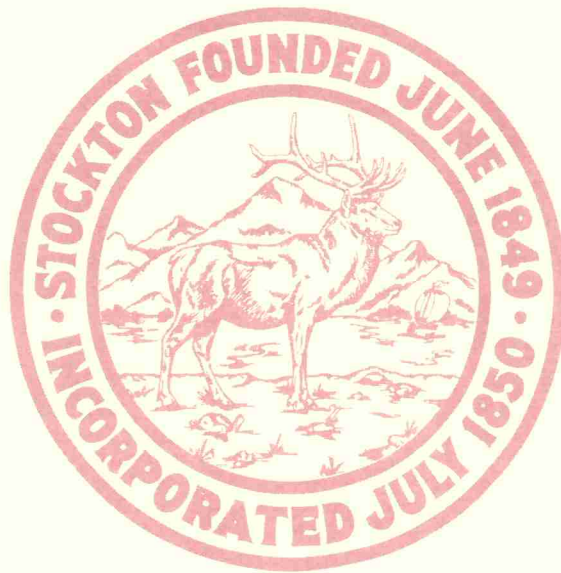
## CAPITAL PROJECTS FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ON A BUDGETARY BASIS (Continued) FOR THE YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

	Public Facilities Impact Fees		
	Final Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES):			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	-	-	-
Advances from other funds	2,223	2,223	-
Repayment of advances	(681)	(422)	259
Total other financing sources (uses)	1,542	1,801	259
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES, AND OTHER FINANCING USES (BUDGETARY BASIS)	(8,502)	7,326	15,828
BASIS ADJUSTMENTS:			
Encumbrances	-	173	173
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)	(8,502)	7,499	16,001
FUND BALANCES, BEGINNING OF YEAR, as restated	34,366	34,366	-
FUND BALANCES, END OF YEAR	\$25,864	\$41,865	\$ 16,001

Capital Improvement			Totals		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 40	\$ 40	\$ -	\$ 40	\$ 40	\$ -
(390)	(390)	-	(390)	(390)	-
-	-	-	2,223	2,223	-
-	-	-	(681)	(422)	259
(350)	(350)	-	1,192	1,451	259
(4,243)	(1,121)	3,122	(12,745)	6,205	18,950
-	249	249	-	422	422
(4,243)	(872)	3,371	(12,745)	6,627	19,372
20,075	20,075	-	54,441	54,441	-
<u>\$15,832</u>	<u>\$19,203</u>	<u>\$ 3,371</u>	<u>\$41,696</u>	<u>\$ 61,068</u>	<u>\$ 19,372</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, Van Buskirk and Lyons golf courses.

# CITY OF STOCKTON

## ENTERPRISE FUNDS

### COMBINING BALANCE SHEET

JUNE 30, 1998

(With comparative totals for June 30, 1997)

(Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and temporary investments	\$ 16,077	\$ 44,699	\$ 5,132
Cash with fiscal agents	-	201	-
Receivables:			
Interest	256	692	62
Accounts and others	1,138	4,511	635
Allowance for estimated uncollectible accounts	(169)	(161)	(39)
Due from other funds	-	-	-
Inventory of supplies	-	1,250	-
Total current assets	<u>17,302</u>	<u>51,192</u>	<u>5,790</u>
<b>RESTRICTED ASSETS:</b>			
Cash and temporary investments	-	-	-
Cash and temporary investments with fiscal agents	1,533	70,734	-
Receivables:			
Interest	-	1,175	-
Accounts and others	-	-	-
Total restricted assets	<u>1,533</u>	<u>71,909</u>	<u>-</u>
<b>NON-CURRENT ASSETS:</b>			
Loans receivable	32	96	-
Advances to other funds	-	385	-
Total non-current assets	<u>32</u>	<u>481</u>	<u>-</u>
<b>FIXED ASSETS:</b>			
Land	1,022	758	412
Buildings and improvements	55,849	171,968	45,102
Machinery and equipment	4,427	4,393	65
Construction in progress	1,287	18,392	70
Total fixed assets	<u>62,585</u>	<u>195,511</u>	<u>45,649</u>
Accumulated depreciation	<u>(13,575)</u>	<u>(47,406)</u>	<u>(16,374)</u>
Net fixed assets	<u>49,010</u>	<u>148,105</u>	<u>29,275</u>
<b>DEFERRED CHARGES</b>	<u>369</u>	<u>1,548</u>	<u>-</u>
Total assets	<u>\$ 68,246</u>	<u>\$ 273,235</u>	<u>\$ 35,065</u>

Solid Waste	Golf Courses	Totals	
		1998	1997 (as restated)
\$ 2,525	\$ 583	\$ 69,016	\$ 55,777
-	-	201	521
38	-	1,048	800
347	12	6,643	6,383
(10)	-	(379)	(355)
-	-	-	1,000
-	-	1,250	1,232
<u>2,900</u>	<u>595</u>	<u>77,779</u>	<u>65,358</u>
5,425	-	5,425	4,734
-	-	72,267	24,217
85	-	1,260	70
24	-	24	12
<u>5,534</u>	<u>-</u>	<u>78,976</u>	<u>29,033</u>
-	-	128	147
-	-	385	385
<u>-</u>	<u>-</u>	<u>513</u>	<u>532</u>
808	360	3,360	3,196
410	3,733	277,062	238,166
258	107	9,250	8,881
-	21	19,770	46,127
<u>1,476</u>	<u>4,221</u>	<u>309,442</u>	<u>296,370</u>
<u>(282)</u>	<u>(3,070)</u>	<u>(80,707)</u>	<u>(74,447)</u>
1,194	1,151	228,735	221,923
-	-	1,917	1,307
<u>\$ 9,628</u>	<u>\$ 1,746</u>	<u>\$ 387,920</u>	<u>\$ 318,153</u>

(continues)

# CITY OF STOCKTON

## ENTERPRISE FUNDS

### COMBINING BALANCE SHEET (Continued)

JUNE 30, 1998

(With comparative totals for June 30, 1997)

(Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	\$ 236	\$ 3,430	\$ 39
Due to other governments	109	26	-
Deposits and other liabilities	675	-	-
Matured bonds and interest payable	5	15	-
Accrued interest	406	2,047	31
Long-term debt - current	510	650	134
Compensated absences - current	99	469	24
Deferred revenue	-	18	-
	<u>2,040</u>	<u>6,655</u>	<u>228</u>
Total current liabilities			
<b>LONG-TERM DEBT (LESS CURRENT PORTION):</b>			
Compensated absences	236	1,136	67
Advances from other funds	-	-	385
Advances from other governments	1,149	-	1,065
Certificates of participation	16,326	109,273	-
Water extension agreements	2	-	-
Bonds payable and other long-term debt	175	6,225	-
Landfill closure/postclosure	-	-	-
	<u>17,888</u>	<u>116,634</u>	<u>1,517</u>
Total long-term debt			
Total liabilities	<u>19,928</u>	<u>123,289</u>	<u>1,745</u>
<b>FUND EQUITY:</b>			
Contributed capital	30,108	120,162	36,496
Retained earnings:			
Unreserved	<u>18,210</u>	<u>29,784</u>	<u>(3,176)</u>
Total fund equity	<u>48,318</u>	<u>149,946</u>	<u>33,320</u>
Total liabilities and fund equity	<u>\$ 68,246</u>	<u>\$ 273,235</u>	<u>\$ 35,065</u>

Solid Waste	Golf Courses	Totals	
		1998	1997 (as restated)
\$ 326	\$ 18	\$ 4,049	\$ 2,185
-	-	135	67
-	-	675	725
-	-	20	20
-	-	2,484	1,714
-	-	1,294	1,686
135	66	793	885
-	-	18	11
<u>461</u>	<u>84</u>	<u>9,468</u>	<u>7,293</u>
232	132	1,803	1,494
-	-	385	385
-	-	2,214	2,515
-	-	125,599	73,769
-	-	2	11
-	-	6,400	6,916
<u>9,509</u>	<u>-</u>	<u>9,509</u>	<u>7,254</u>
<u>9,741</u>	<u>132</u>	<u>145,912</u>	<u>92,344</u>
<u>10,202</u>	<u>216</u>	<u>155,380</u>	<u>99,637</u>
693	400	187,859	179,059
<u>(1,267)</u>	<u>1,130</u>	<u>44,681</u>	<u>39,457</u>
<u>(574)</u>	<u>1,530</u>	<u>232,540</u>	<u>218,516</u>
<u>\$ 9,628</u>	<u>\$ 1,746</u>	<u>\$ 387,920</u>	<u>\$ 318,153</u>

# CITY OF STOCKTON

## ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY FOR THE YEAR ENDED JUNE 30, 1998 (With comparative totals for June 30, 1997) (Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
OPERATING REVENUES:			
Federal grants and subsidies	\$ -	\$ 25	\$ 2
Intergovernmental	-	8	1
Charges for services	12,012	27,081	4,421
Loans and mortgage interest	4	32	99
Miscellaneous	198	434	74
Total operating revenues	<u>12,214</u>	<u>27,580</u>	<u>4,597</u>
OPERATING EXPENSES:			
Operation and maintenance	3,554	13,070	2,246
General and administrative	3,083	7,069	1,201
Depreciation and amortization	1,214	4,086	899
Purchased water	3,157	-	-
Total operating expenses	<u>11,008</u>	<u>24,225</u>	<u>4,346</u>
OPERATING INCOME (LOSS)	<u>1,206</u>	<u>3,355</u>	<u>251</u>
NON-OPERATING REVENUES (EXPENSES):			
Investment income:			
Interest income	999	4,480	210
Net increase (decrease) in fair value of investments	64	81	7
Gain (loss) from disposal of property	-	(2)	-
Interest and fiscal charges	(1,029)	(2,181)	(72)
Total non-operating revenues (expenses)	<u>34</u>	<u>2,378</u>	<u>145</u>
INCOME BEFORE OPERATING TRANSFERS	<u>1,240</u>	<u>5,733</u>	<u>396</u>
Operating transfers in	1,180	3,180	-
Operating transfers out	<u>(1,180)</u>	<u>(3,180)</u>	<u>-</u>
NET INCOME	<u>1,240</u>	<u>5,733</u>	<u>396</u>
FUND EQUITY, BEGINNING OF YEAR, as restated	45,667	137,961	31,787
Contributed capital from developers	<u>1,411</u>	<u>6,252</u>	<u>1,137</u>
FUND EQUITY, END OF YEAR	<u>\$48,318</u>	<u>\$149,946</u>	<u>\$33,320</u>



Solid Waste	Golf Courses	Totals	
		1998	1997 (as restated)
\$ 2	\$ -	\$ 29	\$ -
1	-	10	-
4,208	1,585	49,307	47,316
-	-	135	22
52	123	881	1,016
<u>4,263</u>	<u>1,708</u>	<u>50,362</u>	<u>48,354</u>
6,702	1,713	27,285	25,194
-	-	11,353	8,703
45	118	6,362	5,228
-	-	3,157	2,917
<u>6,747</u>	<u>1,831</u>	<u>48,157</u>	<u>42,042</u>
<u>(2,484)</u>	<u>(123)</u>	<u>2,205</u>	<u>6,312</u>
446	-	6,135	4,547
16	-	168	451
-	-	(2)	(1)
-	-	(3,282)	(2,551)
<u>462</u>	<u>-</u>	<u>3,019</u>	<u>2,446</u>
(2,022)	(123)	5,224	8,758
-	-	4,360	6,053
-	-	(4,360)	(6,053)
<u>(2,022)</u>	<u>(123)</u>	<u>5,224</u>	<u>8,758</u>
1,448	1,653	218,516	203,642
-	-	8,800	6,116
<u>\$ (574)</u>	<u>\$ 1,530</u>	<u>\$ 232,540</u>	<u>\$ 218,516</u>

# CITY OF STOCKTON

## ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 1998 (With comparative totals for June 30, 1997) (Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 1,206	\$ 3,355	\$ 251
Noncash adjustment to operating income:			
Depreciation and amortization	1,214	4,086	899
Allowance for estimated uncollectible accounts	2	22	-
Landfill closure/postclosure	-	-	-
Changes in assets and liabilities:			
Accounts and other receivables	104	(1,757)	(30)
Due from other funds	-	-	1,000
Due from other governments	-	-	-
Due to other funds	-	-	-
Inventory of supplies	-	(18)	-
Loans receivable	5	14	-
Deferred charges	15	(625)	-
Accounts payable	(163)	1,885	(16)
Compensated absences	41	114	9
Due to other governments	54	14	-
Deposits and other liabilities	(50)	-	-
Advances from other governments	(36)	-	(265)
Deferred revenue	-	7	-
Accrued interest	(10)	749	31
Net cash provided (used) by operating activities	<u>2,382</u>	<u>7,846</u>	<u>1,879</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment earnings	1,063	4,561	217
Investment purchases	-	(68,893)	-
Proceeds from sale of investments	<u>20</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>1,083</u>	<u>(64,332)</u>	<u>217</u>

Solid Waste	Golf Courses	Totals	
		1998	1997 (as restated)
\$ (2,484)	\$ (123)	\$ 2,205	\$ 6,312
45	118	6,362	5,228
-	-	24	(548)
2,255	-	2,255	359
(19)	(11)	(1,713)	296
-	-	1,000	-
-	-	-	180
-	-	-	-
-	-	(18)	(24)
-	-	19	17
-	-	(610)	51
160	(2)	1,864	(2,405)
25	28	217	114
-	-	68	(32)
-	-	(50)	(86)
-	-	(301)	(34)
-	-	7	10
-	-	770	(33)
<u>(18)</u>	<u>10</u>	<u>12,099</u>	<u>9,405</u>
462	-	6,303	4,998
-	-	(68,893)	-
<u>-</u>	<u>-</u>	<u>20</u>	<u>22,646</u>
<u>462</u>	<u>-</u>	<u>(62,570)</u>	<u>27,644</u>

(continues)

# CITY OF STOCKTON

## ENTERPRISE FUNDS

### COMBINING STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED JUNE 30, 1998

(With comparative totals for June 30, 1997)

(Dollar amounts in thousands)

	Water Utility	Sanitary Wastewater Utility	Stormwater Utility
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of property and equipment	955	35,581	-
Repayment of debt	(493)	(910)	-
Proceeds from borrowing	34	52,148	134
Purchases of property and equipment	(3,082)	(45,292)	(1,157)
Interest expense on capital debt	(1,029)	(2,181)	(72)
Capital contributions	1,411	6,253	1,138
Residual equity transfers in	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(2,204)</u>	<u>45,599</u>	<u>43</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating transfers in	1,180	3,180	-
Operating transfers out	(1,180)	(3,180)	-
Proceeds from federal grants	-	-	-
Residual equity transfers out	-	-	-
Net cash (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>1,261</u>	<u>(10,887)</u>	<u>2,139</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>15,049</u>	<u>57,628</u>	<u>2,993</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$16,310</u></u>	<u><u>\$46,741</u></u>	<u><u>\$5,132</u></u>

Solid Waste	Golf Courses	Totals	
		1998	1997 (as restated)
-	-	36,536	-
-	-	(1,403)	(2,632)
-	-	52,316	1,135
(162)	(18)	(49,711)	(14,284)
-	-	(3,282)	(2,551)
-	-	8,802	6,116
-	-	-	-
<u>(162)</u>	<u>(18)</u>	<u>43,258</u>	<u>(12,216)</u>
-	-	4,360	6,053
-	-	(4,360)	(6,053)
-	-	-	-
-	-	-	-
-	-	-	-
<u>282</u>	<u>(8)</u>	<u>(7,213)</u>	<u>24,833</u>
<u>7,668</u>	<u>591</u>	<u>83,929</u>	<u>59,096</u>
<u>\$7,950</u>	<u>\$583</u>	<u>\$76,716</u>	<u>\$ 83,929</u>

(continues)

# CITY OF STOCKTON

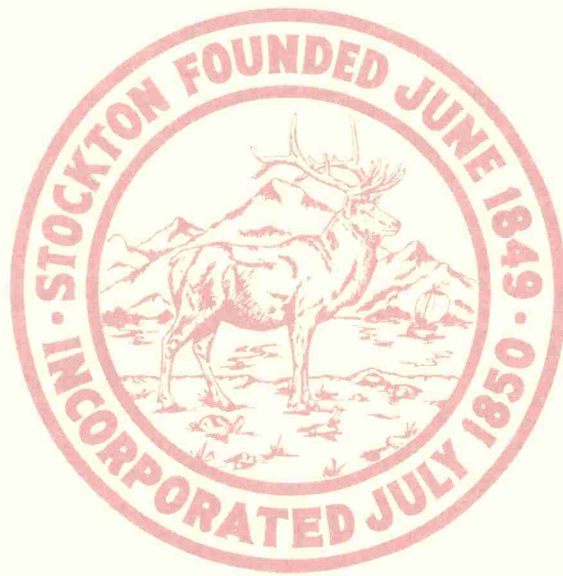
## ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS (Continued) FOR THE YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

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	\$ 16,077	\$ 44,699	\$ 5,132	\$ 2,525	\$ 583
Cash with fiscal agents	-	201	-	-	-
Restricted cash and investments on balance sheet:					
Cash and temporary investments	-	-	-	5,425	-
Cash and temporary investments with fiscal agents	<u>1,533</u>	<u>70,734</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investments	<u>17,610</u>	<u>115,634</u>	<u>5,132</u>	<u>7,950</u>	<u>583</u>
Less investments:					
Cash and temporary investments with fiscal agents	<u>1,300</u>	<u>68,893</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash and cash equivalents	<u>\$ 16,310</u>	<u>\$ 46,741</u>	<u>\$ 5,132</u>	<u>\$ 7,950</u>	<u>\$ 583</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.

### **Computer Equipment**

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

### **Radio Equipment**

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

### **Other Equipment**

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

### **General Insurance**

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

### **Workers' Compensation Insurance**

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

### **Health Benefits Insurance**

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

### **Other Insurance**

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

# CITY OF STOCKTON

## INTERNAL SERVICE FUNDS COMBINING BALANCE SHEET

June 30, 1998

(With comparative totals for June 30, 1997)

(Dollar amounts in thousands)

ASSETS	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
<b>CURRENT ASSETS:</b>				
Cash and temporary investments	\$ 4,597	\$ 2,799	\$ 3,742	\$ 1,639
Accounts and other receivables	361	28	-	-
Allowance for uncollectibles	(269)	-	-	-
Due from other governments	-	4	-	-
Prepaid expenses	-	36	-	-
Total current assets	<u>4,689</u>	<u>2,867</u>	<u>3,742</u>	<u>1,639</u>
<b>FIXED ASSETS:</b>				
Improvements other than buildings	129	-	-	-
Machinery and equipment	20,112	9,510	4,124	1,041
Total fixed assets	20,241	9,510	4,124	1,041
Accumulated depreciation	<u>(12,750)</u>	<u>(6,301)</u>	<u>(2,706)</u>	<u>(725)</u>
Net fixed assets	<u>7,491</u>	<u>3,209</u>	<u>1,418</u>	<u>316</u>
<b>DEFERRED CHARGES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 12,180</u>	<u>\$ 6,076</u>	<u>\$ 5,160</u>	<u>\$ 1,955</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	\$ 142	\$ 141	\$ 13	\$ 25
Long term-debt - current	-	209	-	-
Compensated absences - current	104	7	-	14
Deferred revenue	-	-	-	-
Total current liabilities	<u>246</u>	<u>357</u>	<u>13</u>	<u>39</u>
<b>LONG-TERM DEBT (LESS CURRENT PORTION):</b>				
Compensated absences	266	8	-	34
Lease obligation	-	317	-	-
Self-insurance claims and judgments	-	-	-	-
Total long-term debt	<u>266</u>	<u>325</u>	<u>-</u>	<u>34</u>
Total liabilities	<u>512</u>	<u>682</u>	<u>13</u>	<u>73</u>
<b>FUND EQUITY:</b>				
Contributed capital	3,631	5,027	2,173	746
Retained earnings:				
Unreserved	<u>8,037</u>	<u>367</u>	<u>2,974</u>	<u>1,136</u>
Total fund equity	<u>11,668</u>	<u>5,394</u>	<u>5,147</u>	<u>1,882</u>
Total liabilities and fund equity	<u>\$ 12,180</u>	<u>\$ 6,076</u>	<u>\$ 5,160</u>	<u>\$ 1,955</u>

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				1998	1997 (as restated)
\$ 4,356	\$ 6,029	\$ 2,341	\$ 427	\$ 25,930	\$ 25,660
122	106	21	-	638	612
-	-	-	-	(269)	(99)
-	-	-	-	4	20
-	-	-	-	36	33
<u>4,478</u>	<u>6,135</u>	<u>2,362</u>	<u>427</u>	<u>26,339</u>	<u>26,226</u>
-	-	-	-	129	107
<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,789</u>	<u>33,643</u>
<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,918</u>	<u>33,750</u>
<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,484)</u>	<u>(20,415)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,434</u>	<u>13,335</u>
<u>-</u>	<u>-</u>	<u>61</u>	<u>-</u>	<u>61</u>	<u>61</u>
<u>\$ 4,478</u>	<u>\$ 6,135</u>	<u>\$ 2,423</u>	<u>\$ 427</u>	<u>\$ 38,834</u>	<u>\$ 39,622</u>
\$ 16	\$ 16	\$ 1,342	\$ 204	\$ 1,899	\$ 646
1,063	2,342	2,020	-	5,634	5,539
3	13	-	-	141	177
<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<u>1,082</u>	<u>2,372</u>	<u>3,362</u>	<u>204</u>	<u>7,675</u>	<u>6,363</u>
8	10	-	-	326	300
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317</u>	<u>37</u>
<u>2,475</u>	<u>8,457</u>	<u>-</u>	<u>-</u>	<u>10,932</u>	<u>9,032</u>
<u>2,483</u>	<u>8,467</u>	<u>-</u>	<u>-</u>	<u>11,575</u>	<u>9,369</u>
<u>3,565</u>	<u>10,839</u>	<u>3,362</u>	<u>204</u>	<u>19,250</u>	<u>15,732</u>
-	-	-	-	11,577	11,381
<u>913</u>	<u>(4,704)</u>	<u>(939)</u>	<u>223</u>	<u>8,007</u>	<u>12,509</u>
<u>913</u>	<u>(4,704)</u>	<u>(939)</u>	<u>223</u>	<u>19,584</u>	<u>23,890</u>
<u>\$ 4,478</u>	<u>\$ 6,135</u>	<u>\$ 2,423</u>	<u>\$ 427</u>	<u>\$ 38,834</u>	<u>\$ 39,622</u>

# CITY OF STOCKTON

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY FOR THE YEAR ENDED JUNE 30, 1998 (With comparative totals for June 30, 1997) (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
OPERATING REVENUES:				
Charges for services	\$ 5,197	\$ 2,793	\$ 881	\$ 1,135
Total operating revenues	5,197	2,793	881	1,135
OPERATING EXPENSES:				
Operation and maintenance	2,687	1,627	244	802
General and administration	1,565	-	-	-
Depreciation	1,683	1,216	366	159
Total operating expenses	5,935	2,843	610	961
OPERATING INCOME (LOSS)	(738)	(50)	271	174
NON-OPERATING REVENUES (EXPENSES):				
Federal grants and subsidies	-	66	-	-
Investment Income:				
Interest Income	-	-	-	-
Net increase (decrease) in fair value of investments	-	-	-	-
Gain (loss) from disposal of property	71	(218)	-	-
Interest expense and fiscal charges	-	(16)	-	-
Other non-operating revenues	-	-	-	-
Total non-operating revenues (expenses)	71	(168)	-	-
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(667)	(218)	271	174
Operating transfers in	-	-	-	-
Operating transfers out	(712)	-	-	(231)
NET INCOME (LOSS)	(1,379)	(218)	271	(57)
FUND EQUITY, BEGINNING OF YEAR, as restated	13,008	5,577	4,754	1,939
Residual equity transfers in	39	31	122	24
Residual equity transfers out	-	-	-	(24)
Increase (decrease) in contributed capital	-	4	-	-
FUND EQUITY, END OF YEAR	\$ 11,668	\$ 5,394	\$ 5,147	\$ 1,882



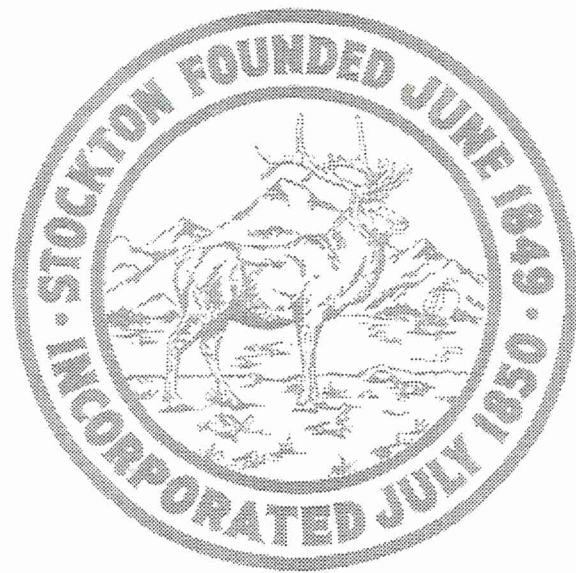
General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				1998	1997 (as restated)
\$ 2,185	\$ 3,925	\$ 9,370	\$ 952	\$ 26,438	\$ 26,886
<u>2,185</u>	<u>3,925</u>	<u>9,370</u>	<u>952</u>	<u>26,438</u>	<u>26,886</u>
1,328	5,137	11,881	925	24,631	22,163
872	955	200	-	3,592	3,162
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,424</u>	<u>3,626</u>
<u>2,200</u>	<u>6,092</u>	<u>12,081</u>	<u>925</u>	<u>31,647</u>	<u>28,951</u>
<u>(15)</u>	<u>(2,167)</u>	<u>(2,711)</u>	<u>27</u>	<u>(5,209)</u>	<u>(2,065)</u>
-	-	-	-	66	20
239	359	88	-	686	712
8	14	4	-	26	102
-	-	-	-	(147)	73
-	-	-	-	(16)	(17)
<u>-</u>	<u>-</u>	<u>751</u>	<u>-</u>	<u>751</u>	<u>302</u>
<u>247</u>	<u>373</u>	<u>843</u>	<u>-</u>	<u>1,366</u>	<u>1,192</u>
232	(1,794)	(1,868)	27	(3,843)	(873)
-	-	683	30	713	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(429)</u>	<u>(1,372)</u>	<u>-</u>
<u>232</u>	<u>(1,794)</u>	<u>(1,185)</u>	<u>(372)</u>	<u>(4,502)</u>	<u>(873)</u>
681	(2,910)	246	595	23,890	24,665
-	-	-	-	216	-
-	-	-	-	(24)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>98</u>
<u>\$ 913</u>	<u>\$ (4,704)</u>	<u>\$ (939)</u>	<u>\$ 223</u>	<u>\$ 19,584</u>	<u>\$ 23,890</u>

# CITY OF STOCKTON

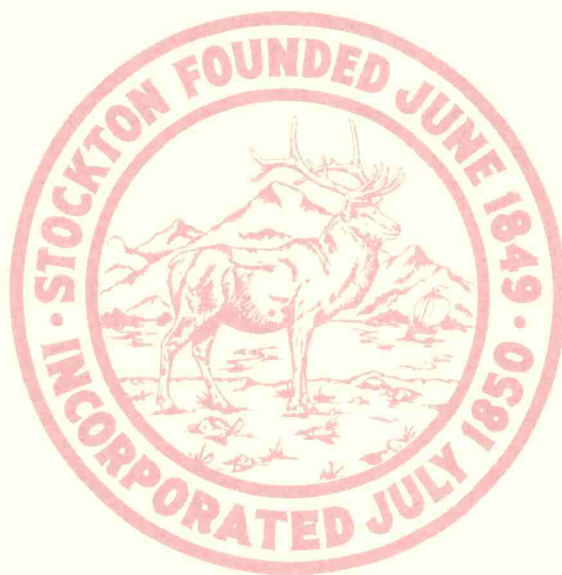
## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 1998 (With comparative totals for June 30, 1997) (Dollar amounts in thousands)

	Central Garage	Computer Equipment	Radio Equipment	Other Equipment
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income	\$ (738)	\$ (50)	\$ 271	\$ 174
Other non-operating revenues	-	66	-	-
Noncash adjustments to operating income:				
Depreciation	1,683	1,216	366	159
Provision for uncollectible accounts	170	-	-	-
Self-insurance	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(32)	-	-	-
Due from other governments	-	16	-	-
Prepays	-	(2)	-	-
Accounts payable	(125)	51	13	(27)
Compensated absences	13	-	-	4
Net cash provided (used) by operating activities	971	1,297	650	310
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Investment earnings	-	-	-	-
Net cash provided by investing activities	-	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from sale of property and equipment	63	25	-	-
Repayment of debt	-	(181)	-	-
Purchases of property and equipment	(652)	(1,326)	(182)	(72)
Interest expense on capital debt	-	(16)	-	-
Capital contributions	-	4	-	-
Residual equity transfers in	39	31	122	24
Net cash used by capital and related financing activities	(550)	(1,463)	(60)	(48)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	(712)	-	-	(231)
Residual equity transfers out	-	-	-	(24)
Net cash provided (used) by noncapital financing activities	(712)	-	-	(255)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(291)	(166)	590	7
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	4,888	2,965	3,152	1,632
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 4,597	\$ 2,799	\$ 3,742	\$ 1,639

General Insurance	Workers' Compensation Insurance	Health Benefits Insurance	Other Insurance	Totals	
				1998	1997 (as restated)
\$ (15)	\$ (2,167)	\$ (2,711)	\$ 27	\$ (5,209)	\$ (2,065)
-	-	751	-	817	322
-	-	-	-	3,424	3,626
-	-	-	-	170	43
264	1,388	278	-	1,930	932
(16)	2	20	-	(26)	(101)
-	-	-	-	16	(20)
-	-	-	-	(2)	172
(1)	11	1,192	138	1,252	(173)
(23)	(4)	-	-	(10)	46
209	(770)	(470)	165	2,362	2,782
247	373	92	-	712	814
247	373	92	-	712	814
-	-	-	-	88	83
-	-	-	-	(181)	(137)
-	-	-	-	(2,232)	(3,675)
-	-	-	-	(16)	(17)
-	-	-	-	4	98
-	-	-	-	216	-
-	-	-	-	(2,121)	(3,648)
-	-	683	30	713	-
-	-	-	(429)	(1,372)	-
-	-	-	-	(24)	-
-	-	683	(399)	(683)	-
456	(397)	305	(234)	270	(52)
3,900	6,426	2,036	661	25,660	25,712
\$ 4,356	\$ 6,029	\$ 2,341	\$ 427	\$ 25,930	\$ 25,660



# 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.

	2019	2018
Trust Funds	1,000,000	1,000,000
Agency Funds	1,000,000	1,000,000
Total	2,000,000	2,000,000



## **TRUST AND AGENCY FUNDS**

### **Nonexpendable Trust Fund**

#### **Miscellaneous**

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

### **Expendable Trust Fund**

#### **Miscellaneous**

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

### **Agency Funds**

#### **Holiday Park**

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

#### **City as Agent**

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

# CITY OF STOCKTON

## TRUST AND AGENCY FUNDS COMBINING BALANCE SHEET

JUNE 30, 1998

(With comparative totals for June 30, 1997)

(Dollar amounts in thousands)

	Nonexpendable Trust Fund Miscellaneous	Expendable Trust Fund Miscellaneous	Agency Funds	
			Holiday Park	City As Agent
<b>ASSETS</b>				
ASSETS:				
Cash and temporary investments	\$ 136	\$ 576	\$ 10	\$ 5,935
Accounts and other receivables	-	8	-	265
	<u>136</u>	<u>584</u>	<u>10</u>	<u>6,200</u>
Total assets	<u>\$ 136</u>	<u>\$ 584</u>	<u>\$ 10</u>	<u>\$ 6,200</u>
<b>LIABILITIES AND FUND BALANCES</b>				
LIABILITIES:				
Accounts payable	\$ -	\$ 11	\$ -	\$ 76
Due to other governments	-	-	-	1,384
Deposits and other liabilities	-	-	10	4,740
	<u>-</u>	<u>11</u>	<u>10</u>	<u>6,200</u>
Total liabilities	<u>-</u>	<u>11</u>	<u>10</u>	<u>6,200</u>
FUND BALANCES:				
Reserved:				
Encumbrances	-	4	-	-
Endowment	136	569	-	-
	<u>136</u>	<u>573</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>136</u>	<u>573</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 136</u>	<u>\$ 584</u>	<u>\$ 10</u>	<u>\$ 6,200</u>

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Totals	
1998	1997 (as restated)
\$ 6,657	\$ 87,909
273	183
<u>        </u>	<u>        </u>
\$ 6,930	\$ 88,092
<u>        </u>	<u>        </u>

\$ 87	\$ 47
1,384	1,172
4,750	86,307
<u>        </u>	<u>        </u>
6,221	87,526
<u>        </u>	<u>        </u>

4	3
705	563
<u>        </u>	<u>        </u>
709	566
<u>        </u>	<u>        </u>
\$ 6,930	\$ 88,092
<u>        </u>	<u>        </u>

## CITY OF STOCKTON

**MISCELLANEOUS NONEXPENDABLE TRUST FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 1998  
(With comparative totals for June 30, 1997)  
(Dollar amounts in thousands)**

---

	1998	1997 (as restated)
NON-OPERATING REVENUES:		
Investment income:		
Interest Income	\$ 4	\$ 3
Net increase (decrease) in fair value of investments	6	-
	<u>10</u>	<u>3</u>
NON-OPERATING INCOME	<u>10</u>	<u>3</u>
NET INCOME	<u>10</u>	<u>3</u>
FUND BALANCE, BEGINNING OF YEAR, as restated	<u>126</u>	<u>123</u>
FUND BALANCE, END OF YEAR	<u>\$ 136</u>	<u>\$ 126</u>

## CITY OF STOCKTON

**MISCELLANEOUS NONEXPENDABLE TRUST FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1998  
(With comparative totals for June 30, 1997)  
(Dollar amounts in thousands)**

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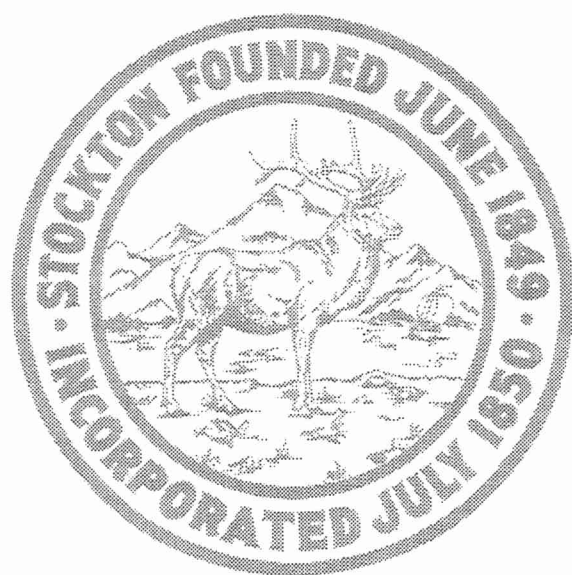
	1998	1997 (as restated)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	<u>\$ 10</u>	<u>\$ 3</u>
Net cash provided by investing activities	<u>10</u>	<u>3</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>10</u>	<u>3</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>126</u>	<u>123</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 136</u></u>	<u><u>\$ 126</u></u>

# CITY OF STOCKTON

## MISCELLANEOUS EXPENDABLE TRUST FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 1998 (With comparative totals for June 30, 1997) (Dollar amounts in thousands)

	1998	1997 (as restated)
REVENUES:		
Investment income:		
Interest income	\$ 25	\$ 17
Net increase in fair value of investments	1	-
Miscellaneous	470	268
	<u>496</u>	<u>285</u>
Total revenues	496	285
EXPENDITURES:		
Current:		
General government	43	43
Public safety	40	15
Library	140	71
Parks and recreation	138	121
Capital Outlay:		
Parks and recreation	2	-
	<u>363</u>	<u>250</u>
Total expenditures	363	250
EXCESS OF REVENUES OVER EXPENDITURES	<u>133</u>	<u>35</u>
FUND BALANCE, BEGINNING OF YEAR, as restated	<u>440</u>	<u>405</u>
FUND BALANCE, END OF YEAR	<u>\$ 573</u>	<u>\$ 440</u>





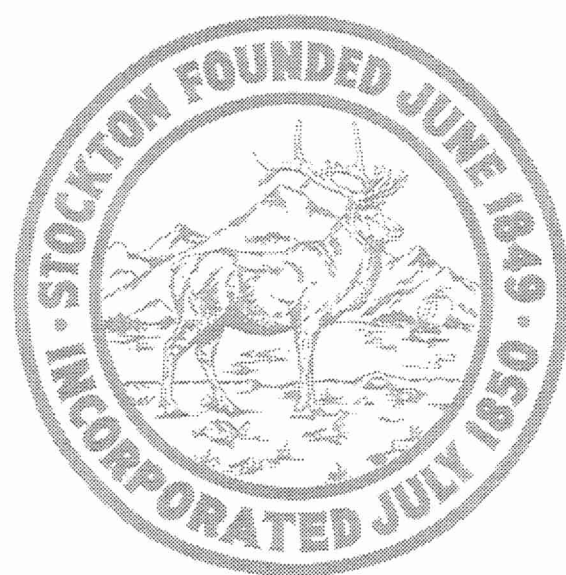
# CITY OF STOCKTON

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

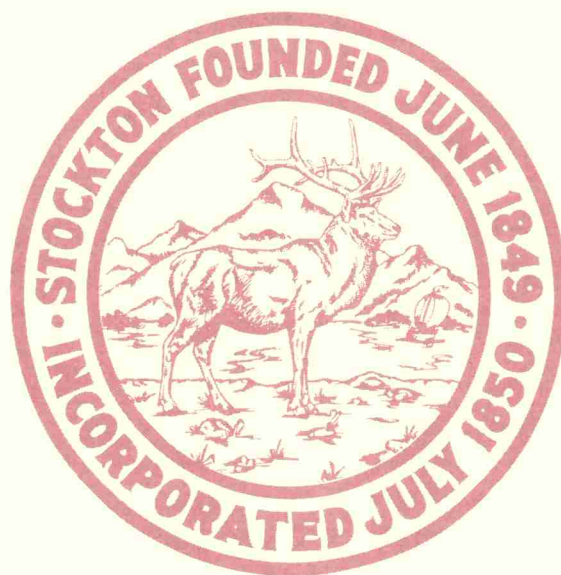
	Holiday Park			
	Balance 7/1/97	Additions	Deductions	Balance 6/30/98
<b>ASSETS</b>				
Cash and temporary investments	\$ 10	\$ 46	\$ 46	\$ 10
Receivables:				
Taxes and special assessments	-	47	47	-
Accounts and other	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 10</u>	<u>\$ 93</u>	<u>\$ 93</u>	<u>\$ 10</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 46	\$ 46	\$ -
Due to other governments	-	-	-	-
Deposits and other liabilities	10	47	47	10
	<u>10</u>	<u>47</u>	<u>47</u>	<u>10</u>
Total liabilities	<u>\$ 10</u>	<u>\$ 93</u>	<u>\$ 93</u>	<u>\$ 10</u>

---

City as Agent				Total Agency Funds			
Balance 7/1/97	Additions	Deductions	Balance 6/30/98	Balance 7/1/97	Additions	Deductions	Balance 6/30/98
\$ 5,336	\$ 6,334	\$ 5,735	\$ 5,935	\$ 5,346	\$ 6,380	\$ 5,781	\$ 5,945
-	-	-	-	-	47	47	-
<u>177</u>	<u>151</u>	<u>63</u>	<u>265</u>	<u>177</u>	<u>151</u>	<u>63</u>	<u>265</u>
<u>\$ 5,513</u>	<u>\$ 6,485</u>	<u>\$ 5,798</u>	<u>\$ 6,200</u>	<u>\$ 5,523</u>	<u>\$ 6,578</u>	<u>\$ 5,891</u>	<u>\$ 6,210</u>
\$ 34	\$ 3,561	\$ 3,519	\$ 76	\$ 34	\$ 3,607	\$ 3,565	\$ 76
1,172	4,256	4,044	1,384	1,172	4,256	4,044	1,384
<u>4,307</u>	<u>1,996</u>	<u>1,563</u>	<u>4,740</u>	<u>4,317</u>	<u>2,043</u>	<u>1,610</u>	<u>4,750</u>
<u>\$ 5,513</u>	<u>\$ 9,813</u>	<u>\$ 9,126</u>	<u>\$ 6,200</u>	<u>\$ 5,523</u>	<u>\$ 9,906</u>	<u>\$ 9,219</u>	<u>\$ 6,210</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, 1998

(With comparative totals for June 30, 1997)

(Dollar amounts in thousands)

---

	1998	1997 (as restated)
GENERAL FIXED ASSETS		
Land	\$12,836	\$ 12,836
Buildings and improvements	47,764	46,768
Equipment	1,613	1,629
Construction in progress	<u>2,168</u>	<u>937</u>
Total	<u>\$64,381</u>	<u>\$ 62,170</u>
INVESTMENT IN GENERAL FIXED ASSETS		
From governmental fund types	\$63,777	\$ 61,566
From other sources	<u>604</u>	<u>604</u>
Total	<u>\$64,381</u>	<u>\$ 62,170</u>

# CITY OF STOCKTON

## SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION FOR THE YEAR ENDED JUNE 30, 1998 (Dollar amounts in thousands)

	Balance 7/1/97	Additions	Deletions	Transfers & Adjustments	Balance 6/30/98
General government	\$ 4,179	\$ 6	\$ 4	\$ (4)	\$ 4,177
Public safety	11,984	105	25	2	12,066
Public works	2,391	-	4	1	2,388
Library	8,113	4	7	(1)	8,109
Parks and recreation	31,479	938	11	(22)	32,384
Other property	3,087	-	-	2	3,089
Construction in progress	<u>937</u>	<u>1,418</u>	<u>379</u>	<u>192</u>	<u>2,168</u>
Total	<u>\$ 62,170</u>	<u>\$ 2,471</u>	<u>\$ 430</u>	<u>\$ 170</u>	<u>\$ 64,381</u>

# CITY OF STOCKTON

## SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION

JUNE 30, 1998

(Dollar amounts in thousands)

---

	Land	Buildings & Improvements	Equipment	Total
General government	\$ 357	\$ 3,699	\$ 121	\$ 4,177
Public safety	1,104	10,083	879	12,066
Public works	66	2,097	225	2,388
Library	1,122	6,873	114	8,109
Parks and recreation	7,447	24,721	216	32,384
Other property	2,740	291	58	3,089
Construction in progress	<u>-</u>	<u>2,168</u>	<u>-</u>	<u>2,168</u>
Total	<u>\$ 12,836</u>	<u>\$ 49,932</u>	<u>\$ 1,613</u>	<u>\$ 64,381</u>

# CITY OF STOCKTON

## STATEMENT OF GENERAL LONG-TERM DEBT

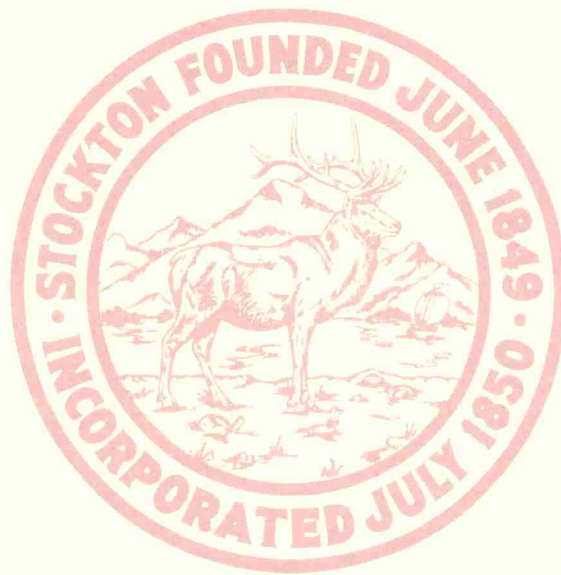
JUNE 30, 1998

(With comparative totals for June 30, 1997)

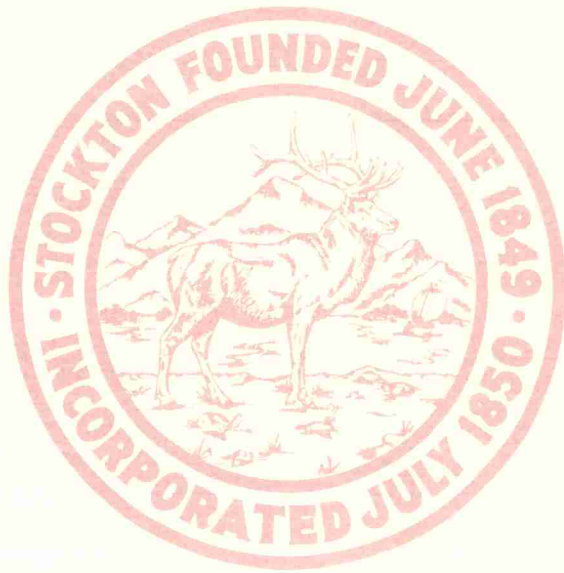
(Dollar amounts in thousands)

	1998	1997
AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
1915 Act Special Assessment Bonds	\$ 9,508	\$ 11,342
Mello-Roos Special Tax Bonds	12,464	13,958
Revenue Bonds	2,937	1,913
Tax Allocation Bonds	125	125
AMOUNTS TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
1915 Act Special Assessment Bonds	25,232	41,401
Mello-Roos Special Tax Bonds	11,911	71,882
Revenue Bonds	107,893	23,032
Tax Allocation Bonds	365	820
Compensated Absences	17,076	16,246
Payable from General Fund	-	1,300
Payable from Other Special Revenue Fund	71	73
Payable from Redevelopment Agency	22,872	22,603
Payable from Public Facilities Impact Fees Fund	7,765	5,964
Total	<u>\$ 218,219</u>	<u>\$ 210,659</u>
GENERAL LONG-TERM DEBT:		
1915 Act Special Assessment Bonds	\$ 34,740	\$ 52,743
Mello-Roos Special Tax Bonds	24,375	85,840
Revenue Bonds	110,830	24,945
Tax Allocation Bonds	490	945
Compensated Absences	17,076	16,246
Advance payable to General Fund	533	546
Advance payable to Urban Development Actions Grant Fund	4,686	4,686
Advance payable to Community Development Block Grant Fund	10,342	10,369
Advance payable to Public Facilities Impact Fees Fund	3,745	1,521
Advance payable to Capital Improvement Fund	10,102	11,368
Advance payable to Redevelopment Agency	1,300	1,450
Total	<u>\$ 218,219</u>	<u>\$ 210,659</u>

# Stockton



**STATISTICAL SECTION**



## **STATISTICAL SECTION**

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



# CITY OF STOCKTON

TABLE 1

## GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

(Dollar amounts in thousands)

Fiscal Year	General Government	Public Safety	Public Works	Library	Parks and Recreation	Capital Outlay	Debt Service	Total (1)
1989	\$ 7,841	\$ 45,383	\$ 9,776	\$ 6,142	\$ 5,556	\$ 18,072	\$ 6,100	\$ 98,870 <i>98,870</i>
1990	9,138	48,696	9,286	6,482	5,987	37,840	10,439	127,868 <i>122,029</i>
1991	9,135	54,855	9,137	7,489	7,671	50,788	14,694	153,769 <i>139,184</i>
1992	10,168	59,649	10,442	8,272	8,076	43,578	17,051	157,236 <i>137,895</i>
1993	9,841	61,037	8,721	7,978	8,054	27,087	17,407	140,125 <i>119,180</i>
1994	9,806	63,283	9,393	7,225	8,048	25,554	34,280	157,589 <i>130,642</i>
1995	10,356	67,433	9,359	7,015	8,148	23,970	18,569	144,850 <i>116,728</i>
1996	11,131	69,566	10,912	6,908	7,932	20,098	17,636	144,183 <i>113,107</i>
1997	11,038	77,107	11,264	7,526	8,300	37,214	18,470	170,919 <i>129,068</i>
1998	11,037	79,432	11,152	7,619	8,905	29,315	16,439	163,899 <i>121,869</i>

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

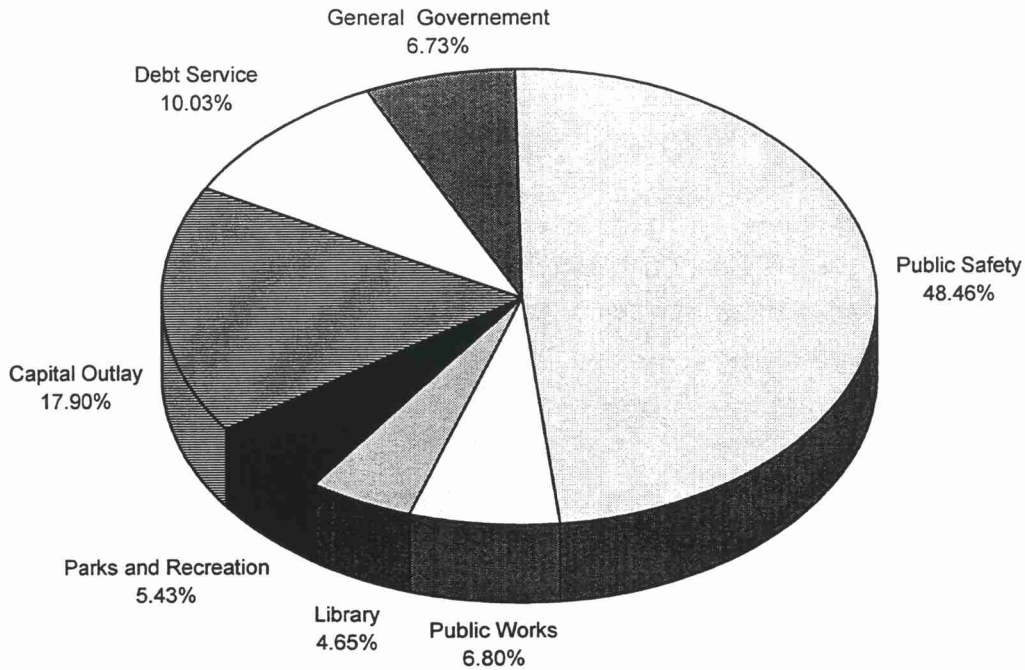
(1) Italicized numbers represent "constant dollars" based on the annual average (June-July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1989 as the base period (100%).

Data provided by the United States Department of Labor, Bureau of Labor Statistics.

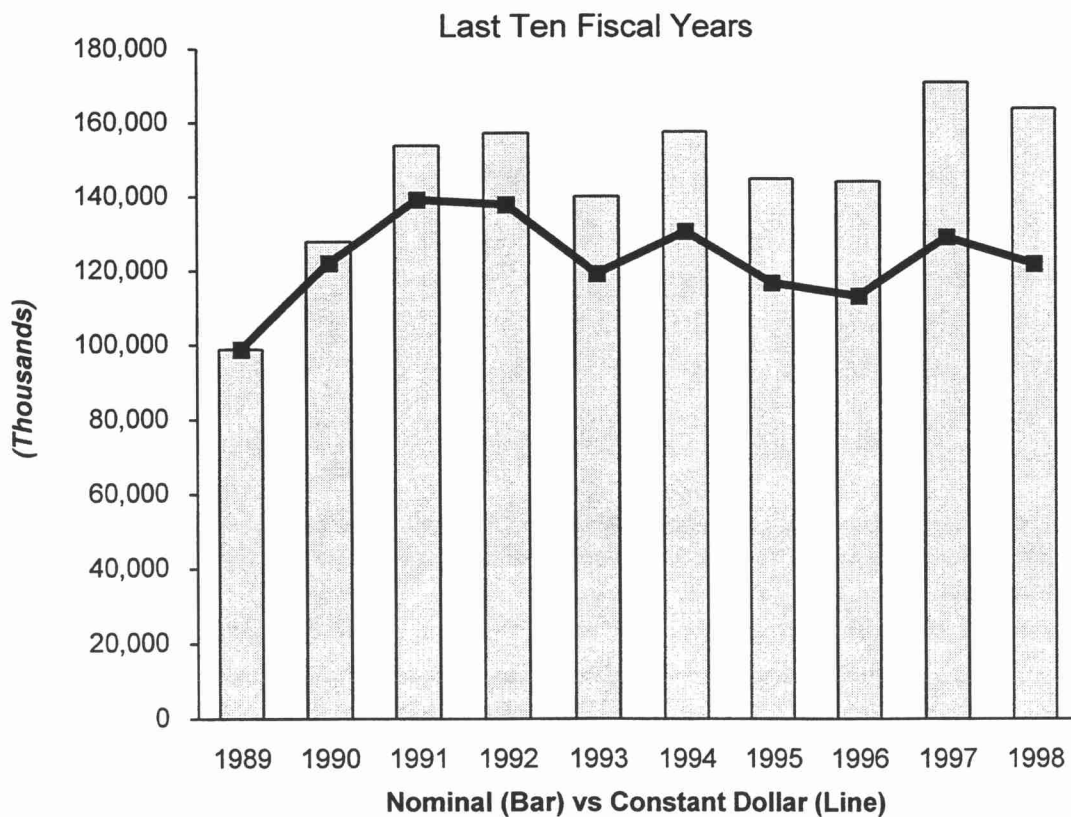
Source: City Finance Department

# General Governmental Expenditures

By Function  
(in Thousands)



**Total Expenditures = \$163,899**



# 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 Forfeitures	Use of Money & Property	Investment Income (1)	Refunds & Reimbursements (2)	Misc.	Total (3)
1989	\$57,803	\$1,870	\$2,626	\$11,629	\$12,904	\$654	\$5,327	\$ -	-	\$2,309	\$95,122 95,122
1990	63,657	1,947	2,827	13,166	15,972	670	7,561	-	-	3,188	108,988 104,011
1991	70,437	2,594	3,992	18,625	14,375	821	10,007	-	-	2,667	123,518 111,802
1992	76,883	2,198	4,565	16,660	11,144	786	8,030	-	5,031	1,773	127,070 111,439
1993	84,557	2,216	4,428	16,770	12,799	733	5,980	-	6,514	4,424	138,421 117,731
1994	89,530	2,217	3,301	16,557	14,033	632	4,673	-	2,065	4,060	137,068 113,630
1995	90,481	2,127	6,583	16,898	13,482	575	5,656	-	1,783	3,874	141,459 113,995
1996	89,402	2,281	9,943	17,977	16,051	612	6,809	-	6,611	5,017	154,703 121,359
1997	91,381	2,064	12,996	18,657	16,789	545	1,373	5,861	5,717	4,221	159,604 120,523
1998	93,902	2,337	13,269	26,275	19,051	511	2,170	5,596	988	5,226	169,325 125,903

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

(1) The recognition of Investment Income as a separate revenue source, beginning in fiscal year 1997 (as restated), is a result of the implementation of GASB 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

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

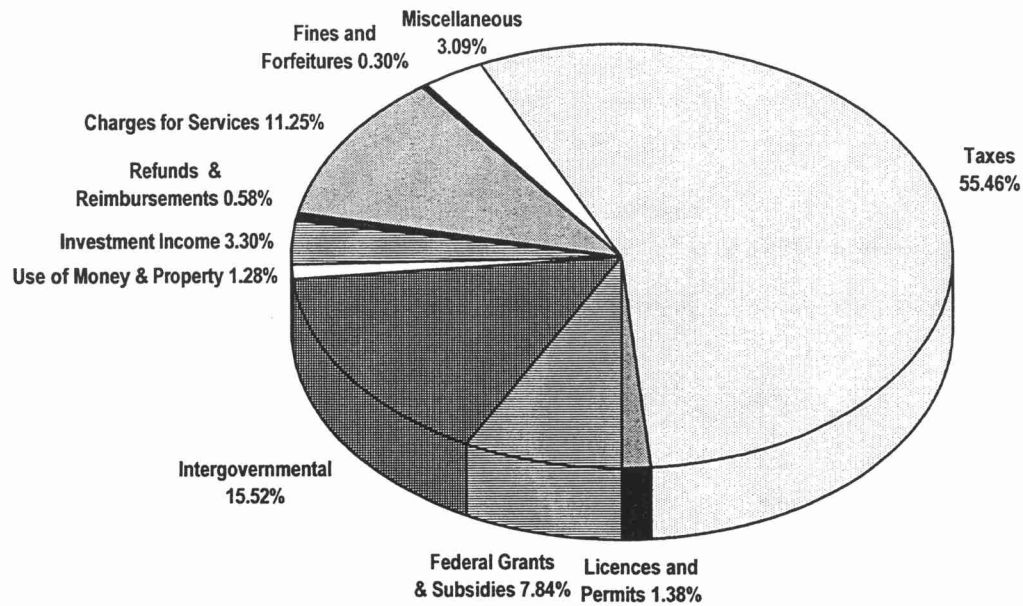
(3) Italicized numbers represent "constant dollars" based on the annual average (June-July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1989 as the base period (100%).

Data provided by the United States Department of Labor, Bureau of Labor Statistics.

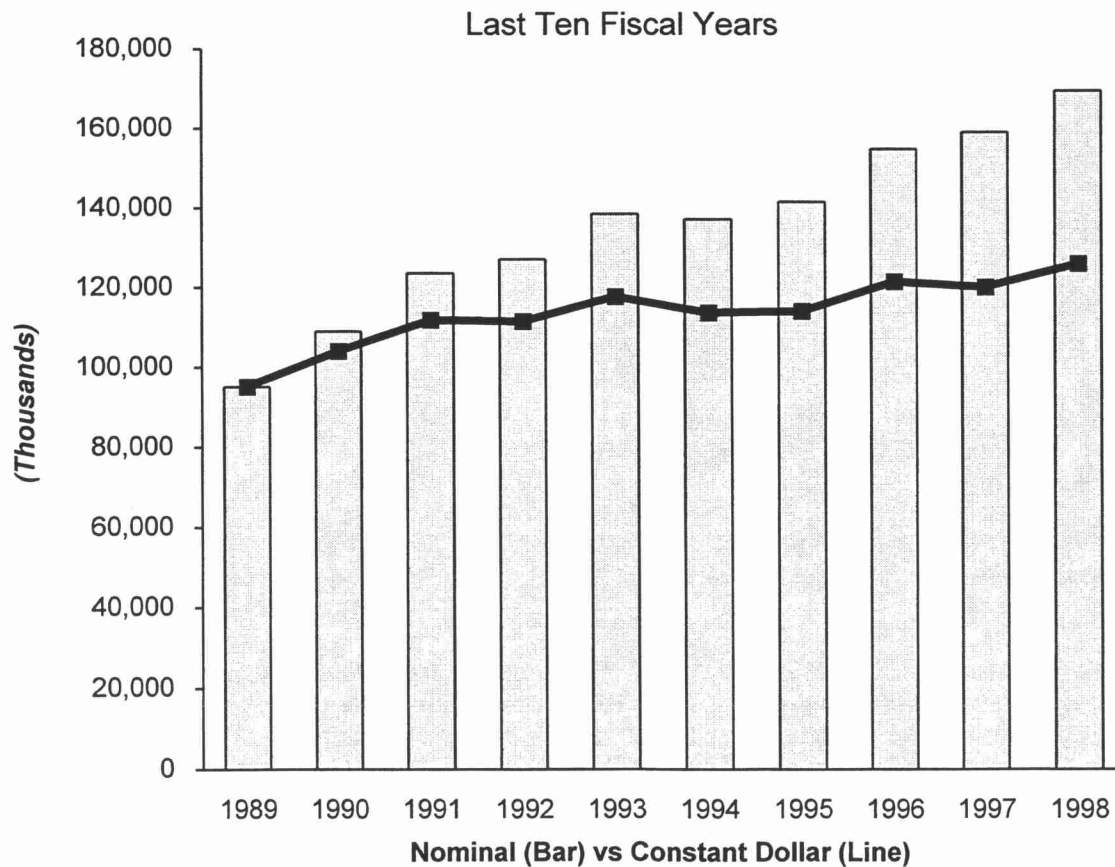
Source: City Finance Department

# General Governmental Revenues

By Source  
(in Thousands)



**Total Governmental Revenues = \$169,325**





# CITY OF STOCKTON

TABLE 2-A

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS

(Dollar amounts in thousands)

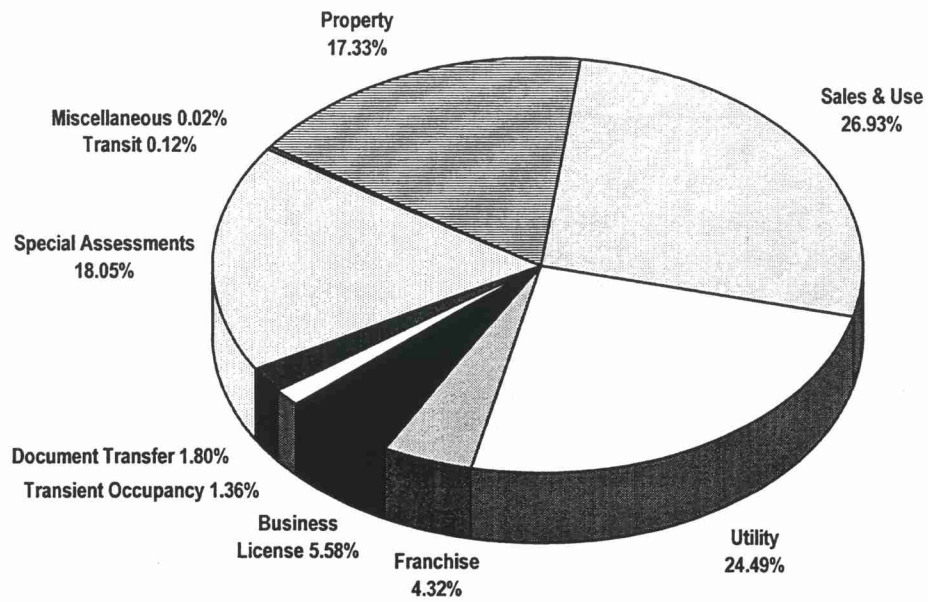
Fiscal Year	Property	Sales & Use	Utility	Franchise	Business License	OTHER					Total (1)
						Transient Occupancy	Document Transfer	Special Assmts.	Transit	Misc.	
1989	\$13,815	\$18,139	\$11,541	\$2,425	\$3,656	\$1,150	\$290	\$6,687	\$79	\$21	\$57,803 <i>57,803</i>
1990	15,298	20,258	12,459	2,883	4,012	1,274	560	6,817	78	18	63,657 <i>60,750</i>
1991	16,853	20,689	14,531	2,981	4,520	1,274	381	9,102	83	23	70,437 <i>63,756</i>
1992	18,231	20,528	16,731	3,097	4,733	1,149	1,092	11,220	87	15	76,883 <i>67,426</i>
1993	17,703	21,017	18,719	3,414	4,990	1,107	1,266	16,237	83	21	84,557 <i>71,918</i>
1994	18,841	22,416	20,466	3,203	4,820	1,044	1,469	17,253	-	18	89,530 <i>74,221</i>
1995	15,684	22,984	21,706	3,935	4,927	1,121	1,395	18,470	176	83	90,481 <i>72,914</i>
1996	16,207	23,710	21,141	3,350	4,964	1,106	1,230	17,439	-	255	89,402 <i>70,133</i>
1997	15,820	23,983	22,271	3,951	5,459	1,136	1,391	17,160	192	18	91,381 <i>69,005</i>
1998	16,270	25,290	22,994	4,056	5,244	1,280	1,689	16,945	114	20	93,902 <i>69,822</i>

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

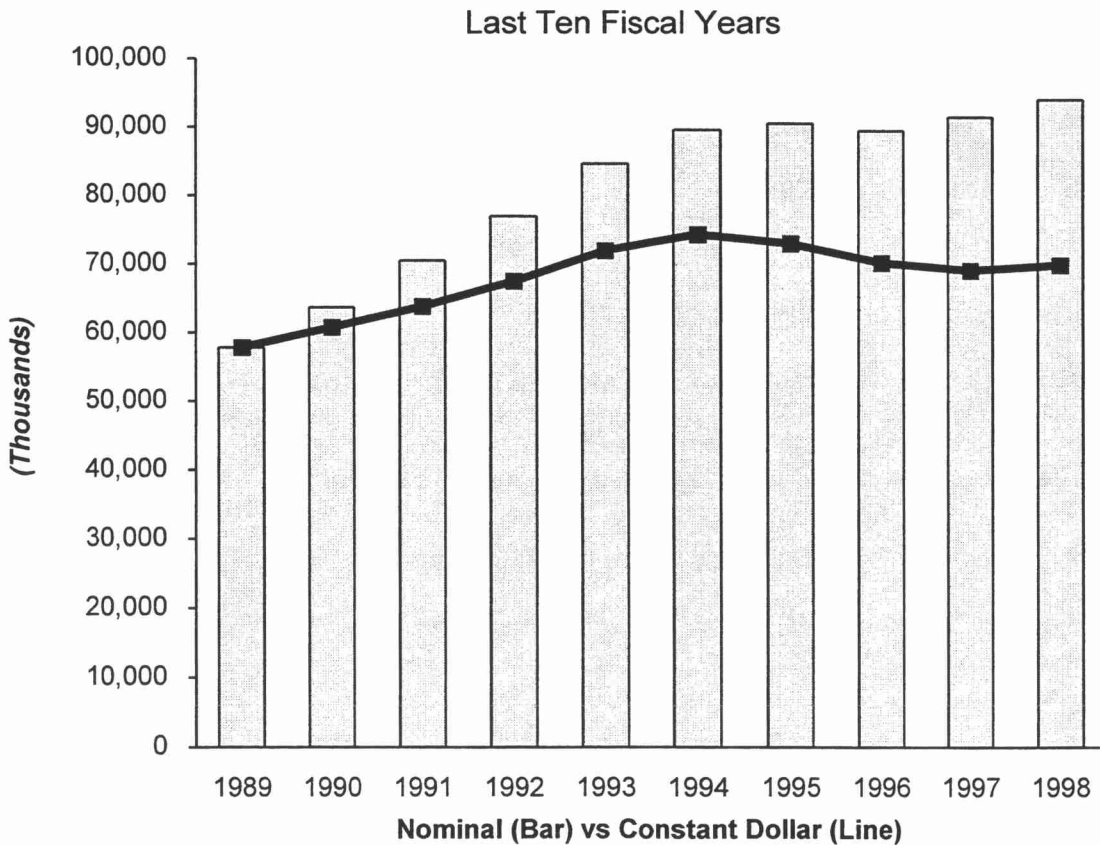
(1) Italicized numbers represent "constant dollars" based on the annual average (June-July) Consumer Price Index (CPI) for all urban consumers utilizing June, 1989 as the base period (100%).  
Data provided by the United States Department of Labor, Bureau of Labor Statistics.

# General Governmental Tax Revenues

By Source  
(in Thousands)



**Total Governmental Tax Revenues = \$93,902**



# CITY OF STOCKTON

TABLE 3

## SECURED PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

(Dollar amounts in thousands)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected (1)	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Tax Levy
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
1998	14,268	14,268	100.00	-	14,268	100.00

Source: San Joaquin County Auditor/Controller's Office

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



# 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
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
1998	8,165,852	0	14,893	786,120	8,966,865	755,604	8,211,261

Fiscal Year	Land	Improvements	Personal Property	Gross Assessed Value	Less Exemptions (1)	Net Assessed Value
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
1998	2,329,276	5,984,645	652,944	8,966,865	755,604	8,211,261

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

(1) Exemptions are total of homeowners (229,840) and other (525,764) 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	Stockton Unified School District (1)	Groud Water Investigation (2)	Total
1989	1.0000 %	0.3300 %	1.3500 %	0.0000 %	2.6800 %
1990	1.0000	0.3200	1.2800	0.0000	2.6000
1991	1.0000	0.2900	1.0100	0.0000	2.3000
1992	1.0000	0.2800	3.1300	0.0034	4.4134
1993	1.0000	0.2700	3.4600	0.0034	4.7334
1994	1.0000	0.2400	3.0400	0.0034	4.2834
1995	1.0000	0.0000	1.2900	0.0034	2.2934
1996	1.0000	0.0000	3.3200	0.0034	4.3234
1997	1.0000	0.0000	0.0103	0.0034	1.0137
1998	1.0000	0.0000	0.0103	0.0034	1.0137

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

(1) Stockton Unified School District - Building Loan Repayment

(2) Approved by the San Joaquin County Board of Supervisors, for testing ground water quality and investigating causes of contamination.

Source: San Joaquin County Tax Rate Book 1997-98

**CITY OF STOCKTON**  
**TABLE 6**

**PRINCIPAL SECURED PROPERTY TAXPAYERS**

June 30, 1998

(Dollar amounts in thousands)

<b>Taxpayer</b>	<b>Nature of Business</b>	<b>1998 Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
Corn Products, Inc.	Food Processing	\$ 98,256	1.324 %
Kaiser Foundation	Hospital	89,370	1.204
Diamond Walnut Growers, Inc.	Food Processing	49,007	0.660
Newark Group, Inc.	Paper Co.	31,940	0.430
Washington Mutual, Inc.	Office Building	26,954	0.363
Cargill Incorporated	Flour Mill	23,376	0.315
Toys R Us, Inc.	Warehouse	23,232	0.313
Del Monte Corp.	Food Processing	18,824	0.254
American Honda Motor Company	Warehouse	18,660	0.251
Jennaro Properties	Warehouse	16,736	0.225
Principal Secured Property Valuation		396,355	5.339
Other Secured Taxpayers		<u>7,026,739</u>	<u>94.661</u>
Total Secured Property Valuation - Net of exemptions (1)		\$ <u><u>7,423,094</u></u>	<u><u>100.000</u></u> %

(1) Exemptions relative to the secured tax roll are \$229,618 (homeowners) and \$513,140 (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)

<b>Fiscal Year</b>	<b>Current Assessments Due</b>	<b>Current Assessments Collected</b>	<b>Total Collection As Percentage of Current Assessments Due</b>	<b>Total Outstanding Current and Delinquent Assessments</b>
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
1998	15,928	15,928	100.00	1,748

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, 1998

(Dollar amounts in thousands)

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Total Assessed Valuation (less other exemptions)	\$8,441,101
Less: Redevelopment Tax Increments	106,470
Basis of Levy	<u>\$8,334,631</u>
Debt Limit - 15 Percent of Assessed Value (1)	\$1,266,165
Amount of Debt Applicable to Debt Limit	<u>0</u>
Legal Debt Margin	<u>\$1,266,165</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 Debt to Assessed Value	Net Bonded Debt per Capita
1989	192,312	\$ 5,673,614	\$ 2,075	\$ 1,450	\$ 625	0.011 %	\$ 3.2499
1990	210,943	6,143,171	1,250	740	510	0.008	2.6124
1991	215,100	6,889,154	390	0	390	0.006	1.8131
1992	221,585	7,606,262	265	0	265	0.003	1.1959
1993	226,300	8,055,732	135	0	135	0.002	0.5966
1994	228,733	8,443,029	0	0	0	0.000	0.0000
1995	232,770	8,575,384	0	0	0	0.000	0.0000
1996	233,600	8,814,724	0	0	0	0.000	0.0000
1997	236,500	8,790,337	0	0	0	0.000	0.0000
1998	240,100	8,966,865	0	0	0	0.000	0.0000

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

## 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
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
1998	0	0	0	182,700	N/A

(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, 1998

	Percentage Applicable to City	City Share of Debt
<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>		
Lincoln Unified School District Community Facilities District #1	85.855 %	\$ 15,672,830
Manteca Unified School District Community Facilities District #89-1	100.000	1,410,000
Stockton Wastewater Service Facilities District	100.000	1,135,000
Stockton Water Service Facilities District	100.000	350,000
City of Stockton Parking District	100.000	8,565,000
City of Stockton Community Facilities District #1	100.000	38,780,000
City of Stockton Community Facilities District #90-1	97.282	14,674,990
City of Stockton Community Facilities District #90-2	100.000	39,650,000
City of Stockton Community Facilities District #90-4	100.000	17,255,832
City of Stockton Community Facilities District #96-1	100.000	1,960,000
City of Stockton 1915 Act Bonds	100.000	57,145,000
Reclamation District #2042 Community Facilities District #89-1	40.657	3,443,648
San Joaquin Area Flood Control Assessment District	84.019	45,029,983
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		245,072,283
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		
San Joaquin County Certificates of Participation	35.911	66,848,327
San Joaquin Delta Community College District Certificates of Participation	33.149	2,743,019
Lincoln Unified School District Certificates of Participation	85.855	3,490,006
Lodi Unified School District Certificates of Participation	22.095	2,120,015
Stockton Unified School District Certificates of Participation	84.777	14,479,912
City of Stockton Certificates of Participation	100.000	16,700,000
South San Joaquin Irrigation District Certificates of Participation	0.147	14,818
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		106,396,097
Less: South San Joaquin Irrigation District (100% self-supporting)		(14,818)
City of Stockton Certificates of Participation (100% self-supporting)		(16,700,000)
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		\$ 89,681,279
<b>Total Gross Debt</b>		<b>\$ 351,468,380</b>
<b>Total Net Debt</b>		<b>\$ 334,753,562</b>

1997-98 Assessed Valuation: \$8,334,631,208

(after deducting \$106,470,160 redevelopment incremental valuation and other exemptions of \$525,763,992)

1997-98 Population: 240,100

Debt Ratios		Per Capita	Ratio to Assessed Value
Total Gross Debt	351,468,380	1,464	4.22%
Total Net Debt	334,753,562	1,394	4.02%

State School Building Aid Repayable as of 06/30/98 : \$1,024,792

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

Source: California Municipal Statistics, Inc., San Francisco, CA.

San Joaquin County Auditor/Controller's Office

State of California, Department of Finance, Demographic Research Unit

# CITY OF STOCKTON

TABLE 12

## DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

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Fiscal Year	Square Miles	Population	Population Percent Change	County	City Population Percent of County	Rank in Size Of California Cities
1989	56.9	192,312	2.278 %	460,227	41.786 %	13
1990	54.0	210,493	9.454	470,934	44.697	12
1991	55.1	215,100	2.189	490,000	43.898	12
1992	55.1	221,585	3.015	502,031	44.138	12
1993	55.5	226,300	2.128	514,500	43.984	12
1994	55.5	228,733	1.075	522,300	43.793	12
1995	55.5	232,770	1.765	530,700	43.861	12
1996	55.5	233,600	0.357	529,300	44.134	12
1997	55.5	236,500	1.241	535,400	44.173	12
1998	55.9	240,100	1.522	545,200	44.039	12

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

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

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

# CITY OF STOCKTON

TABLE 13

## CONSTRUCTION ACTIVITY AND BANK DEPOSITS

LAST TEN FISCAL YEARS

(Dollar amounts in thousands)

Fiscal Year	Building Permits Issued	Percent Change	Estimated Valuation	Percent Change	Deposits - Banks Savings & Loans Credit Unions (1)	Percent Change
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	3,157,126	-8.396
1994	4,783	-2.188	191,629	10.529	3,008,735	-4.700
1995	4,775	-0.167	149,383	-22.046	3,240,633	7.707
1996	5,841	22.325	211,338	41.474	2,905,214	-10.350
1997	5,730	-1.900	211,016	-0.152	3,029,472	4.277
1998	5,514	-3.770	236,854	12.245	N/A	N/A

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

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

# CITY OF STOCKTON

TABLE 14

## 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 the 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	55.9
Elevation	23

### LAND USE -SQUARE MILES

Residential	14.47
Commercial	2.94
Industrial	5.94
Institutional	7.78
Vacant, Agricultural	17.00
All Other Use	7.77

### PUBLIC WORKS

Miles of Streets	655
Miles of Storm Sewers	483
Miles of Sanitary Sewers	1,112
Miles of Water Lines	572
Traffic Signals	196

### LIBRARIES

Central Library	1
Branches	3
Library Mobile Units	2
S.J. County Branches	6
Total Volumes Held	1,876,283

### BUSINESS TAX CERTIFICATES

Retail Sales & Service	7,373
Wholesalers	302
Manufacturers & Processors	153
Professions	2,494
Misc. Contractors, Peddlers, Delivery Vehicles, etc.	3,524

### DEMOGRAPHIC

Number of Households	80,207
Average Household Income	41,657

### POLICE PROTECTION

<u>Personnel:</u>	
Sworn	373
Non-Sworn	167
Animal Control	11
Reserve/Volunteer	
Police Officers	24
Other Volunteers (VIP's)	71
<u>Facilities:</u>	
Stations and Substations	4
Animal Control Facility	1
Police Pistol Range	1
<u>Vehicles:</u>	
Automobiles	213
Motorcycles	26
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-ALLDEPARTMENTS

Full Time-Civil Service	1,612
Full Time-Noncompetitive	145
Part-Time-Exempt	672
Total	2,429

### HOSPITALS

Acute Care Facilities	2
Patient Beds	568

### PUBLIC EDUCATION FACILITIES

Elementary Schools	44
Enrollment	29,562
K-8 Schools	14
Enrollment	7,552
Secondary Schools	10
Enrollment	8,165
High Schools	6
Enrollment	12,866
Alternative Education	6
Enrollment	3,044
Regional Occupational Center	1
Enrollment	1,200

### COLLEGES & UNIVERSITIES

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

### CULTURE AND RECREATION

Parks and Squares	50
Park Acreage	527
Boating Facilities - Lane	8
Municipal Golf Courses	3
Golf course acreage	390
Family Camps	1
Museums	1
Children's Amusement	2
Civic Auditorium (3,500 capacity)	1
Senior Citizens Centers	2
Ice Rinks	1
Community Centers	6
Swimming Pools	7
Baseball/Softball	
Diamonds	43
Tennis Courts	60

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

# CITY OF STOCKTON

TABLE 15

## SCHEDULE OF INSURANCE IN FORCE

June 30, 1998

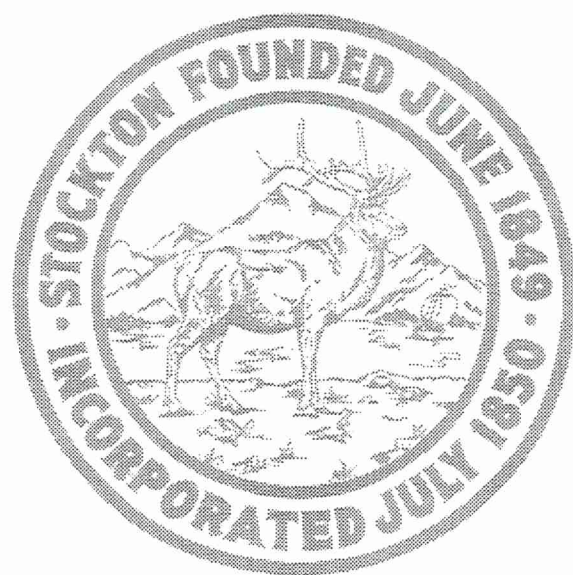
(continues)

Type of Coverage	Company	Period	Amount/Limits
General Liability Excess	California Joint Powers Authority	07/01/97 - 06/30/98	\$9,000,000 XS SIR
Worker's Comp Excess	General Reinsurance Corporation	01/01/98 - 01/01/00	\$ 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	07/01/97 - 07/01/98	\$200,000,000
Boiler & Machinery Insurance	American Manufacturers	07/01/97 - 07/01/98	\$10,000,000
Swimming Pool Insurance	Scottsdale Insurance	05/04/98 - 08/28/98	\$500,000 CSL GI, PI incl. \$500,000 Aggregate
Finance Director Bond	The Hartford	07/08/97 - 07/08/98	\$100,000
Employees Blanket Bond	Travelers	09/22/97 - 09/22/99	\$500,000 \$65,000 inside premises \$25,000 outside premises
Public Official Bond	Continental Insurance	01/01/97 - 12/31/98	\$5,000
Blanket Notary	Western Surety Company	04/18/98 - 04/18/99	\$30,000
Medical Plan Stop Loss and Conversion Plan	Standard Insurance Company	05/01/98 - 04/30/99	\$850,000 per covered individual per coverage year
Travel Policy	AIG Life Insurance Company	01/24/98 - 01/24/99	\$200,000 per person \$600,000 per accident
Travel Policy	AIG Life Insurance Company	03/05/98 - 03/05/99	\$200,000 per person \$600,000 per accident

(continued)

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	\$49,012.32	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	\$10,974.52	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	\$2,363.00	Travel Accident Coverage when on business of this City for management employees
\$0	\$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: Todd Reich, Cathy Lucas, Lynne Farrar, Ralph Risso, Gay Scheile; second row: Gilbert Garcia, Liz Lovato, Shazia Sualeheen, Janet Salvetti, Janice Carlile, Glenda Harris Wall, Tammy Busby. Photo taken by Jim Watson, of the City of Stockton Finance Department.

This picture was taken at University of the Pacific (UOP) in Stockton, California. UOP is California's first chartered institution of higher education, and is the summer home of the San Francisco 49er's football team.

