



City of Oceanside

General Purpose Financial Statements and Independent Auditors' Report

For the year ended June 30, 2001

PRINCIPAL OFFICIALS

AT

JUNE 30, 2001

CITY COUNCIL

Terry W. Johnson, Mayor

Betty Harding, Deputy Mayor

Carol McCauley, Councilmember

Jack Feller, Councilmember

Esther Sanchez, Councilmember

ADMINISTRATION AND DEPARTMENT HEADS

City Manager

Steven R. Jepsen

City Clerk

Barbara Riegel Wayne

City Treasurer

Rosemary R. Jones

City Attorney

Duane E. Bennett

Deputy City Managers

Michael J. Blessing

Jose Aponte

Dale T. Geldert

Assistant to the City Manager

Michelle Skaggs-Lawrence

Administrative Services Director

Ronald C. Jack

Building Director

Gregory C. Anderson

**Economic Development/Redevelopment
Director**

Jane D. McVey

Fire Chief

Dale T. Geldert

Harbor and Beaches Director

Donald L. Hadley

Housing Director

Margery Pierce

Library Director

Deborah Polich

Planning Director

Gerald Gilbert

Police Chief

Michael S. Poehlman

Public Works Director

Peter A. Weiss

Water Utilities Director

Barry E. Martin

**Community Development Commission
Executive Director**

Steven R. Jepsen

City of Oceanside
General Purpose Financial Statements
For the year ended June 30, 2001

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General Purpose Financial Statements
For the year ended June 30, 2000

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Caporicci, Cropper & Larson, LLP
Certified Public Accountants

Offices located in:
Bay Area
Orange County
Sacramento

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
of the City of Oceanside
Oceanside, California

We have audited the accompanying general purpose financial statements of the City of Oceanside, California (City), as of and for the year ended June 30, 2001, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

As discussed in Note 1 to the general purpose financial statements, the City changed in 2001 its method of accounting and financial reporting for non-exchange transactions to conform to Governmental Accounting Standards Board Statement No. 33.

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

Caporicci, Cropper & Larson, LLP

Costa Mesa, California
November 21, 2001

Toll Free Tel: (877) 862-2200

Bay Area
1111 Broadway, Suite 2300
Oakland, California 94607

Orange County
3184-D Airway Avenue
Costa Mesa, California 92626

Toll Free Fax: (866) 436-0927

Sacramento
777 Campus Commons Rd., Suite 200
Sacramento, California 95825

GENERAL PURPOSE FINANCIAL STATEMENTS

City of Oceanside
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2001
(With comparative totals for June 30, 2000)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Cash and investments	\$ 13,112,872	\$ 18,244,645	\$ 1,330,471	\$ 26,206,783
Restricted cash and investments	-	-	5,747,799	34,354
Receivables (net, where applicable, of allowances for estimated uncollectibles):				
Accounts	964,071	-	-	13,539
Interest	1,017,390	745	318	-
Notes	-	3,187,845	-	74,669
Assessments	6,203	-	4,800,000	-
Taxes	2,542,761	-	61,677	15,419
Other	529,297	42,082	4,195	-
Due from other governments	-	1,421,495	-	2,221,203
Due from other funds	524,354	-	-	-
Advances to other funds	6,864,890	-	-	45,664
Inventory, at cost	11,234	-	-	-
Prepaid items	-	-	-	-
Other assets	-	-	-	-
Land held for resale	-	-	-	2,834,402
Property, plant and equipment, net	-	-	-	-
Other Debits:				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
Total assets and other debits	<u>\$ 25,573,072</u>	<u>\$ 22,896,812</u>	<u>\$ 11,944,460</u>	<u>\$ 31,446,033</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 691,302	\$ 634,512	\$ 18,097	\$ 410,832
Accrued liabilities	193,310	4,642	-	-
Interest payable	-	-	-	-
Deposits	-	3,124,389	150,000	125,378
Due to bondholders	-	-	-	-
Due to other funds	-	449,425	56,292	303,324
Due to other governments	-	281,683	-	-
Deferred revenue	2,219,752	108,400	4,800,000	1,200,119
Advances from other funds	-	-	-	975,000
Long-term debt	-	-	-	-
Total liabilities	<u>3,104,364</u>	<u>4,603,051</u>	<u>5,024,389</u>	<u>3,014,653</u>
Fund Equity and Other Credits:				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings	-	-	-	-
Fund balances:				
Reserved	6,876,124	3,187,845	6,914,382	8,764,705
Unreserved:				
Designated	60,409	80,653	5,689	364,037
Undesignated	15,532,175	15,025,263	-	19,302,638
Total fund balances	<u>22,468,708</u>	<u>18,293,761</u>	<u>6,920,071</u>	<u>28,431,380</u>
Total fund equity and other credits	<u>22,468,708</u>	<u>18,293,761</u>	<u>6,920,071</u>	<u>28,431,380</u>
Total liabilities, fund equity and other credits	<u>\$ 25,573,072</u>	<u>\$ 22,896,812</u>	<u>\$ 11,944,460</u>	<u>\$ 31,446,033</u>

See accompanying notes to general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Debt	2001	2000
\$ 66,567,753	\$ 13,343,759	\$ 5,150,761	\$ -	\$ -	\$ 143,957,044	\$ 133,112,693
62,863,635	-	-	-	-	68,645,788	65,414,621
5,643,272	-	11,456	-	-	6,632,338	7,219,442
-	-	-	-	-	1,018,453	1,503,198
-	-	-	-	-	3,262,514	3,187,528
-	-	-	-	-	4,806,203	7,404,409
-	-	-	-	-	2,619,857	934,505
32,402	-	-	-	-	607,976	1,013,858
-	-	-	-	-	3,642,698	3,635,610
303,324	-	-	-	-	827,678	4,479,424
369,119	-	-	-	-	7,279,673	5,241,916
680,459	218,486	-	-	-	910,179	1,043,580
-	340,256	-	-	-	340,256	410,664
1,311,449	-	-	-	-	1,311,449	1,525,158
-	-	-	-	-	2,834,402	2,834,402
209,927,256	7,695,138	-	138,071,001	-	355,693,395	350,073,480
-	-	-	-	6,920,071	6,920,071	6,991,798
-	-	-	-	105,774,276	105,774,276	108,226,259
<u>\$ 347,698,669</u>	<u>\$ 21,597,639</u>	<u>\$ 5,162,217</u>	<u>\$ 138,071,001</u>	<u>\$ 112,694,347</u>	<u>\$ 717,084,250</u>	<u>\$ 704,252,545</u>
\$ 4,493,204	1,238,219	\$ -	\$ -	\$ -	\$ 7,486,166	\$ 4,287,734
46,426	15,559	-	-	-	259,937	296,543
995,771	-	-	-	-	995,771	1,252,795
770,896	-	5,018,691	-	-	9,189,354	12,620,445
-	-	143,526	-	-	143,526	138,087
18,637	-	-	-	-	827,678	4,479,424
-	-	-	-	-	281,683	2,829,918
717,133	-	-	-	-	9,045,404	9,056,297
249,122	315,897	-	-	5,739,654	7,279,673	5,241,916
111,965,335	1,352,131	-	-	106,954,693	220,272,159	227,888,516
<u>119,256,524</u>	<u>2,921,806</u>	<u>5,162,217</u>	<u>-</u>	<u>112,694,347</u>	<u>255,781,351</u>	<u>268,091,675</u>
65,665,629	-	-	-	-	65,665,629	65,665,629
-	-	-	138,071,001	-	138,071,001	135,182,787
162,776,516	18,675,833	-	-	-	181,452,349	171,531,308
-	-	-	-	-	25,743,056	19,957,517
-	-	-	-	-	510,788	7,288,705
-	-	-	-	-	49,860,076	36,534,924
-	-	-	-	-	76,113,920	63,781,146
<u>228,442,145</u>	<u>18,675,833</u>	<u>-</u>	<u>138,071,001</u>	<u>-</u>	<u>461,302,899</u>	<u>436,160,870</u>
<u>\$ 347,698,669</u>	<u>\$ 21,597,639</u>	<u>\$ 5,162,217</u>	<u>\$ 138,071,001</u>	<u>\$ 112,694,347</u>	<u>\$ 717,084,250</u>	<u>\$ 704,252,545</u>

City of Oceanside

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental Fund Types

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	General	Special Revenue	Debt Service	Capital Projects
REVENUES:				
Taxes	\$ 36,459,721	\$ -	\$ 2,997,204	\$ 749,301
Special assessments	-	3,918,862	1,103,754	-
Licenses and permits	1,905,869	116,672	-	-
Lease revenue	-	-	2,739,985	-
Intergovernmental	10,542,341	17,467,146	-	2,409,627
Charges for services	9,277,150	1,395,137	-	439
Fines and forfeitures	1,963,474	595,225	-	-
Interest and rentals	6,823,869	1,631,335	2,957,122	2,367,122
Developer fees	-	-	-	5,868,690
Administrative and in lieu charges	8,357,286	-	-	-
Other	110,772	143,269	35,000	122,137
Total revenues	75,440,482	25,267,646	9,833,065	11,517,316
EXPENDITURES:				
Current:				
General government	9,695,759	277,905	-	-
Public safety	40,090,952	1,397,485	-	-
Public works	5,922,042	4,762,049	-	-
Community development	3,709,869	10,025,062	-	525,707
Community/cultural services	8,178,390	1,163,469	-	-
Capital improvements	-	6,383,300	-	9,502,636
Debt service:				
Principal	-	-	3,650,000	-
Interest	203,748	-	6,167,898	-
Total expenditures	67,800,760	24,009,270	9,817,898	10,028,343
REVENUES OVER (UNDER) EXPENDITURES	7,639,722	1,258,376	15,167	1,488,973
OTHER FINANCING SOURCES (USES):				
Sale of real property	3,090,092	-	-	-
Proceeds from long-term debt	-	-	-	161,741
Operating transfers in	642,000	2,621,048	1,242,961	5,339,893
Operating transfers out	(5,726,285)	(2,997,743)	(1,329,855)	(1,287,447)
Total other financing sources (uses)	(1,994,193)	(376,695)	(86,894)	4,214,187
REVENUES AND OTHER FINANCING SOURCES OVER UNDER EXPENDITURES AND OTHER FINANCING USES	5,645,529	881,681	(71,727)	5,703,160
FUND BALANCES:				
Beginning of year, as restated	16,823,179	17,412,080	6,991,798	22,728,220
End of year	\$ 22,468,708	\$ 18,293,761	\$ 6,920,071	\$ 28,431,380

See accompanying notes to general purpose financial statements.

Totals	
(Memorandum Only)	
2001	2000
\$ 40,206,226	\$ 35,661,014
5,022,616	6,540,276
2,022,541	2,323,496
2,739,985	515,027
30,419,114	29,512,912
10,672,726	9,404,945
2,558,699	2,363,132
13,779,448	12,904,929
5,868,690	5,183,634
8,357,286	8,444,151
411,178	538,301
122,058,509	113,391,817
9,973,664	9,119,183
41,488,437	41,116,072
10,684,091	13,439,747
14,260,638	16,257,188
9,341,859	6,616,736
15,885,936	24,021,220
3,650,000	3,440,000
6,371,646	6,528,669
111,656,271	120,538,815
10,402,238	(7,146,998)
3,090,092	-
161,741	-
9,845,902	8,183,212
(11,341,330)	(5,626,552)
1,756,405	2,556,660
12,158,643	(4,590,338)
63,955,277	68,371,496
\$ 76,113,920	\$ 63,781,158

City of Oceanside

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General, Special Revenue, and Capital Projects Funds

For the year ended June 30, 2001

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$ 34,579,440	\$ 36,459,721	\$ 1,880,281	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	3,918,862	3,918,862
Licenses and permits	2,159,066	1,905,869	(253,197)	117,500	116,672	(828)
Intergovernmental	9,978,439	10,542,341	563,902	18,192,313	17,467,146	(725,167)
Charges for services	7,715,052	9,277,150	1,562,098	1,733,320	1,395,137	(338,183)
Fines and forfeitures	2,491,973	1,963,474	(528,499)	-	595,225	595,225
Interest and rentals	5,636,000	6,823,869	1,187,869	351,020	1,631,335	1,280,315
Developer fees	-	-	-	-	-	-
Administrative and in lieu charges	8,341,860	8,357,286	15,426	-	-	-
Other	29,000	110,772	81,772	354,080	143,269	(210,811)
Total revenues	70,930,830	75,440,482	4,509,652	20,748,233	25,267,646	4,519,413
EXPENDITURES:						
Current:						
General government	10,259,122	9,695,759	563,363	417,171	277,905	139,266
Public safety	39,737,581	40,090,952	(353,371)	1,437,212	1,397,485	39,727
Public works	6,359,959	5,922,042	437,917	5,001,709	4,762,049	239,660
Community development	4,046,767	3,709,869	336,898	16,817,777	10,025,062	6,792,715
Community /cultural services	8,261,674	8,178,390	83,284	1,369,998	1,163,469	206,529
Capital improvements	-	-	-	16,248,506	6,383,300	9,865,206
Debt service:						
Interest	182,000	203,748	(21,748)	-	-	-
Total expenditures	68,847,103	67,800,760	1,046,343	41,292,373	24,009,270	17,283,103
REVENUES OVER (UNDER)						
EXPENDITURES	2,083,727	7,639,722	5,555,995	(20,544,140)	1,258,376	21,802,516
OTHER FINANCING SOURCES (USES):						
Sale of real property	-	3,090,092	3,090,092	-	-	-
Proceeds from long-term debt	-	-	-	-	-	-
Operating transfers in	647,000	642,000	(5,000)	3,456,892	2,621,048	(835,844)
Operating transfers out	(4,398,425)	(5,726,285)	(1,327,860)	(357,192)	(2,997,743)	(2,640,551)
Total other financing sources (uses)	(3,751,425)	(1,994,193)	1,757,232	3,099,700	(376,695)	(3,476,395)
REVENUES AND OTHER						
FINANCING SOURCES OVER						
(UNDER) EXPENDITURES AND						
OTHER FINANCING USES	(1,667,698)	5,645,529	7,313,227	(17,444,440)	881,681	18,326,121
FUND BALANCES:						
Beginning of year, as restated	16,823,179	16,823,179	-	17,412,080	17,412,080	-
End of year	<u>\$ 15,155,481</u>	<u>\$ 22,468,708</u>	<u>\$ 7,313,227</u>	<u>\$ (32,360)</u>	<u>\$ 18,293,761</u>	<u>\$ 18,326,121</u>

See accompanying notes to general purpose financial statements.

Capital Projects			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 655,000	\$ 749,301	\$ 94,301	\$ 35,234,440	\$ 37,209,022	\$ 1,974,582
-	-	-	-	3,918,862	3,918,862
-	-	-	2,276,566	2,022,541	(254,025)
-	2,409,627	2,409,627	28,170,752	30,419,114	2,248,362
-	439	439	9,448,372	10,672,726	1,224,354
-	-	-	2,491,973	2,558,699	66,726
235,000	2,367,122	2,132,122	6,222,020	10,822,326	4,600,306
200,000	5,868,690	5,668,690	200,000	5,868,690	5,668,690
-	-	-	8,341,860	8,357,286	15,426
-	122,137	122,137	383,080	376,178	(6,902)
1,090,000	11,517,316	10,427,316	92,769,063	112,225,444	19,456,381
-	-	-	10,676,293	9,973,664	702,629
-	-	-	41,174,793	41,488,437	(313,644)
-	-	-	11,361,668	10,684,091	677,577
1,851,400	525,707	1,325,693	22,715,944	14,260,638	8,455,306
-	-	-	9,631,672	9,341,859	289,813
18,341,935	9,502,636	8,839,299	34,590,441	15,885,936	18,704,505
-	-	-	182,000	203,748	(21,748)
20,193,335	10,028,343	10,164,992	130,332,811	101,838,373	28,494,438
(19,103,335)	1,488,973	20,592,308	(37,563,748)	10,387,071	47,950,819
-	-	-	-	3,090,092	3,090,092
-	161,741	-	-	161,741	161,741
3,443,000	5,339,893	1,896,893	7,546,892	8,602,941	1,056,049
(1,748,522)	(1,287,447)	461,075	(6,504,139)	(10,011,475)	(3,507,336)
1,694,478	4,214,187	2,357,968	1,042,753	1,843,299	800,546
(17,408,857)	5,703,160	22,950,276	(36,520,995)	12,230,370	48,751,365
22,728,220	22,728,220	-	56,963,479	56,963,479	-
\$ 5,319,363	\$ 28,431,380	\$ 22,950,276	\$ 20,442,484	\$ 69,193,849	\$ 48,751,365

City of Oceanside

Combined Statement of Revenues, Expenses and Changes in Retained Earnings

All Proprietary Fund Types

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2001	2000
OPERATING REVENUES:				
Charges for services	\$ 63,516,850	\$ 31,484,233	\$ 95,001,083	\$ 87,270,798
License and permits	277,499	-	277,499	273,208
Developer fees	1,864,101	-	1,864,101	2,889,218
Slip rental and other related fees	4,241,023	-	4,241,023	4,157,150
Other	1,012,368	194,411	1,206,779	4,529,242
Total operating revenues	70,911,841	31,678,644	102,590,485	99,119,616
OPERATING EXPENSES:				
Maintenance and operations	41,376,457	24,205,328	65,581,785	64,894,168
Cost of purchased water	15,348,627	-	15,348,627	15,883,760
Claims and losses	-	-	-	924,249
Insurance premiums	-	4,881,106	4,881,106	6,422,479
Depreciation	7,679,286	1,955,324	9,634,610	8,596,345
Total operating expenses	64,404,370	31,041,758	95,446,128	96,721,001
OPERATING INCOME	6,507,471	636,886	7,144,357	2,398,615
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	6,138,048	-	6,138,048	1,169,926
Interest expense and fiscal charges	(4,532,095)	(7,620)	(4,539,715)	(4,557,631)
Sale of fixed assets	-	22,151	22,151	156,659
Total nonoperating revenues	1,605,953	14,531	1,620,484	(3,231,046)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	8,113,424	651,417	8,764,841	(832,431)
OPERATING TRANSFERS:				
Operating transfers in	770,131	2,514,039	3,284,170	2,327,224
Operating transfers out	(1,351,800)	(436,942)	(1,788,742)	(4,883,884)
Total operating transfers	(581,669)	2,077,097	1,495,428	(2,556,660)
Net income (loss)	7,531,755	2,728,514	10,260,269	(3,389,091)
RETAINED EARNINGS:				
Beginning of the year, as restated	155,244,761	15,947,319	171,192,080	174,920,339
End of year	\$ 162,776,516	\$ 18,675,833	\$ 181,452,349	\$ 171,531,248

See accompanying notes to general purpose financial statements.

City of Oceanside
Combined Statement of Cash Flows
All Proprietary Fund Types
For the year ended June 30, 2001
(With comparative totals for the year ended June 30, 2000)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income	\$ 6,507,471	\$ 636,886	\$ 7,144,357	\$ 2,398,615
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	7,679,286	1,955,324	9,634,610	8,596,345
Prior period adjustments	(2,068,082)	1,728,854	(339,228)	-
Changes in assets and liabilities:				
Accounts receivable	657,617	5,976	663,593	836,641
Due from other governments	7,561	-	7,561	(7,561)
Due from other funds	(11,795,043)	-	(11,795,043)	(2,223,039)
Prepays and other assets	215,476	(331,078)	(115,602)	416,369
Inventories	93,367	8,795	102,162	(159,380)
Accounts payable	3,505,576	747,529	4,253,105	545,710
Accrued liabilities	(12,702)	3,734	(8,968)	(261,844)
Due to other funds	14,827,548	(1,695,766)	13,131,782	2,221,546
Due to other governments	(2,209,338)	-	(2,209,338)	1,805,071
Deferred revenue	(117,661)	(100,000)	(217,661)	660,427
Deposits	26,920	-	26,920	(50,376)
Interest payable	(279,273)	(1,620)	(280,893)	414,269
Claims and judgments	-	(110,939)	(110,939)	-
Compensated absences	22,089	55,225	77,314	27,060
Net cash provided by operating activities	17,060,812	2,902,920	19,963,732	15,219,853
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	770,131	2,514,039	3,284,170	2,327,224
Operating transfers out	(1,351,800)	(436,942)	(1,788,742)	(4,883,884)
Net cash provided (used) by noncapital financing activities	(581,669)	2,077,097	1,495,428	(2,556,660)

(Continued)

See accompanying notes to general purpose financial statements.

City of Oceanside
Combined Statement of Cash Flows
All Proprietary Fund Types, Continued
For the year ended June 30, 2001
(With comparative totals for the year ended June 30, 2000)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2001	2000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of fixed assets	(10,527,931)	(1,838,378)	(12,366,309)	(7,416,876)
Interest paid	(4,532,095)	(7,620)	(4,539,715)	(4,557,631)
Proceeds from sale of fixed assets	-	22,151	22,151	156,659
Increase in restricted assets	(3,298,360)	-	(3,298,360)	(55,250,760)
Principal payments on long-term borrowing	(2,571,027)	-	(2,571,027)	(2,765,299)
Proceeds of long-term debt	-	-	-	55,785,000
Principal payments under capital lease obligations	-	(150,238)	(150,238)	(159,629)
Net cash used by capital and related financing activities	(20,929,413)	(1,974,085)	(22,903,498)	(14,208,536)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	6,138,048	-	6,138,048	1,169,926
Net cash provided by investing activities	6,138,048	-	6,138,048	1,169,926
Net increase (decrease) in cash	1,687,778	3,005,932	4,693,710	(375,417)
CASH AND INVESTMENTS:				
Beginning of year	64,879,975	10,337,827	75,217,802	75,539,219
End of year	\$ 66,567,753	\$ 13,343,759	\$ 79,911,512	\$ 75,163,802

(Concluded)

See accompanying notes to general purpose financial statements.

City of Oceanside

Notes to General Purpose Financial Statements

For the year ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements of the City of Oceanside, California, (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City was incorporated January 3, 1888, under the general laws of the State of California. The City operates under a Council-Manager form of government and provides basic local governmental services including public safety (Police, Fire and Beach Lifeguard), maintenance and construction of public improvements, cultural, recreation, planning, zoning, and general administration. In addition, the City operates five enterprise activities: Water, Sewer, Harbor, Waste Disposal and a General Aviation Airport.

As required by GAAP, these general purpose financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Discretely presented component units, on the other hand, are reported in a separate column in the combined general purpose financial statements to emphasize their legal separateness from the City. Each blended component unit has a June 30 year-end. The City had no discretely presented component units.

The following are included within the reporting entity as blended component units:

Oceanside Community Development Commission

The Oceanside Community Development Commission (Commission) was established on July 16, 1980, and includes all activities previously performed by the Oceanside Redevelopment Agency and the Oceanside Housing Authority. The Oceanside Redevelopment Agency was originally established on February 20, 1974, pursuant to the State of California Health and Safety Code entitled "Community Redevelopment Law." Its purpose is to eliminate blighted areas by encouraging the development of residential, commercial, industrial, recreational and public facilities. The Oceanside Housing Authority was originally established on February 24, 1971, and dissolved April 9, 1975, due to inactivity. It was reactivated on April 9, 1980, pursuant to The State of California Health and Safety Code. This department is responsible for all assisted housing projects within the City. The operations of the Commission are reported as special revenue, debt service and capital projects funds of the City.

City of Oceanside

Notes to General Purpose Financial Statements, Continued For the year ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. *Financial Reporting Entity, Continued*

Oceanside Small Craft Harbor District

The Oceanside Small Craft Harbor District (Harbor District) was established on July 6, 1959, pursuant to the State of California Harbor and Navigation Code, Part 7, Section 7000 entitled "Small Craft Harbor District." Its purpose is to finance, construct, organize and operate a small craft berthing facility and leaseholds within the harbor area. The operations of the Harbor District are reported as an enterprise fund of the City.

Oceanside Building Authority

The Oceanside Building Authority (Authority) was established on December 1, 1966, pursuant to the State of California Government Code, Section 6506. The Authority was initially established to acquire, construct, maintain, operate and lease public safety buildings. The operations of the Authority are reported as debt service and capital projects funds of the City.

Oceanside Bridge Corporation

The Oceanside Bridge Corporation (Bridge) was established on April 2, 1982, as a nonprofit public benefit corporation under California Government Code, Section 6321. Its purpose is to construct and lease the Murray Road Bridge. The operations of the Bridge are reported as a debt service fund of the City.

Complete financial statements for each entity may be obtained from the Administrative Services Department, 300 North Coast Highway, Oceanside, California 92054.

B. *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. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The various funds used by the City are grouped into three broad fund categories and two account groups. The following is a brief description of each fund and account group:

Governmental Fund Types:

The General Fund is the general operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Fund Accounting, Continued

Governmental Fund Types, Continued:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt.

Capital Projects Funds are used to account for financial resources segregated for the acquisition of major capital facilities other than those financed by the proprietary funds.

Proprietary Fund Types:

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

The Internal Service Funds are used to account for interdepartmental operations where it is the stated intent that costs of providing services to the departments of the City on a continuing basis be financed or recovered primarily by charges to the user departments.

Fiduciary Fund Type:

Agency Funds are used to account for assets held by the City as trustee or agent for individuals, private organizations, other government units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in the proprietary or trust funds.

The General Long-Term Debt Account Group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of the proprietary or trust funds.

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement Focus

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets, with the exception that the noncurrent portion of long-term receivables are reported on their balance sheets, offset by fund balance reserve accounts or deferred revenue.

Statements of revenues, expenditures and changes in fund balances for governmental funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a cost of services or "*economic resources*" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included on the balance sheets. Their reported fund equity presents total net assets. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in total net assets.

D. Basis of Accounting

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes and sales taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the State at year-end, on behalf of the government, are also recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because they are usually not measurable until received in cash.

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the combined balance sheet and revenue is recognized.

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Basis of Accounting, Continued

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when they are due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and become measurable; expenses are recognized when they are incurred. Unbilled service receivables are recorded as accounts receivable and as revenue when earned.

For proprietary type activities, the City has elected to apply all applicable Government Accounting Standards Board (GASB) pronouncements, as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements.

Fiduciary fund types are accounted for according to the nature of the fund. The City has only agency funds, which are purely custodial in nature (assets equal liabilities), and thus do not involve measurement of results of operations.

E. Budgets and Budgetary Accounting

The City's procedures in establishing the budgetary data reflected in the general-purpose financial statements are as follows:

- During May, The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at City Council meetings to obtain taxpayer comments prior to and after May.
- Prior to July 1, the budget is legally adopted through passage of an appropriation resolution.

The City Manager is authorized to transfer funds appropriated within the same department. Revisions that alter the total appropriations of any department or fund must be approved by the City Council.

Budgets are adopted for the General, special revenue and capital projects funds on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted and as further amended by the City Council. All annual appropriations lapse at year-end.

Formal budgetary integration is employed as a management control device during the year for the governmental fund types other than the debt service funds

Expenditures may not legally exceed appropriations at the activity level.

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, special revenue and capital projects funds. Unexpended and unencumbered appropriations of these governmental funds automatically lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reported as a reservation of fund balance. They do not constitute expenditures or estimated liabilities.

G. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts with original maturities of three months or less to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

H. Inventory

Inventory is valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Inventory in the General Fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual items are used. Inventories in the enterprise and internal service funds are recorded at cost, which approximates market, and include various accessories used for repair and maintenance of equipment.

I. Land Held for Resale

Land held for resale is carried at the lower of cost or estimated realizable value. An amount equal to the carrying value of land is reserved in fund balance because such assets are not available to finance the City's current operations.

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized. No depreciation has been provided on general fixed assets.

General fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Interest accrued during construction, if any, of an asset financed by the governmental fund type is not capitalized as part of the asset cost.

K. Proprietary Funds Fixed Assets

Proprietary funds fixed assets are valued at historical cost or estimated historical cost if historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

Interest accrued during construction, if any, of fixed assets within proprietary funds is capitalized as a part of the asset cost.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Proprietary fund fixed assets are reported net of accumulated depreciation on their balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method for all classes of fixed assets. The estimated useful lives are as follows:

(a)	Buildings	50-60 years
(b)	Improvements other than buildings	30-50 years
(c)	Machinery and Equipment	5-20 years

L. Long-Term Obligations

The government reports long-term debt of governmental funds at face value in the General Long-Term Debt Account Group. Certain other governmental fund obligations not expected to be financed with *current financial resources* are also reported in the General Long-Term Debt Account Group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. Fund Equity

Reservations of fund balances of governmental funds and retained earnings of proprietary funds are created to either satisfy legal covenants, including State laws, that require a portion of the fund equity be segregated or identify the portion of the fund equity not available for future expenditures.

O. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or service rendered. These receivables and payable are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term loans are classified as interfund receivables or payables.

Quasi-external transactions are accounted for as revenues, expenditures or expenses, as appropriate. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursed fund. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. Compensated Absences

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. Accordingly, the entire unpaid liability for the governmental funds is recorded in the General Long-term Debt Account Group, and no expenditure is recorded for these amounts. In the proprietary funds, compensated absences are expensed as a portion of labor charges to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

Q. Total Columns - "Memorandum Only"

"Memorandum Only" captions on total columns of combined statements mean that totals are presented for overview informational purpose only and that they do not fairly present the financial position or results of operations for the governmental unit as a whole in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of these totals.

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. Implementation of New GASB Pronouncement

In 2001, the City adopted a new accounting standard in order to conform to Governmental Accounting Standards Board Statement No. 33, Accounting and Financial Reporting for Non-Exchange Transactions.

GASB No. 33 established recording assets and revenues when the underlying exchange occurred, enforceable legal claim had arisen, all eligibility requirements had been met or when resources were received, whichever was first. By adopting this Standard, the City recognized assets and revenues from Non-Exchange Transactions which included sales taxes, property taxes, other taxes, fines and forfeitures, certain grants and entitlements, and certain government mandates. These Non-Exchange Transactions were accounted for as susceptible to accrual using the measurable and available criteria.

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which the City Treasurer invests to enhance interest earnings. The pooled interest earned is allocated to the funds based on average month-end cash and investment balances in these funds.

A. Cash Deposits

The carrying amounts of the City's cash deposits were \$1,315,888 at June 30, 2001. Bank balances before reconciling items were \$2,460,843 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

2. CASH AND INVESTMENTS, Continued

B. Investments

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

- Securities of the U.S. Government, or its agencies
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan companies
- Bankers' Acceptances
- Commercial Paper
- Medium-Term Corporate Notes
- California Local Agency Investment Fund
- Passbook Savings Account Demand Deposits
- Repurchase Agreements
- California Arbitrage Management Program

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method resulting in the following investment income in all funds and component units:

Interest income	\$ 14,038,227
Net unrealized gains (losses) in changes in fair value of investments	<u>908,236</u>
Total investment income	<u>\$ 14,946,463</u>

C. Credit Risk

Governmental Accounting Standards Board Statement No. 3 requires that deposits and investments be classified by credit risk.

Classification of deposits and investments by credit risk:

Deposits:

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Deposits which are uninsured or uncollateralized.

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

2. CASH AND INVESTMENTS, Continued

C. Credit Risk, Continued

Investments:

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

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

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

Investments Not Subject to Categorization - Investments in the California Local Agency Investment Fund (LAIF) are not categorized, as GASB Statement No. 3 does not require categorization of investment pools managed by another government. Certain fiscal agent investments are not categorized because the underlying assets are open-ended mutual funds. Guaranteed investment contracts are not categorized because they are direct contractual investments and are not securities. All such investments are not required to be categorized under interpretive guidelines issued by the GASB.

Deposits and investments were categorized as follows at June 30, 2001:

	Category		Un-	Fair
	1	2	categorized	Value
City Treasury:				
Demand Deposits:				
Cash deposit	\$ 1,315,888	\$ -	\$ -	\$ 1,315,888
Total demand deposits	1,315,888	-	-	1,315,888
Investments:				
Commercial paper	-	16,921,286	-	16,921,286
Investment in partnership	-	-	269,000	269,000
Securities of U.S. government agencies	-	92,126,472	-	92,126,472
Local Agency Investment Funds	-	-	33,324,398	33,324,398
Total investments	-	109,047,758	33,593,398	142,641,156
Total City Treasury	1,315,888	109,047,758	33,593,398	143,957,044
Cash and Investments with Fiscal Agents:				
Milestone Treasury Money Market Fund	-	68,645,788	-	68,645,788
Total cash and investments with fiscal agents	-	68,645,788	-	68,645,788
Total cash and investments	\$ 1,315,888	\$ 177,693,546	\$ 33,593,398	\$ 212,602,832

At June 30, 2001, the City had no category 3 investments.

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

2. CASH AND INVESTMENTS, Continued

C. Credit Risk, Continued

The City's investments with Local Agency Investment Funds (LAIF) at June 30, 2001, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

- Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

As of June 30, 2001, the City had \$33,324,398 invested in LAIF, which had invested 4.506% of the pool investment funds in Structured Notes and Asset-Backed Securities. The City valued its investments in LAIF as of June 30, 2001, by multiplying its account balance with LAIF by a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value resulting in a factor of 1.002237525.

Investments held in the City Treasury grouped by maturity date at June 30, 2001, are shown below:

<u>Maturity</u>	
Current to one year	\$ 94,980,525
One to two years	9,533,750
Two to three years	27,015,100
Three to four years	11,111,781
Total	\$ 142,641,156

3. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of San Diego (County) bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied.

The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate not more than 2% per year. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

City of Oceanside

Notes to General Purpose Financial Statements, Continued For the year ended June 30, 2001

4. RECEIVABLES

A. Notes Receivable

At June 30, 2001, the Commission had the following notes receivable:

Housing Rehabilitation	\$ 3,187,845
Low and Moderate Income Housing	<u>74,669</u>
Total	<u>\$ 3,262,514</u>

The City and the Commission have made several housing rehabilitation and rental rehabilitation loans totaling \$3,187,845 to qualified applicants using Community Development Block Grants. The rehabilitation loans bear interest up to 3% and are repaid either by monthly payments or when there is a change of title. The rental rehabilitation loans are forgiven after a ten-year period.

The Commission has made loans from low and moderate income housing program funds in the amount of \$74,669 for a home buyer program.

B. Assessments Receivable

As of June 30, 2001, the following assessments receivable were outstanding:

Weed Abatement	\$ 6,203
1993 Special Tax Refunding Bonds	1,495,000
1994 Oceanside Local Agency Revenue Bonds	<u>3,305,000</u>
Total	<u>\$ 4,806,203</u>

The City collects money from property owners for weed abatement purposes. The amount of the receivable for this program was \$6,203.

In connection with the Commission's issuance of its \$6,825,000 1993 Special Tax Bonds, the Commission has recorded \$1,495,000 in assessments receivable and a corresponding deferred revenue. These amounts will be reduced as the principal on the bonds mature.

In connection with the Agency's issuance of its \$4,120,000 and \$974,719 Oceanside Local Agency Revenue Bonds, the Agency has recorded \$3,305,000 in assessments receivable and a corresponding deferred revenue. These amounts will be reduced as the principal on the bonds mature.

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

5. INTERFUND TRANSACTIONS

A. Due To, Due From

At June 30, 2001, the City had the following short-term interfund receivables and payables:

	Due From Other Funds	Due To Other Funds
General	\$ 524,354	\$ -
Special Revenue Fund:		
Community Development Block Grant	-	449,425
Debt Service Fund:		
Redevelopment Agency	-	56,292
Capital Projects Fund:		
Redevelopment Agency	-	303,324
Enterprise Funds:		
Water	303,324	-
Special Aviation	-	18,637
Totals	<u>\$ 827,678</u>	<u>\$ 827,678</u>

B. Long-Term Advances

At June 30, 2001, the City had the following interfund long-term advances:

	Advances To Other Funds	Advances From Other Funds
General	\$ 6,864,890	\$ -
Capital Projects Fund:		
General Improvements	45,664	975,000
Enterprise Funds:		
Water	339,369	-
Sewer	29,750	-
Special Aviation	-	249,122
Internal Service Fund:		
General Services	-	315,897
General Long-Term Debt Account Group	-	5,739,654
Totals	<u>\$ 7,279,673</u>	<u>\$ 7,279,673</u>

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

5. INTERFUND TRANSACTIONS, Continued

C. Operating Transfers

At June 30, 2001, the City had the following operating transfers:

	Operating Transfers In	Operating Transfers Out
General Fund	\$ 642,000	\$ 5,726,285
Special Revenue Funds:		
Asset Seizure	-	25,000
Storm Damage	96,459	-
Library	63,400	-
Gas Tax	2,000,000	2,000,000
Recreation	43,740	-
Housing Assistance Program	391,473	423,031
Maintenance Districts	-	549,712
Grants	25,976	-
Debt Service Funds:		
Redevelopment Agency	89,396	1,329,855
Oceanside Building Authority	1,153,565	-
Capital Projects Funds:		
General Improvements	3,634,951	1,287,447
Redevelopment Agency	1,704,942	-
Enterprise Funds:		
Water	6,929	903,900
Sewer	746,285	352,450
Waste Disposal	9,632	95,450
Oceanside Small Craft Harbor District	7,285	-
Internal Service Funds:		
Loss Prevention	990	-
General Services	2,513,049	436,942
Totals	\$ 13,130,072	\$ 13,130,072

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

6. FIXED ASSETS

A. The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year:

	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
Land	\$ 41,022,022	\$ 614,406	\$ -	\$ 41,636,428
Buildings and structures	44,852,154	18,972,232	-	63,824,386
Improvements other than buildings	15,223,026	492,300	-	15,715,326
Machinery and equipment	15,768,539	577,651	-	16,346,190
Construction in progress	18,317,046	931,473	(18,699,848)	548,671
Totals	\$ 135,182,787	\$ 21,588,062	\$ (18,699,848)	\$ 138,071,001

B. A summary of proprietary fund type property, plant and equipment is presented below:

	Enterprise Funds	Internal Service Funds
Land	\$ 14,818,769	\$ -
Buildings and structures	64,662,971	-
Improvements other than buildings	192,580,546	-
Machinery & equipment	5,203,387	18,073,561
Construction in progress	23,615,374	-
Total property, plant, and equipment	300,881,047	18,073,561
Less accumulated depreciation	(90,953,791)	(10,378,423)
Net property, plant, and equipment	\$ 209,927,256	\$ 7,695,138

Depreciation expense was \$9,634,610 and \$8,596,345 for the years ended June 30, 2001 and 2000 respectively.

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

7. LAND HELD FOR RESALE

Land held for resale comprised of the following at June 30, 2001:

Capital Projects Fund:	
Redevelopment Agency	<u>\$ 2,834,402</u>
Total	<u><u>\$ 2,834,402</u></u>

Land and buildings held for resale are recorded in the Redevelopment Agency Capital Projects Fund at the lower of cost or estimated net realizable value. The available fund balance is reserved in an amount equal to the carrying value of land and buildings held for resale because such assets are not available to finance the Commission's current operations. The amount recorded as assets held for resale and the corresponding fund balance reserved as of June 30, 2001, was \$2,834,402.

8. LONG-TERM DEBT

A. General Long-Term Debt

Summary of Changes in General Long-Term Debt Account Group for the year ended June 30, 2001:

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Bonds payable	\$ 21,975,000	\$ -	\$ (400,000)	\$ 21,575,000
Certificates of Participation	73,660,000	-	(2,145,000)	71,515,000
Special assessment debt with government commitment	7,390,000	-	(2,590,000)	4,800,000
Advances from other funds	3,541,897	5,640,768	(3,443,011)	5,739,654
Claims payable	2,065,870	109,639	-	2,175,509
Compensated absences	6,585,290	313,513	(9,619)	6,889,184
Totals	<u>\$ 115,218,057</u>	<u>\$ 6,063,920</u>	<u>\$ (8,587,630)</u>	<u>\$ 112,694,347</u>

Bonds Payable

Bonds payable at June 30, 2001, consisted of the following:

1993 Tax Allocation Refunding Bonds	\$ 8,260,000
1994 Tax Allocation Refunding Bonds	<u>13,315,000</u>
Total	<u><u>\$ 21,575,000</u></u>

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

A. General Long-Term Debt, Continued

Bonds Payable, Continued

1. 1993 Tax Allocation Refunding Bonds - Original Issue \$9,500,000

The bonds were issued to refund the Commission's Downtown Redevelopment Project 1987 Tax Allocation Refunding Bonds and are secured by tax revenues received by the Commission. The bonds consist of serial bonds that mature annually through 2008, in amounts ranging from \$130,000 to \$395,000 and term bonds that mature on September 1, 2018. Interest rates vary from 4.0% to a maximum of 6.1% and are payable semiannually on March 1 and September 1. The bonds maturing on or before September 1, 2002, are not subject to optional redemption prior to their stated maturities. Bonds maturing on or after September 1, 2003, are subject to redemption in whole or in part on any interest payment date. Redemption includes a premium of 2% commencing on September 1, 2004, and reduced by 1% on each September 1 thereafter.

The annual debt service requirements on these bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 260,000	\$ 488,225	\$ 748,225
2003	275,000	473,642	748,642
2004	290,000	457,960	747,960
2005	310,000	441,005	751,005
2006	330,000	422,600	752,600
Thereafter	6,795,000	3,057,408	9,852,408
Totals	\$ 8,260,000	\$ 5,340,840	\$ 13,600,840

2. 1994 Tax Allocation Refunding Bonds - Original Issue \$14,935,000

The 1994 Tax Allocation Refunding Bonds were issued by the Association of Bay Area Governments to refund certain tax allocation bonds issued by redevelopment agencies or local public financing authorities within the State of California. The portion allocated to the City was used to refund the 1987 Tax Allocation Refunding Bonds which were used for the Downtown Redevelopment Project Area, to refund a loan from the State Coastal Conservancy, and to use the remainder of the funds for various redevelopment projects.

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

A. General Long-Term Debt, Continued

Bonds Payable, Continued

2. 1994 Tax Allocation Refunding Bonds - Original Issue \$14,935,000, Continued

The bonds mature annually through 2025, in amounts ranging from \$480,000 to \$1,695,000. Interest rates vary from 4.0% to a maximum of 6.2% and are payable semiannually on March 1 and September 1. The bonds maturing on or before December 15, 2003, are not subject to call and redemption prior to their stated maturities. Bonds maturing on or after December 15, 2004, are subject to call and redemption in whole or in part on any interest payment date. Redemption includes a premium of 2% commencing on December 15, 2005, and reduced by 0.5% on each December 15 thereafter.

The annual debt service requirements on these bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 160,000	\$ 893,222	\$ 1,053,222
2003	165,000	883,997	1,048,997
2004	175,000	874,245	1,049,245
2005	185,000	863,702	1,048,702
2006	190,000	852,452	1,042,452
Thereafter	12,440,000	11,502,983	23,942,983
Totals	\$ 13,315,000	\$ 15,870,601	\$ 29,185,601

Certificates of Participation

Certificates of Participation payable at June 30, 2001, consisted of the following:

Bridge Corporation 1992 Refunding Certificates of Participation	\$ 2,965,000
Building Authority 1993 Series A Refunding Certificates of Participatio	25,175,000
Building Authority 1994 Certificates of Participation	2,620,000
Oceanside Civic Center 1995 Refunding Certificates of Participation	30,200,000
Building Authority 1998 Certificates of Participation	10,555,000
Total	<u>\$ 71,515,000</u>

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

A. General Long-Term Debt, Continued

Certificates of Participation, Continued

1. 1992 Refunding Certificates of Participation - Original Issue \$5,070,000

The 1992 Refunding Certificates of Participation were issued to refund the City of Oceanside Bridge Corporation 1983 Leasehold Mortgage Revenue Bonds which were used to finance the cost of acquisition of land and rights-of-way and construction and installation of the Murray Road Bridge. The certificates are due in annual installments of \$160,000 to \$535,000 through 2008. Interest rates range from 3.25% to 6.50% and are payable semiannually on April 1 and October 1. Certificates maturing on or before April 1, 2002, are not subject to call and redemption prior to their stated maturities. Certificates maturing on or after April 1, 2003, are subject to redemption in whole or in part on April 1, 2002, and each interest date thereafter. Redemption includes a premium of 2% commencing on December 15, 2005, and is reduced by 1/2% on each interest date thereafter.

The annual debt service requirements on these bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 330,000	\$ 188,455	\$ 518,455
2003	355,000	168,325	523,325
2004	385,000	146,315	531,315
2005	420,000	122,060	542,060
2006	450,000	95,180	545,180
Thereafter	1,025,000	101,155	1,126,155
Totals	\$ 2,965,000	\$ 821,490	\$ 3,786,490

2. 1993 Series A Refunding Certificates of Participation - Original Issue \$31,800,000

The 1993 Series A Refunding Certificates of Deposit were issued by the Oceanside Building Authority to refinance \$2,905,000 outstanding 1988 Certificates of participation, \$15,660,000 outstanding 1991 Certificates of Participation, \$6,205,000 outstanding 1989 Certificates of Participation, and to finance the acquisition of certain police communications equipment. The City has entered into an agreement with the Authority to lease certain facilities and projects from the Authority at an amount necessary to meet the annual debt service and related costs.

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

A. General Long-Term Debt, Continued

Certificates of Participation, Continued

2. 1993 Series A Refunding Certificates of Participation - Original Issue \$31,800,000, Continued

The certificates consist of \$6,475,000 in serial certificates, which are due in annual installments of \$745,000 to \$930,000 through 2003, and term certificates of \$1,615,000, \$8,685,000, \$6,125,000 and \$9,000,000 which are due on April 1, 2001, 2012, 2017 and 2023, respectively. Interest rates range from 3.75% to 6.625% and are payable semiannually on April 1 and October 1. Certificates maturing on or after April 1, 2004, are subject to redemption in whole in part on April 1, 2003, and each interest date thereafter.

The annual debt service requirements on these bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 665,000	\$ 1,597,621	\$ 2,262,621
2003	700,000	1,558,719	2,258,719
2004	745,000	1,517,419	2,262,419
2005	790,000	1,469,925	2,259,925
2006	840,000	1,419,563	2,259,563
Thereafter	21,435,000	12,930,069	34,365,069
Totals	\$ 25,175,000	\$ 20,493,316	\$ 45,668,316

3. 1994 Certificates of Participation - Original Issue \$3,215,000

The certificates were issued by the Authority for the purposes of reimbursing the City for the payment of the costs of acquisition of the street lighting facilities and finance the construction of additional street lighting facilities. The certificates consist of \$2,010,000 in serial certificates and term certificates in the amount of \$1,205,000. The serial certificates are due in annual installments of \$70,000 to \$200,000 through 2009 with interest rates ranging from 4.2% to 6.6%. The term certificates are due on September 1, 2014, at a price of 98.364% with an interest rate of 6.7%. Serial certificates maturing on or before 2005 are not subject to optional redemption prior to maturity. Certificates maturing on or after September 1, 2006, are subject to redemption in whole or in part on September 2005 and each interest date thereafter.

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

A. General Long-Term Debt, Continued

Certificates of Participation, Continued

3. 1994 Certificates of Participation - Original Issue \$3,215,000, Continued

The annual debt service requirements on these bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 125,000	\$ 165,405	\$ 290,405
2003	130,000	157,945	287,945
2004	135,000	150,060	285,060
2005	145,000	141,588	286,588
2006	155,000	132,360	287,360
Thereafter	1,930,000	633,759	2,563,759
Totals	\$ 2,620,000	\$ 1,381,117	\$ 4,001,117

4. 1995 Refunding Certificates of Participation - Original Issue \$34,300,000

The Certificates were issued by the Commission to refund the 1991 Refunding Certificates of Participation, which was used for the City's civic center project. The certificates consist of serial certificates in the amount of \$14,555,000 due in annual installments of \$750,000 to \$1,430,000, and term certificates of \$10,515,000 and \$9,230,000 due August 1, 2015 and 2019, respectively. Interest rates range from 4% to 6.07% and is payable semiannually on February 1 and August 1. Certificates maturing before August 1, 2015, are not subject to redemption prior to maturity. Certificates maturing on or after August 1, 2015, are subject to redemption prior to maturity on August 1, 2005, and each interest payment date thereafter.

The annual debt service requirements on these bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 935,000	\$ 1,620,437	\$ 2,555,437
2003	985,000	1,573,865	2,558,865
2004	1,035,000	1,523,340	2,558,340
2005	1,090,000	1,469,153	2,559,153
2006	1,145,000	1,411,588	2,556,588
Thereafter	25,010,000	10,793,150	35,803,150
Totals	\$ 30,200,000	\$ 18,391,533	\$ 48,591,533

City of Oceanside

Notes to General Purpose Financial Statements, Continued For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

A. General Long-Term Debt, Continued

Certificates of Participation, Continued

5. 1998 Certificates of Participation - Original Issue \$10,750,000

The certificates are issued by the Authority for the purpose of reimbursing the City for the costs of acquisition of certain real property and improvements to be used as police and library facilities. The certificates are due in annual installments of \$195,000 to \$875,000 through 2022. Interest rates range from 4.5% to 5.2% and are payable semiannually on June 1 and December 1. Certificates maturing on or after December 1, 2008, are subject to redemption in whole or in part on December 1, 2007, and each interest date thereafter.

The annual debt service requirements on these bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 210,000	\$ 519,140	\$ 729,140
2003	225,000	509,353	734,353
2004	245,000	498,777	743,777
2005	265,000	487,303	752,303
2006	285,000	474,785	759,785
Thereafter	9,325,000	4,787,756	14,112,756
Totals	<u>\$ 10,555,000</u>	<u>\$ 7,277,114</u>	<u>\$ 17,832,114</u>

Special Assessment Debt with City Commitment

Special Assessment Debt with City Commitment at June 30, 2001, consisted of the following:

1993 Community Facilities District No.1 Special Tax Revenue Bonds	\$ 1,495,000
1994 Assessment District Refinancing Revenue Bonds	2,850,000
1994 Assessment District Refinancing Subordinated Revenue Bonds	<u>455,000</u>
Total	<u>\$ 4,800,000</u>

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

A. General Long-Term Debt, Continued

Special Assessment Debt with Government Commitment, Continued

1. 1993 Community Facilities District No.1 Special Tax Revenue Bonds - Original Issue \$6,825,000

The bonds were issued pursuant to Mello-Roos Community Facilities Act of 1982 to refinance and purchase the existing City of Oceanside Community Facilities District No. 1 (Williams Ranch) bonds. The bonds are term bonds due on November 1, 2004, and bear an interest rate of 7.75%. Interest is payable semiannually on May 1 and November 1. The bonds are subject to mandatory redemption on November 1 in each year in authorized denominations.

The annual debt service requirements on these bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 330,000	\$ 102,300	\$ 432,300
2003	355,000	75,756	430,756
2004	385,000	47,081	432,081
2005	425,000	16,081	441,081
Totals	\$ 1,495,000	\$ 241,218	\$ 1,736,218

2. 1994 Assessment District Refinancing Local Agency Revenue Bonds - Original Issue \$4,120,000

The bonds were issued pursuant to an Indenture of Trust for the Series, dated as of January 1, 1994, for the purpose of enabling the Authority to acquire certain limited obligation refunding bonds proceeds of which were used to refinance outstanding limited obligation improvement bonds for the City Improvement District No. 1-1989 (Morro Hills Updated). The bonds are Series A bonds and are due in annual installments of \$180,000 to \$405,000. Interest rates range from 3.6% to 5.9% and are payable semiannually on March 2 and September 2.

The annual debt service requirements on these bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 240,000	\$ 155,405	\$ 395,405
2003	260,000	142,025	402,025
2004	275,000	127,443	402,443
2005	295,000	111,620	406,620
2006	310,000	94,525	404,525
Thereafter	1,470,000	179,581	1,649,581
Totals	\$ 2,850,000	\$ 810,599	\$ 3,660,599

City of Oceanside

Notes to General Purpose Financial Statements, Continued For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

A. General Long-Term Debt, Continued

Special Assessment Debt with Government Commitment, Continued

3. 1994 Assessment District Refinancing Local Agency Subordinated Revenue Bonds - Original Issue \$974,719

The Bonds were issued pursuant to an Indenture of Trust for the Series, dated as of January 1, 1994, for the purpose of enabling the Authority to acquire certain limited obligation refunding bonds proceeds of which were used to refinance outstanding limited obligation improvement bonds for the City Improvement District No. 1-1989 (Morro Hills Updated). The bonds are Series B bonds and are due in annual installments of \$180,000 to \$405,000. Interest rates range from 3.6% to 5.9% and are payable semiannually on March 2 and September 2.

The annual debt service requirements on these bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 45,000	\$ 25,760	\$ 70,760
2003	45,000	23,218	68,218
2004	45,000	20,630	65,630
2005	50,000	17,850	67,850
2006	45,000	15,025	60,025
Thereafter	225,000	29,079	254,079
Totals	\$ 455,000	\$ 131,562	\$ 586,562

Advances From Other Funds

Long-term advances payable at June 30, 2001, consisted of the following:

Deferred development fees	\$ 98,885
City of Oceanside	5,640,769
Total	<u>\$ 5,739,654</u>

1. The deferred development fees represent incentives given to developers by the Commission to encourage the developers to invest in the project areas. Those amounts are owed to the City by the Commission and will be repaid in fiscal years ending June 30, 2002 and 2003.

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

A. General Long-Term Debt, Continued

Advances From Other Funds, Continued

2. The Commission entered into a loan agreement with the City to restructure unpaid loans made to the Commission in 1986 and 1989 to fund downtown redevelopment projects. The loan represent the unpaid principal portion of \$2,000,000 and \$1,443,011 of the 1986 and 1989 loans respectively and the accumulated unpaid interest on those loans. The loan is payable in years 2015 through 2025 from tax increment revenue. As of June 30, 2001 the outstanding balance of the loan was \$5,640,769.

Claims Payable

The long-term portion of claims payable has been accrued in the General Long-Term Debt Account Group. Amounts determined to be debts of either the enterprise or internal service funds have been recorded as liabilities in those funds. There is no fixed payment schedule to pay these liabilities. Total amount of claims payable at June 30, 2001, was \$2,175,509.

Compensated Absences

The City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) that exceeds current financial resources for governmental fund types is reported in the General Long-Term Debt Account Group. In proprietary funds, the liability is reported in the fund as the benefits vest and are earned. At June 30, 2001, the noncurrent portion of vested and unpaid compensated absences in the governmental fund types totaled \$6,889,184.

B. Long-Term Debt of Proprietary Fund Types

Summary of changes in long-term debt of proprietary fund types for the year ended June 30, 2001:

	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
Bonds payable	\$ 11,325,000	\$ -	\$ (100,000)	\$ 11,225,000
Certificates of participation	29,515,000	-	(1,775,000)	27,740,000
Notes payable	72,410,087	-	(883,024)	71,527,063
Advances from other funds	425,019	140,000	-	565,019
Obligation under capital leases	150,238	-	(150,238)	-
Claims payable	1,313,141	167,228	(231,171)	1,249,198
Compensated absences	1,498,890	137,051	(59,736)	1,576,205
Totals	\$ 116,637,375	\$ 444,279	\$ (3,199,169)	\$ 113,882,485

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Proprietary Fund Types, Continued

Bonds Payable

1998 Water Revenue Refunding Bonds - Original Issue \$11,445,000

The bonds were issued to refund a portion of the outstanding 1992 Series A Certificates of Participation, which were originally used to finance the acquisition, expansion, construction and improvement of certain water facilities within the City. The bonds are due in annual installments of \$25,000 to \$965,000 through 2017. Interest rates range from 3.5% to 5.0% and are payable semiannually on April 1 and October 1.

The annual debt service requirements on these bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 105,000	\$ 507,240	\$ 612,240
2003	105,000	503,171	608,171
2004	650,000	488,286	1,138,286
2005	675,000	461,949	1,136,949
2006	575,000	436,661	1,011,661
Thereafter	9,115,000	2,860,204	11,975,204
Totals	\$ 11,225,000	\$ 5,257,511	\$ 16,482,511

Certificates of Participation

Certificates of Participation payable at June 30, 2001, consisted of the following:

1992 Water Reuse Finance Program Certificates of Participation Series A	\$ 1,005,000
1993 Water System Refunding Project Certificates of Participation	15,450,000
1993 Wastewater System Refunding Plan Certificates of Participation	11,285,000
Total	\$ 27,740,000

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Proprietary Fund Types, Continued

Certificates of Participation, Continued

1. 1992 WaterReuse Finance Program Certificates of Participation Series A - Original Issue
\$23,710,000

The certificates were issued in October 1992 by the Water Reuse Finance Corporation (Corporation) to provide funds for the construction and acquisition of a water storage tank and pipeline systems. The City has entered into an installment purchase contract with the Corporation, which provides for the payment by the City from the pledged revenues derived from the operation of the water system equivalent to the principal and interest on the certificates and related costs. In June 1993, the City determined that a portion of the proceeds was not required to complete the project and defeased \$9,185,000 of the certificates by placing \$10,504,040 in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased certificates. Accordingly, those certificates are not reflected in the accompanying financial statements. The defeasance resulted in an accounting loss of \$1,498,763. In 1998, the City determined that a portion of the proceeds was not required to complete the project and defeased \$10,335,000 of the certificates. Accordingly, those certificates are not reflected in the accompanying general purpose financial statements. The defeasance resulted in an accounting loss of \$817,028. The undefeased certificates of \$2,735,000 consist of serial certificates due in annual installments of \$345,000 to \$570,000 through 2003. Interest rates range from 3.0% to 6.5% and are due semiannually on April 1 and October 1.

The annual debt service requirements on these certificates of participation are as follows:

<u>For the Years</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2002	\$ 490,000	\$ 558,543	\$ 1,048,543
2003	515,000	529,304	1,044,304
2004	545,000	497,120	1,042,120
Totals	\$ 1,005,000	\$ 1,087,847	\$ 2,092,847

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Proprietary Fund Types, Continued

Certificates of Participation, Continued

2. 1993 Water System Refunding Project Certificates of Participation – Original Issue \$22,235,000

The certificates were issued by the Authority to refinance certain real property and improvements used for water storage and other purposes of the water system of the City. The City has entered into an installment sale agreement with the Authority which provides for the payment by the City from the pledged revenues derived from the operation of the water system equivalent to the principal and interest on the certificates and related costs. The certificates consist of serial certificates of \$13,685,000, which are due in annual installments of \$650,000 to \$1,000,000 through 2009, and term certificates of \$3,225,000 and \$5,325,000 due on August 1, 2014 and 2021, respectively. Interest rates range from 2.5% to 5.8% and are payable semiannually on February 1 and August 1. Certificates maturing on or after August 1, 2004, are subject to prepayment prior to maturity on August 1, 2003, and each interest date thereafter. The certificates are subject to mandatory prepayment on any date from the net proceeds of insurance, sale or condemnation award with respect to the water system.

The annual debt service requirements on these certificates of participation are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 615,000	\$ 849,590	\$ 1,464,590
2003	650,000	817,640	1,467,640
2004	685,000	783,255	1,468,255
2005	720,000	746,365	1,466,365
2006	760,000	706,765	1,466,765
Thereafter	12,020,000	5,486,169	17,506,169
Totals	\$ 15,450,000	\$ 9,389,784	\$ 24,839,784

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

8. LONG-TERM DEBT

B. Long-Term Debt of Proprietary Fund Types, Continued

Certificates of Participation, Continued

3. 1993 Wastewater System Refunding Plan Certificates of Participation - Original Issue
\$13,410,000

The Certificates were issued by the Authority to refinance certain real property and improvements used for purposes of the sewer system of the City. The City has entered into an installment sale agreement with the Authority which provides for the payment by the City from the pledged revenues derived from the operation of the sewer system equivalent to the principal and interest on the certificates and related costs. The certificates consist of \$5,240,000 serial certificates due in annual installments of \$235,000 to \$465,000 through 2009 and term certificates of \$2,755,000 and \$5,415,000 due May 1, 2014 and 2021, respectively. Interest is payable semiannually on May 1 and November 1 of each year commencing November 1, 1993, at rates ranging from 2.8% to 5.8%. Certificates maturing on or after May 1, 2004, are subject to optional prepayment prior to maturity on May 1, 2003, and each interest payment date thereafter. The certificates are subject to mandatory prepayment on any date from the net proceeds of insurance, sale or condemnation award with respect to the sewer system.

The annual debt service requirements on these certificates of participation are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 325,000	\$ 640,373	\$ 965,373
2003	340,000	623,798	963,798
2004	355,000	606,117	961,117
2005	375,000	587,302	962,302
2006	395,000	567,053	962,053
Thereafter	9,495,000	4,950,889	14,445,889
Totals	\$ 11,285,000	\$ 7,975,532	\$ 19,260,532

Notes Payable

Notes payable at June 30, 2001, consisted of the following:

State of California Water Supply Project	\$ 2,878,961
State Water Resources Control Board	8,030,696
Department of Boating and Waterways	4,832,406
1998 Wateruse Purchase Contract	55,785,000
Total	\$ 71,527,063

City of Oceanside

Notes to General Purpose Financial Statements, Continued For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Proprietary Fund Types, Continued

Notes Payable, Continued

1. State of California Water Supply Project – Original Issue \$4,412,030

This loan is made by the State of California to the City to assist in financing a new local water supply project. Loan funds may be used only for such eligible projects as follows: site work, demolition of the San Luis Rey Waste Water Treatment Facility and other construction activities. The loan is due in semiannual installments of \$5,353 to \$121,371 through 2009. The interest rate is 6% and is payable semiannually on various dates in six month intervals, five days prior to the previous payment.

The annual debt service requirements on this note is as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 290,012	\$ 168,500	\$ 458,512
2003	307,683	150,837	458,520
2004	326,422	132,100	458,522
2005	346,300	112,220	458,520
2006	367,390	91,131	458,521
Thereafter	1,241,154	133,614	1,374,768
Totals	\$ 2,878,961	\$ 788,402	\$ 3,667,363

2. State Water Resources Control Board– Original Issue \$9,204,539

This loan is a State Revolving Loan Fund Program contract between the State Water Resources Control Board and the City with a maximum loan amount of \$9,861,068 to fund the San Luis Rey Wastewater Treatment Plant generally consisting of upgrades to control odors and improve process performance. The loan is due in installments of \$117,893 to \$600,099 commencing 1997 through 2015. The interest rate is 2.7% payable annually on November 1.

The annual debt service requirements on this note is as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2002	\$ 441,363	\$ 216,829	\$ 658,192
2003	453,279	204,912	658,191
2004	465,518	192,673	658,191
2005	478,087	180,104	658,191
2006	490,995	167,196	658,191
Thereafter	5,701,454	880,460	6,581,914
Totals	\$ 8,030,696	\$ 1,842,174	\$ 9,872,870

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Proprietary Fund Types, Continued

Notes Payable, Continued

3. Department of Boating and Waterways

The Department of Boating and Waterways has loaned the District as follows:

	Amount Outstanding at <u>June 30, 2001</u>
1984 Loans payable	
Due in annual installments of \$64,425 through 2015 including interest of 4.5% per annum	\$ 692,594
1986 Loans payable	
Due in annual installments of \$227,600 through 2017 including interest of 4.5% per annum	2,498,059
1991 Loan Payable	
Due in annual installments of \$116,003 through 2023 including interest of 4.5% per annum	<u>1,641,753</u>
Total loans payable	<u>\$ 4,832,406</u>

4. 2000 Wateruse Finance Authority Installment Purchase Contract – Original Issue \$55,785,000

This installment purchase contract was issued to finance the acquisition, construction and expansion of the City's San Luis Rey Wastewater Treatment Facility. The interest on the purchase contract is variable; annual principal payments range from \$1,340,000 to \$3,010,000 through 2028.

The annual principal payment requirements on this purchase contract are as follows:

For the Years Ending June 30,	Principal
2002	\$ 1,380,000
2003	1,420,000
2004	1,475,000
2005	1,515,000
2006	1,565,000
Thereafter	<u>48,430,000</u>
Total	<u>\$ 55,785,000</u>

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Proprietary Fund Types, Continued

Advances From Other Funds

The Special Aviation Fund has received monies from the General Fund. The advances were issued with no stated interest rate or repayment date. The amount outstanding at June 30, 2001 was \$249,122.

The Water Fund loaned funds to the General Services Internal Service Fund for the purchase of an integrated finance and utility billing computer system. The advance was issued with no stated interest rate or repayment date. The amount outstanding at June 30, 2001, was \$315,897.

Obligation under Capital Leases

In March of 1995, the City entered into a lease purchase agreement for two fire fighting apparatus to include two ladders and four patrol sedans with a value of \$1,015,931. The lease qualified as a capital lease and calls for annual principal and interest payments of \$180,151 beginning April 27, 1995 through 1998 and \$159,478 beginning April 27, 1999 through 2001. The lease was paid off during the fiscal year ended June 30, 2001.

Claims Payable

The City reports claims payable for workers' compensation liabilities in the proprietary funds that incurred the loss. General liability claims and the short-term portion of workers' compensation liabilities incurred by the governmental funds are recorded in the Loss Prevention Internal Service Fund. Claims payable at June 30, 2001, were recorded in the following funds:

Enterprise Funds:

Water	\$ 52,036
Sewer	65,090
Waste Disposal	10,753
Oceanside Small Craft Harbor	96,014
Total enterprise funds	223,893

Internal Service Funds:

Loss Prevention	835,837
General Services	189,468
Total internal service funds	1,025,305
Total proprietary fund claims payable	\$ 1,249,198

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Proprietary Fund Types, Continued

Compensated Absences

In proprietary funds, the liability for vested and unpaid compensated absences (accrued vacation and sick pay) is reported in the fund as the benefits vest and are earned. At June 30, 2001, compensated absences in the proprietary funds types were as follows:

Enterprise Funds:	
Water	\$ 381,584
Sewer	549,773
Waste Disposal	86,350
Oceanside Small Craft Harbor	231,672
Total enterprise funds	1,249,379
Internal Service Funds:	
Loss Prevention	47,540
General Services	279,286
Total internal service funds	326,826
Total proprietary fund compensated absences payable	\$ 1,576,205

C. Debt Without City Commitment - Mortgage Revenue Bonds and Special District Bonds

The following mortgage revenue and special district bonds bearing the Commission's or the City's name were issued to finance redevelopment projects; however, neither the faith and credit nor the general taxing power of the City or of the Commission have been pledged to the payment of the bonds. Furthermore, neither the City nor the Commission has any obligation for the payment of the bonds in the case of default. Therefore, none of the following obligation is included in the accompanying general purpose financial statements.

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

8. LONG-TERM DEBT, Continued

C. Debt Without City Commitment - Mortgage Revenue Bonds and Special District Bonds, Continued

Issue	Issuing Agency	Date of Issue	Amount of Issue	Outstanding at June 30, 2001
1985 Multi-Family Housing Revenue Bonds	City of Oceanside	October 1, 1985	\$ 29,430,000	\$ 29,430,000
	City of Oceanside	December 1, 1985	6,000,000	6,000,000
	City of Oceanside	December 1, 1997	19,000,000	13,325,000
1990 Residential Mortgage Revenue Bonds	City of Oceanside	July 1, 1990	21,000,000	17,100,000
City of Oceanside Assessment District No 4-1988 (Mission Square)	City of Oceanside	May 1, 1994	320,830	270,000
1994 Multi-Family Housing Revenue Refunding Bonds Lakeridge	City of Oceanside	December 1, 1994	43,240,000	43,240,000

D. Defeasance of Long-Term Debt

In January 1993 the Authority issued \$31,800,000 1993 Series A Refunding Certificates of Participation to advance refund 1988, 1989, and 1991 Certificates of Participation and certain obligations of the Authority and to finance the acquisition of certain police communications equipment. The 1988 and 1991 Certificates of Participation are considered to be defeased and the liabilities for those certificates have been removed from the balance sheet. The 1988 Certificates were redeemed in full during the year ended June 30, 1994. The 1991 Certificates were redeemed in full during the year ended June 30, 2001.

In May 1993 the Authority issued \$13,140,000 1993 Certificates of Participation (Wastewater System Refunding Project) to advance refund the 1991 Certificates of Participation (La Salina Wastewater Treatment Plant). The 1991 Certificates of Participation are considered to be defeased and the liability has been removed from the balance sheet.

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

9. CONTRIBUTED CAPITAL

Changes in the balances of contributed capital for the year ended June 30, 2001, were as follows:

	Enterprise Funds
Balance, July 1, 2001	\$ 65,665,629
Changes in 2001	-
Balance, June 30, 2001	<u>\$ 65,665,629</u>

10. RESERVED AND DESIGNATED FUND BALANCES

Fund balances at June 30, 2001, have been reserved and designated for the following purposes:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Reserved for :				
Inventory	\$ 11,234	\$ -	\$ -	\$ -
Land held for resale	-	-	-	3,234,402
Noncurrent receivables	-	3,187,845	-	-
Noncurrent assets	-	-	-	2,349,328
Low and moderate income housing	-	-	-	3,180,975
Advances to other funds	6,864,890	-	-	-
Debt service	-	-	6,914,382	-
Total reserved	<u>6,876,124</u>	<u>3,187,845</u>	<u>6,914,382</u>	<u>8,764,705</u>
Designated for :				
Unrealized gains on investments	60,409	80,653	5,689	117,840
Unexpended budgeted projects	-	-	-	246,197
Total designated	<u>60,409</u>	<u>80,653</u>	<u>5,689</u>	<u>364,037</u>
Unreserved, Undesignated	<u>15,532,175</u>	<u>15,025,263</u>	<u>-</u>	<u>19,302,638</u>
Total fund balance	<u>\$ 22,468,708</u>	<u>\$ 18,293,761</u>	<u>\$ 6,920,071</u>	<u>\$ 28,431,380</u>

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

11. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

A. *Deficit Fund Balances*

At June 30, 2001, the following funds had deficit fund balances:

Fund	Deficit
Special Revenue Funds:	
Community Development Block Grant	\$ (1,164)

12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

A. *Excess of Expenditures over Appropriations*

At June 30, 2001, the following funds had excess of expenditures over appropriations:

Fund	Excess
Special Revenue Funds:	
Asset Seizure	\$ 75,208
Strategic Traffic Offenders Program	170,389

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

13. SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintains five enterprise funds, which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended June 30, 2001, is presented as follows:

	Water Fund	Sewer Fund	Waste Disposal Fund	Special Aviation Fund	Oceanside Small Craft Harbor Fund	Totals
Operating revenues	\$ 33,150,474	\$ 16,851,821	\$ 15,802,214	\$ 824,292	\$ 4,283,040	\$ 70,911,841
Depreciation expense	3,428,970	3,188,308	13,714	27,378	1,020,916	7,679,286
Operating expenses	29,394,957	15,625,258	15,047,043	194,880	4,142,232	64,404,370
Operating income (loss)	3,755,517	1,226,563	755,171	629,412	140,808	6,507,471
Net nonoperating revenues (expenses)	(423,436)	1,584,731	-	-	444,658	1,605,953
Operating transfers	(896,971)	393,835	(85,818)	-	7,285	(581,669)
Net income (loss)	2,435,110	3,205,129	669,353	629,412	592,751	7,531,755
Fixed assets additions	3,396,497	7,006,351	-	52,614	72,469	10,527,931
Working capital	35,766,807	21,078,449	1,015,288	(20,852)	7,214,032	65,053,724
Total assets	142,735,765	183,189,904	2,741,757	1,412,032	17,619,211	347,698,669
Bonds and other long-term liabilities	29,492,529	74,949,196	97,103	249,122	4,983,639	109,771,589
Total equity	107,529,720	106,877,093	991,642	1,142,058	11,901,632	228,442,145

14. RISK MANAGEMENT

The City is a member of the San Diego Pooled Insurance Program Authority (SANDPIPA) which provides general liability and workers' compensation insurance. As a member, the City carries a self-insured retention of \$250,000 and is insured through SANDPIPA from \$250,000 to \$2,000,000. In addition, SANDPIPA has purchased excess insurance coverage from \$2,000,000 to \$28,000,000 for all of its members, including the City. For workers' compensation claims, the City has purchased insurance for claims in excess of \$250,000. There have been no significant changes in insurance coverage during the year ended June 30, 2001.

The workers' compensation and general and auto liability claims payable of \$3,424,708 reported at June 30, 2001, are based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability amounts were as follows:

Year Ended June 30,	Claims Payable July 1,	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30,
2000	\$ 3,379,011	\$ 2,075,164	\$ (2,075,164)	\$ 3,379,011
2001	3,379,011	3,484,114	(3,438,418)	3,424,707

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

14. RISK MANAGEMENT, Continued

SANDPIPA is a joint powers agency of twelve cities located within San Diego County. Each city has equal representation on the Board of Directors, which consists of a city staff member (and an alternate) appointed by each City Council. The Board of Directors has total responsibility for all actions of SANDPIPA.

The Board of Directors elects three members (including a President and Vice-President) to the Executive Committee, which has the responsibility for overseeing all operations of SANDPIPA, including preparation and submission of the annual operating budget to the Board of Directors for its approval and modification, if deemed necessary.

Annual premiums and assessments are approved by the Board of Directors and are adjusted each year based on each City's share of:

- Incurred losses
- Such losses and other expenses as a proportion of all cities' such losses
- The contribution to reserves, including reserves for incurred-but-not-reported losses
- Costs to purchase excess insurance
- Costs to purchase any additional coverage

The following represents summary audited financial information of SANDPIPA for the fiscal year ended June 30, 2001, which is the most current information available as of the date of this report:

Total assets	<u>\$ 20,888,003</u>
Total liabilities	<u>\$ 5,999,021</u>
Fund equity	<u>\$ 14,888,982</u>
Total revenues	<u>\$ 4,416,421</u>
Total expenses	<u>\$ 3,715,520</u>
Net increase in fund equity	<u>\$ 700,901</u>

Detailed financial information may be obtained from SANDPIPA.

If and when SANDPIPA is dissolved, the remaining assets, after all premiums and assessments have been paid and final disposition of all claims has been determined, will be distributed to members proportionate to each city's cash contributions made during the life of SANDPIPA. Until dissolution, however, no city has identifiable equity in SANDPIPA.

City of Oceanside
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

15. RETIREMENT PLANS

Pension Plan

Plan Description - The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy - Active plan members are required by State statute to contribute 7% for miscellaneous and 9% for safety employees of their annual covered salary. The City employer makes the contributions required of City employees on their behalf and for their account, which amounted to \$1,533,719 for the year ended June 30, 2001. The City employer is required to contribute for fiscal year 2000-2001 at an actuarially determined rate of 0% and 5.03% of annual covered payroll for miscellaneous and safety employees, respectively.

Annual Pension Cost - For fiscal year 2000-2001, the City's annual pension cost of \$871,505 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 1998, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses), (b) projected annual salary increases range from 3.75% to 14.2% for miscellaneous and 3.75% to 11.59% for safety employees, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at June 30, 1998, was 68 years and 13 years for miscellaneous and safety employees respectively.

THREE-YEAR TREND INFORMATION FOR PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/99	\$ 6,581,708	100%	\$0
6/30/00	4,337,494	100%	0
6/30/01	871,505	100%	0

City of Oceanside

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2001

16. CONTINGENT LIABILITIES

The City is involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome be realized.

17. PRIOR PERIOD ADJUSTMENTS

The City recorded the following prior period adjustments to correct some accounting errors.

Accordingly, the fund balances as of July 1, 2000, have been restated as follows:

	Fund Balance as Previously Reported	Prior Period Adjustments	Fund Balance, as restated
General Fund	\$ 17,398,955	\$ (575,776)	\$ 16,823,179
Capital Projects Funds:			
General Improvements	16,723,236	749,907	17,473,143
Other capital projects funds, not restated	5,255,077	-	5,255,077
Total capital projects funds	21,978,313	749,907	22,728,220
Enterprise Funds:			
Water	75,730,587	(929,715)	74,800,872
Waste Disposal	1,151,658	(1,068,367)	83,291
Special Aviation	337,870	(70,000)	267,870
Other enterprise funds, not restated	80,092,728	-	80,092,728
Total enterprise funds	\$ 157,312,843	\$ (2,068,082)	\$ 155,244,761
Internal Funds:			
General Services	4,723,995	1,728,854	6,452,849
Other Internal service fund not restated	9,494,470	-	9,494,470
Total internal service funds	\$ 14,218,465	\$ 1,728,854	\$ 15,947,319

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REQUIRED SUPPLEMENTARY INFORMATION

City of Oceanside
Required Supplementary Information
For the year ended June 30, 2001

PUBLIC EMPLOYEE RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

Miscellaneous Employees

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Excess Assets	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
6/30/98	\$ 112,810,181	\$ 86,372,727	\$ 26,437,454	130.6%	\$ 18,497,081	142.9%
6/30/99	127,322,705	91,964,928	35,357,777	138.4%	20,117,325	175.7%
6/30/00	140,678,268	102,330,298	38,347,970	137.5%	23,157,517	165.6%

Safety Employees

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Excess Assets	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
6/30/98	\$ 125,120,950	\$ 113,433,189	\$ 11,687,761	110.3%	\$ 14,010,547	83.4%
6/30/99	141,017,279	123,232,908	17,784,371	114.4%	14,518,631	122.5%
6/30/00	160,916,052	151,694,957	9,221,095	106.1%	16,419,323	56.2%

GENERAL FUND

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

City of Oceanside
Balance Sheet
General Fund
June 30, 2001 and 2000

	Totals	
	2001	2000
ASSETS		
Cash and investments	\$ 13,112,872	\$ 10,313,236
Receivables (net of allowance for uncollectibles):		
Accounts	964,071	150,483
Interest	1,017,390	1,501,066
Assessments	6,203	14,409
Taxes	2,542,761	847,911
Other	529,297	168,828
Due from other funds	524,354	439,127
Advances to other funds	6,864,890	4,527,133
Inventory, at cost	11,234	42,473
Prepaid items	-	399,299
Total assets	\$ 25,573,072	\$ 18,403,965
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 691,302	\$ 804,771
Accrued liabilities	193,310	225,304
Interest payable	-	(23,869)
Deferred revenue	2,219,752	(1,196)
Total liabilities	3,104,364	1,005,010
Fund Balances:		
Reserved for:		
Inventory	11,234	42,473
Encumbrances	-	193,005
Advances to other funds	6,864,890	4,527,138
Unreserved designated for:		
Unrealized gains on investments	60,409	-
Unreserved, undesignated	15,532,175	12,636,339
Total fund balances	22,468,708	17,398,955
Total liabilities and fund balances	\$ 25,573,072	\$ 18,403,965

City of Oceanside

Statement of Revenues, Expenditures, and Changes in Fund Balances

General Fund

For the years ended June 30, 2001 and 2000

	Totals	
	2001	2000
REVENUES:		
Taxes	\$ 36,459,721	\$ 32,501,196
Licenses and permits	1,905,869	2,203,613
Intergovernmental	10,542,341	11,520,561
Charges for services	9,277,150	7,077,769
Fines and forfeitures	1,963,474	2,362,599
Interest and rentals	6,823,869	5,603,347
Administrative and in lieu charges	8,357,286	8,444,151
Other	110,772	-
Total revenues	75,440,482	69,713,236
EXPENDITURES:		
Current:		
General government	9,695,759	8,881,518
Public safety	40,090,952	39,998,516
Public works	5,922,042	9,434,936
Community development	3,709,869	3,518,897
Community/cultural services	8,178,390	5,331,826
Debt service:		
Interest	203,748	162,320
Total expenditures	67,800,760	67,328,013
REVENUES OVER (UNDER) EXPENDITURES	7,639,722	2,385,223
OTHER FINANCING SOURCES (USES):		
Sale of real property	3,090,092	-
Operating transfers in	642,000	4,334,329
Operating transfers out	(5,726,285)	(1,198,417)
Total other financing sources (uses)	(1,994,193)	3,135,912
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	5,645,529	5,521,135
FUND BALANCES:		
Beginning of year, as restated	16,823,179	11,877,820
End of year	\$ 22,468,708	\$ 17,398,955

City of Oceanside

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 34,579,440	\$ 36,459,721	\$ 1,880,281
Licenses and permits	2,159,066	1,905,869	(253,197)
Intergovernmental	9,978,439	10,542,341	563,902
Charges for services	7,715,052	9,277,150	1,562,098
Fines and forfeitures	2,491,973	1,963,474	(528,499)
Interest and rentals	5,636,000	6,823,869	1,187,869
Administrative and in lieu charges	8,341,860	8,357,286	15,426
Other	29,000	110,772	81,772
Total revenues	70,930,830	75,440,482	4,509,652
EXPENDITURES:			
General government:			
City council	735,326	738,473	(3,147)
City clerk	816,442	731,473	84,969
City treasurer	256,656	257,514	(858)
City manager	902,262	849,482	52,780
City attorney	1,180,159	1,069,928	110,231
Administrative services	3,481,827	3,411,194	70,633
Personnel	914,172	854,734	59,438
Nondepartmental	1,972,278	1,782,961	189,317
Total general government	10,259,122	9,695,759	563,363
Public safety:			
Police	26,392,678	26,730,366	(337,688)
Fire	13,344,903	13,360,586	(15,683)
Total public safety	39,737,581	40,090,952	(353,371)
Public works	6,359,959	5,922,042	437,917
Community development	4,046,767	3,709,869	336,898
Community/cultural services:			
Recreation	3,829,598	3,917,291	(87,693)
Library	4,432,076	4,261,099	170,977
Total community/cultural services	8,261,674	8,178,390	83,284
Debt service:			
Interest	182,000	203,748	(21,748)
Total expenditures	68,847,103	67,800,760	1,046,343
REVENUES OVER (UNDER) EXPENDITURES	2,083,727	7,639,722	5,555,995
OTHER FINANCING SOURCES (USES):			
Sale of real property	-	3,090,092	3,090,092
Operating transfers in	647,000	642,000	(5,000)
Operating transfers out	(4,398,425)	(5,726,285)	(1,327,860)
Total other financing sources (uses)	(3,751,425)	(1,994,193)	1,757,232
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,667,698)	5,645,529	7,313,227
FUND BALANCES:			
Beginning of year, as restated	16,823,179	16,823,179	-
End of year	\$ 15,155,481	\$ 22,468,708	\$ 7,313,227

SPECIAL REVENUE FUNDS

ASSET SEIZURE:

To account for funds received as a result of seizure of assets from those convicted of violations of drug laws. Funds are used to enhance law enforcement services and activities.

STORM DAMAGE:

To account for federal disaster assistance funds received to cover costs of major storm damage.

LIBRARY:

To account for grant revenues and purchases of books. The fund is required by Section 18951 of the California Education Code.

GAS TAX:

To account for the maintenance and capital improvements associated with motor vehicle travel. Financing is provided primarily from the City's share of State gasoline taxes.

MURRAY ROAD BRIDGE:

To account for charges for use of the Murray Road Bridge. Revenues finance the normal operating costs and the annual lease payments to the Murray Road Bridge Corporation.

COMMUNITY DEVELOPMENT BLOCK GRANT:

To account for funds received from the Federal Government for use on federally approved projects.

RECREATION:

To account for the operation of the City's special recreation programs.

HOUSING ASSISTANCE PROGRAM:

To account for the operation of the City's low and moderate income housing program. Financing is provided by HUD (Section 8), Community Development Block Grants, and service fees on mortgage revenue bonds.

MAINTENANCE DISTRICTS:

To account for street lighting and landscape maintenance services. Financing is provided by service charges to benefiting properties.

STRATEGIC TRAFFIC OFFENDER PROGRAM (STOP):

To account for funds received from the impoundment of vehicles under California Vehicle Code Section 22651 (h)(1), (h)(2), (o)(1), (p), 22655.3 (a) & (b), 14602.6 (a), and 14607.6 (a).

GRANTS:

To account for funds received from federal, state, and county governments for use on approved projects.

City of Oceanside
Combining Balance Sheet
All Special Revenue Funds
June 30, 2001 and 2000
(With comparative totals for June 30, 2000)

	Asset Seizure	Storm Damage	Library	Gas Tax	Murray Road Bridge
ASSETS					
Cash and investments	\$ 107,787	\$ -	\$ 110,823	\$ 8,963,692	\$ 2,626,773
Restricted cash and investments	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Notes	-	-	-	-	-
Other	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 107,787</u>	<u>\$ -</u>	<u>\$ 110,823</u>	<u>\$ 8,963,692</u>	<u>\$ 2,626,773</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 4,924	\$ -	\$ 18,629	\$ 188,844	\$ 13
Accrued liabilities	-	-	-	2,778	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>4,924</u>	<u>-</u>	<u>18,629</u>	<u>191,622</u>	<u>13</u>
Fund Balances:					
Reserved:					
Noncurrent receivables	-	-	-	-	-
Unreserved designated for:					
Unrealized gains on investments	461	-	473	38,155	11,221
Unreserved, underdesignated	102,402	-	91,721	8,733,915	2,615,539
Total fund balances	<u>102,863</u>	<u>-</u>	<u>92,194</u>	<u>8,772,070</u>	<u>2,626,760</u>
Total liabilities and fund balances	<u>\$ 107,787</u>	<u>\$ -</u>	<u>\$ 110,823</u>	<u>\$ 8,963,692</u>	<u>\$ 2,626,773</u>

Community Development Block Grant	Recreation	Housing Assistance Program	Maintenance Districts	Stop	Grants	Totals	
						2001	2000
\$ 265,095	\$ 376,841	\$ 4,348,287	\$ 698,755	\$ 446,671	\$ 299,921	\$ 18,244,645	\$ 17,890,206
-	-	-	-	-	-	-	191,230
-	-	-	-	-	-	-	43,995
-	-	-	745	-	-	745	713
-	-	3,187,845	-	-	-	3,187,845	3,112,528
-	-	21,650	20,322	-	110	42,082	840,977
449,425	-	558,103	-	-	413,967	1,421,495	584,193
-	-	-	-	-	-	-	420
<u>\$ 714,520</u>	<u>\$ 376,841</u>	<u>\$ 8,115,885</u>	<u>\$ 719,822</u>	<u>\$ 446,671</u>	<u>\$ 713,998</u>	<u>\$ 22,896,812</u>	<u>\$ 22,664,262</u>
\$ 200,927	\$ 14,693	\$ 52,501	\$ 84,275	\$ -	\$ 69,706	\$ 634,512	\$ 1,360,095
-	-	1,864	-	-	-	4,642	3,815
65,332	-	3,059,057	-	-	-	3,124,389	1,468,596
449,425	-	-	-	-	-	449,425	1,422,622
-	-	281,683	-	-	-	281,683	620,580
-	108,400	-	-	-	-	108,400	376,474
<u>715,684</u>	<u>123,093</u>	<u>3,395,105</u>	<u>84,275</u>	<u>-</u>	<u>69,706</u>	<u>4,603,051</u>	<u>5,252,182</u>
-	-	3,187,845	-	-	-	3,187,845	3,112,528
1,132	1,610	18,424	3,340	1,908	3,929	80,653	-
(2,296)	252,138	1,514,511	632,207	444,763	640,363	15,025,263	14,299,552
(1,164)	253,748	4,720,780	635,547	446,671	644,292	18,293,761	17,412,080
<u>\$ 714,520</u>	<u>\$ 376,841</u>	<u>\$ 8,115,885</u>	<u>\$ 719,822</u>	<u>\$ 446,671</u>	<u>\$ 713,998</u>	<u>\$ 22,896,812</u>	<u>\$ 22,664,262</u>

City of Oceanside

Statement of Revenues, Expenditures and Changes in Fund Balances

All Special Revenue Funds

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Asset Seizure	Storm Damage	Library	Gas Tax	Murray Road Bridge
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ 1,800,000	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	80,721	-	266,820	4,734,702	-
Charges for services	-	-	57,593	-	406,951
Fines and forfeitures	-	-	-	-	-
Interest and rentals	9,273	-	-	1,108,433	-
Other	-	23,855	56,885	70,809	(76,644)
Total revenues	89,994	23,855	381,298	7,713,944	330,307
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	75,208	-	-	-	-
Public works	-	-	-	1,598,419	772,526
Community development	-	-	-	-	-
Community/cultural services	-	-	390,247	-	-
Capital improvements	-	-	-	5,680,578	-
Total expenditures	75,208	-	390,247	7,278,997	772,526
REVENUES OVER (UNDER) EXPENDITURES	14,786	23,855	(8,949)	434,947	(442,219)
OTHER FINANCING SOURCES (USES):					
Operating transfers in	-	96,459	63,400	2,000,000	-
Operating transfers out	(25,000)	-	-	(2,000,000)	-
Total other financing sources (uses)	(25,000)	96,459	63,400	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(10,214)	120,314	54,451	434,947	(442,219)
FUND BALANCES:					
Beginning of year	113,077	(120,314)	37,743	8,337,123	3,068,979
End of year	<u>\$ 102,863</u>	<u>\$ -</u>	<u>\$ 92,194</u>	<u>\$ 8,772,070</u>	<u>\$ 2,626,760</u>

Community Development Block Grant	Recreation	Housing Assistance Program	Maintenance Districts	Stop	Grants	Totals	
						2001	2000
\$ -	\$ -	\$ -	\$ 2,118,862	\$ -	\$ -	\$ 3,918,862	\$ 5,178,433
-	-	116,672	-	-	-	116,672	117,159
1,899,457	-	8,463,235	-	-	2,022,211	17,467,146	15,446,747
-	720,004	225,315	(14,726)	-	-	1,395,137	2,294,612
-	-	106	-	595,119	-	595,225	533
-	-	291,818	130,877	21,941	68,993	1,631,335	635,288
-	590	46,774	-	-	21,000	143,269	347,895
<u>1,899,457</u>	<u>720,594</u>	<u>9,143,920</u>	<u>2,235,013</u>	<u>617,060</u>	<u>2,112,204</u>	<u>25,267,646</u>	<u>24,020,667</u>
277,905	-	-	-	-	-	277,905	237,665
-	-	-	-	170,389	1,151,888	1,397,485	1,117,556
-	-	-	2,361,344	-	29,760	4,762,049	4,004,813
866,749	-	8,680,186	-	-	478,127	10,025,062	10,845,007
51,721	529,933	-	-	-	191,568	1,163,469	1,284,910
702,722	-	-	-	-	-	6,383,300	9,908,975
<u>1,899,097</u>	<u>529,933</u>	<u>8,680,186</u>	<u>2,361,344</u>	<u>170,389</u>	<u>1,851,343</u>	<u>24,009,270</u>	<u>27,398,926</u>
360	190,661	463,734	(126,331)	446,671	260,861	1,258,376	(3,378,259)
-	43,740	391,473	-	-	25,976	2,621,048	1,108,720
-	-	(423,031)	(549,712)	-	-	(2,997,743)	(2,099,492)
-	43,740	(31,558)	(549,712)	-	25,976	(376,695)	(990,772)
<u>360</u>	<u>234,401</u>	<u>432,176</u>	<u>(676,043)</u>	<u>446,671</u>	<u>286,837</u>	<u>881,681</u>	<u>(4,369,031)</u>
(1,524)	19,347	4,288,604	1,311,590	-	357,455	17,412,080	21,781,111
<u>\$ (1,164)</u>	<u>\$ 253,748</u>	<u>\$ 4,720,780</u>	<u>\$ 635,547</u>	<u>\$ 446,671</u>	<u>\$ 644,292</u>	<u>\$ 18,293,761</u>	<u>\$ 17,412,080</u>

City of Oceanside

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Asset Seizure Special Revenue Fund

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ -	\$ 80,721	\$ 80,721
Interest and rentals	-	9,273	9,273
Total revenues	-	89,994	89,994
EXPENDITURES:			
Current:			
Public safety	-	75,208	(75,208)
Total expenditures	-	75,208	(75,208)
REVENUES OVER (UNDER) EXPENDITURES	-	14,786	14,786
OTHER FINANCING USES:			
Operating transfers out	(25,000)	(25,000)	-
Total other financing uses	(25,000)	(25,000)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(25,000)	(10,214)	14,786
FUND BALANCES:			
Beginning of year	113,077	113,077	-
End of year	\$ 88,077	\$ 102,863	14,786

City of Oceanside

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Storm Damage Special Revenue Fund

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Other	\$ -	\$ 23,855	\$ 23,855
Total revenues	-	23,855	23,855
OTHER FINANCING SOURCES:			
Operating transfers in	-	96,459	96,459
Total other financing sources	-	96,459	96,459
REVENUES AND OTHER FINANCING SOURCES	-	120,314	120,314
FUND BALANCES:			
Beginning of year	(120,314)	(120,314)	-
End of year	\$ (120,314)	\$ -	\$ 120,314

City of Oceanside

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Library Special Revenue Fund

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ -	\$ 266,820	\$ 266,820
Charges for services	-	57,593	57,593
Other	-	56,885	56,885
Total revenues	-	381,298	381,298
EXPENDITURES:			
Current:			
Community/cultural services	495,180	390,247	104,933
Total expenditures	495,180	390,247	104,933
REVENUES OVER (UNDER) EXPENDITURES	(495,180)	(8,949)	486,231
OTHER FINANCING SOURCES:			
Operating transfers in	63,400	63,400	-
Total other financing sources	63,400	63,400	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(431,780)	54,451	486,231
FUND BALANCES:			
Beginning of year	37,743	37,743	-
End of year	\$ (394,037)	\$ 92,194	\$ 486,231

City of Oceanside

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Gas Tax Special Revenue Fund

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Special assessments	\$ -	\$ 1,800,000	\$ 1,800,000
Intergovernmental	-	4,734,702	4,734,702
Interest and rentals	-	1,108,433	1,108,433
Other	1,080	70,809	69,729
Total revenues	1,080	7,713,944	7,712,864
EXPENDITURES:			
Current:			
Public works	1,347,055	1,598,419	(251,364)
Capital improvements	14,289,494	5,680,578	8,608,916
Total expenditures	15,636,549	7,278,997	8,357,552
REVENUES OVER (UNDER) EXPENDITURES	(15,635,469)	434,947	16,070,416
OTHER FINANCING SOURCES (USES):			
Operating transfers in	2,000,000	2,000,000	-
Operating transfers out	(2,000,000)	(2,000,000)	-
Total other financing sources (uses)	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(15,635,469)	434,947	16,070,416
FUND BALANCES:			
Beginning of year	8,337,123	8,337,123	-
End of year	\$ (7,298,346)	\$ 8,772,070	\$ 16,070,416

City of Oceanside

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Murray Road Bridge Special Revenue Fund

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Charges for services	\$ 1,492,500	\$ 406,951	\$ (1,085,549)
Other	-	(76,644)	(76,644)
Total revenues	1,492,500	330,307	(1,162,193)
EXPENDITURES:			
Current:			
Public works	986,244	772,526	213,718
Total expenditures	986,244	772,526	213,718
REVENUES OVER (UNDER) EXPENDITURES	506,256	(442,219)	(948,475)
FUND BALANCES:			
Beginning of year	3,068,979	3,068,979	-
End of year	\$ 3,575,235	\$ 2,626,760	\$ (948,475)

City of Oceanside

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Community Development Block Grant Special Revenue Fund For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 3,705,530	\$ 1,899,457	\$ (1,806,073)
Total revenues	<u>3,705,530</u>	<u>1,899,457</u>	<u>(1,806,073)</u>
EXPENDITURES:			
Current:			
General government	417,171	277,905	139,266
Community development	1,266,954	866,749	400,205
Community/cultural services	72,223	51,721	20,502
Capital improvements	1,959,012	702,722	1,256,290
Total expenditures	<u>3,715,360</u>	<u>1,899,097</u>	<u>1,816,263</u>
REVENUES OVER (UNDER) EXPENDITURES	(9,830)	360	10,190
FUND BALANCES:			
Beginning of year	(1,524)	(1,524)	-
End of year	<u>\$ (11,354)</u>	<u>\$ (1,164)</u>	<u>\$ 10,190</u>

City of Oceanside

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Recreation Special Revenue Fund For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Charges for services	\$ -	\$ 720,004	\$ 720,004
Other	-	590	590
Total revenues	-	720,594	720,594
EXPENDITURES:			
Current:			
Community/cultural services	561,863	529,933	31,930
Total expenditures	561,863	529,933	31,930
REVENUES OVER (UNDER) EXPENDITURES	(561,863)	190,661	752,524
OTHER FINANCING SOURCES:			
Operating transfers in	-	43,740	43,740
Total other financing sources	-	43,740	43,740
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(561,863)	234,401	796,264
FUND BALANCES:			
Beginning of year	19,347	19,347	-
End of year	\$ (542,516)	\$ 253,748	\$ 796,264

City of Oceanside

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Housing Assistance Program Special Revenue Fund For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Licenses and permits	\$ 117,500	\$ 116,672	\$ (828)
Intergovernmental	10,777,711	8,463,235	(2,314,476)
Charges for services	240,820	225,315	(15,505)
Fines and forfeitures	-	106	106
Interest and rentals	217,510	291,818	74,308
Other	333,000	46,774	(286,226)
Total revenues	11,686,541	9,143,920	(2,542,621)
EXPENDITURES:			
Current:			
Community development	13,120,606	8,680,186	4,440,420
Total expenditures	13,120,606	8,680,186	4,440,420
REVENUES OVER (UNDER) EXPENDITURES	(1,434,065)	463,734	1,897,799
OTHER FINANCING SOURCES (USES):			
Operating transfers in	1,367,516	391,473	(976,043)
Operating transfers out	(56,692)	(423,031)	(366,339)
Total other financing sources (uses)	1,310,824	(31,558)	(1,342,382)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(123,241)	432,176	555,417
FUND BALANCES:			
Beginning of year	4,288,604	4,288,604	-
End of year	\$ 4,165,363	\$ 4,720,780	\$ 555,417

City of Oceanside

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Maintenance Districts Special Revenue Fund For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Special assessments	\$ -	\$ 2,118,862	\$ 2,118,862
Charges for services	-	(14,726)	(14,726)
Interest and rentals	-	130,877	130,877
Total revenues	-	2,235,013	2,235,013
EXPENDITURES:			
Current:			
Public works	2,522,256	2,361,344	160,912
Total expenditures	2,522,256	2,361,344	160,912
REVENUES OVER (UNDER) EXPENDITURES	(2,522,256)	(126,331)	2,395,925
OTHER FINANCING USES:			
Operating transfers out	(275,500)	(549,712)	(274,212)
Total other financing uses	(275,500)	(549,712)	(274,212)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,797,756)	(676,043)	2,121,713
FUND BALANCES:			
Beginning of year	1,311,590	1,311,590	-
End of year	\$ (1,486,166)	\$ 635,547	\$ 2,121,713

City of Oceanside

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Strategic Traffic Offender Program Special Revenue Fund For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Fines and forfeitures	\$ -	\$ 595,119	\$ 595,119
Interest and rentals	-	21,941	21,941
Total revenues	-	617,060	617,060
EXPENDITURES:			
Current:			
Public safety	-	170,389	(170,389)
Total expenditures	-	170,389	(170,389)
REVENUES OVER (UNDER) EXPENDITURES	-	446,671	446,671
FUND BALANCES:			
Beginning of year	-	-	-
End of year	\$ -	\$ 446,671	\$ 446,671

City of Oceanside

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Grants Special Revenue Fund For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 3,709,072	\$ 2,022,211	\$ (1,686,861)
Interest and rentals	133,510	68,993	(64,517)
Other	20,000	21,000	1,000
Total revenues	3,862,582	2,112,204	(1,750,378)
EXPENDITURES:			
Current:			
Public safety	1,437,212	1,151,888	285,324
Public works	146,154	29,760	116,394
Community development	2,430,217	478,127	1,952,090
Community/cultural services	240,732	191,568	49,164
Total expenditures	4,254,315	1,851,343	2,402,972
REVENUES OVER (UNDER) EXPENDITURES	(391,733)	260,861	652,594
OTHER FINANCING SOURCES:			
Operating transfers in	25,976	25,976	-
Total other financing sources	25,976	25,976	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(365,757)	286,837	652,594
FUND BALANCES:			
Beginning of year	357,455	357,455	-
End of year	\$ (8,302)	\$ 644,292	\$ 652,594

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of interest and principal on general long-term debt including Tax Allocation Bonds, Certificates of Participation, Notes Payable, Advances from Other Funds, Lease Revenue Bonds and Special Assessment Bonds with Government Commitment.

REDEVELOPMENT AGENCY:

Accounts for the payment of interest and principal on debt of the Redevelopment Agency.

OCEANSIDE BRIDGE CORPORATION:

Accounts for payment of interest and principal on the certificates of participation of the Oceanside Bridge Corporation.

OCEANSIDE BUILDING AUTHORITY:

Accounts for payment of interest and principal on the certificates of participation and revenue bonds of the Oceanside Building Authority.

City of Oceanside
Combining Balance Sheet
All Debt Service Funds
June 30, 2001

(With comparative totals for June 30, 2000)

	Redevelopment Agency	Oceanside Bridge Corporation	Oceanside Building Authority	Totals	
				2001	2000
ASSETS					
Cash and investments	\$ -	\$ 535	\$ 1,329,936	\$ 1,330,471	\$ 1,449,372
Restricted cash and investments	1,841,345	497,687	3,408,767	5,747,799	5,619,217
Receivables:					
Interest	-	-	318	318	1,419
Assessments	-	-	4,800,000	4,800,000	7,390,000
Taxes	61,677	-	-	61,677	69,275
Other	-	-	4,195	4,195	4,053
Total assets	\$ 1,903,022	\$ 498,222	\$ 9,543,216	\$ 11,944,460	\$ 14,533,336
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 18,097	\$ 18,097	\$ -
Deposits	-	-	150,000	150,000	150,045
Due to other funds	56,292	-	-	56,292	1,493
Deferred revenue	-	-	4,800,000	4,800,000	7,390,000
Total liabilities	56,292	-	4,968,097	5,024,389	7,541,538
Fund Balances:					
Reserved:					
Debt service	1,846,730	498,220	4,569,432	6,914,382	6,991,798
Unreserved designated for:					
Unrealized gains on investments	-	2	5,687	5,689	-
Total fund balances	1,846,730	498,222	4,575,119	6,920,071	6,991,798
Total liabilities and fund balances	\$ 1,903,022	\$ 498,222	\$ 9,543,216	\$ 11,944,460	\$ 14,533,336

City of Oceanside

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

All Debt Service Funds

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Redevelopment Agency	Oceanside Bridge Corporation	Oceanside Building Authority	Totals	
				2001	2000
REVENUES:					
Taxes	\$ 2,997,204	\$ -	\$ -	\$ 2,997,204	\$ 2,535,061
Special assessments	-	-	1,103,754	1,103,754	1,361,843
Lease revenue	-	494,932	2,245,053	2,739,985	515,027
Interest and rentals	2,622,972	26,908	307,242	2,957,122	5,987,586
Other	-	-	35,000	35,000	-
Total revenues	5,620,176	521,840	3,691,049	9,833,065	10,399,517
EXPENDITURES:					
Debt service:					
Principal	1,295,000	310,000	2,045,000	3,650,000	3,440,000
Interest	3,160,693	213,140	2,794,065	6,167,898	6,366,349
Total expenditures	4,455,693	523,140	4,839,065	9,817,898	9,806,349
REVENUES OVER (UNDER) EXPENDITURES	1,164,483	(1,300)	(1,148,016)	15,167	593,168
OTHER FINANCING SOURCES (USES):					
Operating transfers in	89,396	-	1,153,565	1,242,961	450,000
Operating transfers out	(1,329,855)	-	-	(1,329,855)	(1,752,502)
Total other financing sources (uses)	(1,240,459)	-	1,153,565	(86,894)	(1,302,502)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(75,976)	(1,300)	5,549	(71,727)	(709,334)
FUND BALANCES:					
Beginning of the year	1,922,706	499,522	4,569,570	6,991,798	7,701,132
End of the year	\$ 1,846,730	\$ 498,222	\$ 4,575,119	\$ 6,920,071	\$ 6,991,798

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CAPITAL PROJECTS FUNDS

GENERAL IMPROVEMENTS:

To account for general-purpose capital projects funded primarily from developer impact fees.

REDEVELOPMENT AGENCY:

To account for administrative costs and capital improvements funded by long-term debt issued by the Community Development Commission.

OCEANSIDE BUILDING AUTHORITY:

To account for the use of proceeds from the sale of Certificates of Participation issued to fund various City projects.

City of Oceanside
Combining Balance Sheet
All Capital Projects Funds
June 30, 2001

(With comparative totals for June 30, 2000)

	General Improvements	Redevelopment Agency	Oceanside Building Authority	Totals	
				2001	2000
ASSETS					
Cash and investments	\$ 21,480,117	\$ 4,726,666	\$ -	\$ 26,206,783	\$ 19,151,020
Restricted cash and investments	-	-	34,354	34,354	34,499
Receivables (net of allowance for uncollectibles):					
Accounts	13,539	-	-	13,539	16,760
Notes	-	74,669	-	74,669	75,000
Taxes	-	15,419	-	15,419	17,319
Due from other governments	2,221,203	-	-	2,221,203	3,043,856
Advances to other funds	45,664	-	-	45,664	345,664
Land held for resale	-	2,834,402	-	2,834,402	2,834,402
Total assets	\$ 23,760,523	\$ 7,651,156	\$ 34,354	\$ 31,446,033	\$ 25,518,520
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 405,643	\$ 5,189	\$ -	\$ 410,832	\$ 640,015
Accrued liabilities	-	-	-	-	1,008
Deposits	8,300	117,078	-	125,378	606,586
Due to other funds	-	303,324	-	303,324	661,373
Deferred revenue	1,200,119	-	-	1,200,119	356,225
Advances from other funds	975,000	-	-	975,000	1,275,000
Total liabilities	2,589,062	425,591	-	3,014,653	3,540,207
Fund Balances:					
Reserved:					
Land held for resale	-	3,234,402	-	3,234,402	2,834,405
Noncurrent assets	2,349,328	-	-	2,349,328	345,664
Low and moderate income housing	-	3,180,975	-	3,180,975	1,910,506
Unreserved designated for:					
Unrealized gains on investments	97,486	20,354	-	117,840	-
Unexpended budgeted projects	246,197	-	-	246,197	7,288,705
Unreserved, undesignated	18,478,450	789,834	34,354	19,302,638	9,599,033
Total fund balances	21,171,461	7,225,565	34,354	28,431,380	21,978,313
Total liabilities and fund balances	\$ 23,760,523	\$ 7,651,156	\$ 34,354	\$ 31,446,033	\$ 25,518,520

City of Oceanside

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

All Capital Projects Funds

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	General Improvements	Redevelopment Agency	Oceanside Building Authority	Totals	
				2001	2000
REVENUES:					
Taxes	\$ -	\$ 749,301	\$ -	\$ 749,301	\$ 624,757
Licenses and permits	-	-	-	-	2,724
Intergovernmental	2,409,627	-	-	2,409,627	2,545,604
Charges for services	-	439	-	439	32,564
Interest and rentals	2,054,847	310,527	1,748	2,367,122	678,708
Developer fees	5,294,505	574,185	-	5,868,690	5,183,624
Other	112,819	9,318	-	122,137	190,406
Total revenues	9,871,798	1,643,770	1,748	11,517,316	9,258,387
EXPENDITURES:					
Current:					
Community development	-	525,707	-	525,707	1,893,284
Capital improvements	8,520,984	981,652	-	9,502,636	14,112,245
Total expenditures	8,520,984	1,507,359	-	10,028,343	16,005,529
REVENUES OVER (UNDER) EXPENDITURES	1,350,814	136,411	1,748	1,488,973	(6,747,142)
OTHER FINANCING SOURCES (USES):					
Proceeds from long-term debt	-	161,741	-	161,741	-
Operating transfers in	3,634,951	1,704,942	-	5,339,893	2,290,163
Operating transfers out	(1,287,447)	-	-	(1,287,447)	(576,141)
Total other financing sources	2,347,504	1,866,683	-	4,214,187	1,714,022
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	3,698,318	2,003,094	1,748	5,703,160	(5,033,120)
FUND BALANCES:					
Beginning of year, as restated	17,473,143	5,222,471	32,606	22,728,220	27,011,433
End of year	\$ 21,171,461	\$ 7,225,565	\$ 34,354	\$ 28,431,380	\$ 21,978,313

City of Oceanside

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Improvements Capital Projects Fund For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ -	\$ 2,409,627	\$ 2,409,627
Interest and rentals	-	2,054,847	2,054,847
Developer fees	-	5,294,505	5,294,505
Other	-	112,819	112,819
Total revenues	-	9,871,798	9,871,798
EXPENDITURES:			
Capital improvements	18,023,935	8,520,984	9,502,951
Total expenditures	18,023,935	8,520,984	9,502,951
REVENUES OVER (UNDER) EXPENDITURES	(18,023,935)	1,350,814	19,374,749
OTHER FINANCING SOURCES (USES):			
Operating transfers in	3,343,000	3,634,951	291,951
Operating transfers out	(765,909)	(1,287,447)	(521,538)
Total other financing sources	2,577,091	2,347,504	(229,587)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(15,446,844)	3,698,318	19,145,162
FUND BALANCES:			
Beginning of the year, as restated	17,473,143	17,473,143	-
End of the year	\$ 2,026,299	\$ 21,171,461	\$ 19,145,162

City of Oceanside

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Redevelopment Area Capital Projects Fund For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 655,000	\$ 749,301	\$ 94,301
Charges for services	-	439	439
Interest and rentals	235,000	310,527	75,527
Developer fees	200,000	574,185	374,185
Other	-	9,318	9,318
Total revenues	1,090,000	1,643,770	553,770
EXPENDITURES:			
Current:			
Community development	1,851,400	525,707	1,325,693
Capital improvements	318,000	981,652	663,652
Total expenditures	2,169,400	1,507,359	1,989,345
REVENUES OVER (UNDER) EXPENDITURES	(1,079,400)	136,411	2,543,115
OTHER FINANCING SOURCES (USES):			
Proceeds from long-term debt	-	161,741	161,741
Operating transfers in	100,000	1,704,942	1,604,942
Operating transfers out	(982,613)	-	982,613
Total other financing sources (uses)	(882,613)	1,866,683	2,749,296
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,962,013)	2,003,094	5,292,411
FUND BALANCES:			
Beginning of the year	5,222,471	5,222,471	-
End of the year	\$ 3,260,458	\$ 7,225,565	\$ 5,292,411

City of Oceanside

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Oceanside Building Authority Capital Projects Fund For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Interest and rentals	\$ -	\$ 1,748	\$ 1,748
Total revenues	<u>-</u>	<u>1,748</u>	<u>1,748</u>
 REVENUES OVER (UNDER) EXPENDITURES	 -	 1,748	 1,748
 FUND BALANCES:			
Beginning of the year	<u>32,606</u>	<u>32,606</u>	<u>-</u>
End of the year	<u>\$ 32,606</u>	<u>\$ 34,354</u>	<u>\$ 1,748</u>

ENTERPRISE FUNDS

WATER:

To account for the operation of the City's water utility, a self-supporting activity which provides services on a user charge basis.

SEWER:

To account for the operation (including waste water treatment) of the City's sewer facility, a self-supporting activity which provides services on a user charge basis.

WASTE DISPOSAL:

To account for the collection and disposal of solid waste (including waste collected from street sweeping). Monthly service charges to all Oceanside property owners fund the above services.

SPECIAL AVIATION:

To account for the operation of the Oceanside (General Aviation) Airport.

OCEANSIDE SMALL CRAFT HARBOR DISTRICT:

To account for the operation and maintenance of the Oceanside Small Craft Harbor. Funding for operating expenses is provided by user charges.

City of Oceanside
Combining Balance Sheet
All Enterprise Funds
June 30, 2001

	Water	Sewer	Waste Disposal
ASSETS			
Current assets:			
Cash and investments	\$ 36,564,618	\$ 20,546,473	\$ 1,689,305
Receivables:			
Accounts	3,258,174	1,250,423	954,060
Other	2,725	4,742	24,935
Due from other governments	-	-	-
Due from other funds	303,324	-	-
Inventory, at cost	327,410	353,049	-
Prepaid items	-	-	-
Other assets	1,024,072	287,377	-
Total current assets	41,480,323	22,442,064	2,668,300
Restricted cash and investments	4,656,631	58,207,004	-
Advances to other funds	339,369	29,750	-
Property, plant and equipment:			
Land	12,769,291	843,552	35,328
Buildings and structures	21,373,003	42,294,560	27,630
Improvements other than buildings	89,528,419	83,113,225	2,003
Machinery and equipment	2,238,056	2,177,379	192,800
Construction in progress	10,270,122	13,290,545	-
Total property, plant and equipment	136,178,891	141,719,261	257,761
Less accumulated depreciation	39,919,449	39,208,175	184,304
Net property, plant and equipment	96,259,442	102,511,086	73,457
Total assets	\$ 142,735,765	\$ 183,189,904	\$ 2,741,757

Special Aviation	Oceanside Small Craft Harbor District	Totals	
		2001	2000
\$ -	\$ 7,767,357	\$ 66,567,753	\$ 64,879,975
-	180,615	5,643,272	6,308,356
-	-	32,402	-
-	-	-	7,561
-	-	303,324	4,040,297
-	-	680,459	773,826
-	-	-	1,767
-	-	1,311,449	1,525,158
-	7,947,972	74,538,659	77,536,940
-	-	62,863,635	59,565,275
-	-	369,119	369,119
1,144,495	26,103	14,818,769	14,803,810
66,286	901,492	64,662,971	64,662,787
490,240	19,446,659	192,580,546	190,972,213
46,249	548,903	5,203,387	6,261,278
-	54,707	23,615,374	14,704,990
1,747,270	20,977,864	300,881,047	291,405,078
335,238	11,306,625	90,953,791	84,326,467
1,412,032	9,671,239	209,927,256	207,078,611
\$ 1,412,032	\$ 17,619,211	\$ 347,698,669	\$ 344,549,945

(Continued)

City of Oceanside
Combining Balance Sheet
All Enterprise Funds, Continued
June 30, 2001

	Water	Sewer	Waste Disposal
LIABILITIES AND FUND EQUITY			
Liabilities:			
Current liabilities (payable from current assets):			
Accounts payable	\$ 3,145,841	\$ 326,799	\$ 1,009,173
Accrued liabilities	14,534	22,146	3,752
Due to other funds	-	-	-
Due to other governments	-	-	-
Deferred revenue	-	-	640,087
Bonds payable within one year	105,000	-	-
Loans payable within one year	290,052	441,363	-
Total current liabilities (payable from current assets)	3,555,427	790,308	1,653,012
Current liabilities (payable from restricted assets):			
Interest payable	545,157	251,282	-
Deposits	507,932	(2,975)	-
Certificates of participation	1,105,000	325,000	-
Total current liabilities (payable from restricted assets)	2,158,089	573,307	-
Long-term debt excluding current installments:			
Revenue bonds payable	11,120,000	-	-
Loans payable	2,588,909	63,374,333	-
Certificates of participation	15,350,000	10,960,000	-
Advances from other funds	-	-	-
Claims and judgments payable	52,036	65,090	10,753
Compensated absences	381,584	549,773	86,350
Total long-term debt	29,492,529	74,949,196	97,103
Total liabilities	35,206,045	76,312,811	1,750,115
Fund Equity:			
Contributed capital	30,293,738	34,340,325	238,998
Retained earnings			
Unreserved designated for:			
Unrealized gains on investments	155,819	87,926	7,216
Unreserved, undesignated	77,080,163	72,448,842	745,428
Total fund equity	107,529,720	106,877,093	991,642
Total liabilities and fund equity	\$ 142,735,765	\$ 183,189,904	\$ 2,741,757

Special Aviation	Oceanside Small Craft Harbor District	Totals	
		2001	2000
\$ 350	\$ 11,041	\$ 4,493,204	\$ 992,165
-	5,994	46,426	54,591
18,637	-	18,637	698,170
-	-	-	2,209,338
315	76,731	717,133	834,794
-	-	105,000	100,000
-	176,453	907,868	871,987
19,302	270,219	6,288,268	5,761,045
-	199,332	995,771	1,275,044
1,550	264,389	770,896	743,976
-	-	1,430,000	1,775,000
1,550	463,721	3,196,667	3,794,020
-	-	11,120,000	11,225,000
-	4,655,953	70,619,195	71,538,099
-	-	26,310,000	27,740,000
249,122	-	249,122	109,122
-	96,014	223,893	176,897
-	231,672	1,249,379	1,227,290
249,122	4,983,639	109,771,589	112,016,408
269,974	5,717,579	119,256,524	121,571,473
244,776	547,792	65,665,629	65,665,629
-	33,177	284,138	-
897,282	11,320,663	162,492,378	157,312,843
1,142,058	11,901,632	228,442,145	222,978,472
\$ 1,412,032	\$ 17,619,211	\$ 347,698,669	\$ 344,549,945

(Concluded)

City of Oceanside

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

All Enterprise Funds

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Water	Sewer	Waste Disposal
OPERATING REVENUES:			
Charges for services	\$ 31,891,991	\$ 15,675,006	\$ 15,806,960
License and permits	276,300	1,199	-
Developer fees	785,637	1,078,464	-
Slip rental and other related fees	-	-	-
Other	196,546	97,152	(4,746)
Total operating revenues	33,150,474	16,851,821	15,802,214
OPERATING EXPENSES:			
Maintenance and operations	10,617,360	12,436,950	15,033,329
Cost of purchased water	15,348,627	-	-
Depreciation	3,428,970	3,188,308	13,714
Total operating expenses	29,394,957	15,625,258	15,047,043
OPERATING INCOME (LOSS)	3,755,517	1,226,563	755,171
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	1,427,423	4,055,225	-
Interest expense and fiscal charges	(1,850,859)	(2,470,494)	-
Total nonoperating revenues (expenses)	(423,436)	1,584,731	-
INCOME (LOSS) BEFORE OPERATING TRANSFERS	3,332,081	2,811,294	755,171
OPERATING TRANSFERS:			
Operating transfers in	6,929	746,285	9,632
Operating transfers out	(903,900)	(352,450)	(95,450)
Total operating transfers	(896,971)	393,835	(85,818)
Net income (loss)	2,435,110	3,205,129	669,353
RETAINED EARNINGS:			
Beginning of the year, as restated	74,800,872	69,331,639	83,291
End of the year	\$ 77,235,982	\$ 72,536,768	\$ 752,644

Special Aviation	Oceanside Small Craft Harbor District	Totals	
		2001	2000
\$ 142,893	\$ -	\$ 63,516,850	\$ 59,396,852
-	-	277,499	273,208
-	-	1,864,101	2,889,218
-	4,241,023	4,241,023	4,157,150
681,399	42,017	1,012,368	116,601
824,292	4,283,040	70,911,841	66,833,029
167,502	3,121,316	41,376,457	44,570,138
-	-	15,348,627	15,883,760
27,378	1,020,916	7,679,286	7,010,814
194,880	4,142,232	64,404,370	67,464,712
629,412	140,808	6,507,471	(631,683)
-	655,400	6,138,048	1,169,048
-	(210,742)	(4,532,095)	(4,557,631)
-	444,658	1,605,953	(3,388,583)
629,412	585,466	8,113,424	(4,020,266)
-	7,285	770,131	1,095,612
-	-	(1,351,800)	(1,949,555)
-	7,285	(581,669)	(853,943)
629,412	592,751	7,531,755	(4,874,209)
267,870	10,761,089	155,244,761	162,187,052
\$ 897,282	\$ 11,353,840	\$ 162,776,516	\$ 157,312,843

City of Oceanside
Combining Statement of Cash Flows
All Enterprise Funds
For the year ended June 30, 2001
(With comparative totals for the year ended June 30, 2000)

	Water	Sewer	Waste Disposal
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ 3,755,517	\$ 1,226,563	\$ 755,171
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,428,970	3,188,308	13,714
Prior period adjustments	(929,715)	-	(1,068,367)
Changes in assets and liabilities:			
Accounts receivable	431,193	216,437	32,247
Due from other governments		5,684	
Due from other funds	(11,770,108)	-	(24,935)
Prepays and other assets	200,719	14,368	-
Inventories	36,231	50,394	-
Accounts payable	2,910,305	(352,632)	973,064
Accrued liabilities	(9,445)	(349)	340
Due to other funds	15,507,081	-	-
Due to other governments	(2,209,338)	-	-
Deferred revenue	(103,355)	(29,750)	11,731
Deposits	27,685	(2,975)	-
Interest payable	(28,074)	(236,884)	-
Compensated absences	(21,499)	15,296	19,125
Total cash provided (used) by operating activities	11,226,167	4,094,460	712,090
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	6,929	746,285	9,632
Operating transfers out	(903,900)	(352,450)	(95,450)
Total cash provided (used) for noncapital and related financing activities	\$ (896,971)	\$ 393,835	\$ (85,818)

Special Aviation	Oceanside Small Craft Harbor District	Totals	
		2001	2000
\$ 629,412	\$ 140,808	\$ 6,507,471	\$ (631,683)
27,378	1,020,916	7,679,286	7,010,814
(70,000)	-	(2,068,082)	-
900	(23,160)	657,617	836,006
1,877	-	7,561	(7,561)
-	-	(11,795,043)	(2,223,039)
-	389	215,476	386,405
6,742	-	93,367	(135,443)
-	(25,161)	3,505,576	560,346
(4,537)	1,289	(12,702)	(258,118)
(679,533)	-	14,827,548	525,780
-	-	(2,209,338)	1,805,071
315	3,398	(117,661)	665,275
60	2,150	26,920	(50,376)
-	(14,315)	(279,273)	412,649
-	9,167	22,089	1,598
(87,386)	1,115,481	17,060,812	8,897,724
-	7,285	770,131	1,095,612
-	-	(1,351,800)	(1,949,555)
\$ -	\$ 7,285	\$ (581,669)	\$ (853,943)

(Continued)

City of Oceanside
Combining Statement of Cash Flows
All Enterprise Funds, Continued
For the year ended June 30, 2001
(With comparative totals for the year ended June 30, 2000)

	Water	Sewer	Waste Disposal
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of fixed assets	\$ (3,396,497)	\$ (7,006,351)	\$ -
Interest paid	(1,850,859)	(2,470,494)	-
Increase in restricted assets	(101,600)	(3,196,760)	-
Principal payments on long-term borrowing	(1,926,701)	(679,895)	(16,118)
Proceeds of long-term debt	-	-	-
Net cash (used) by capital and related financing activities	(7,275,657)	(13,353,500)	(16,118)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	1,427,423	4,055,225	-
Total cash provided by investing activities	1,427,423	4,055,225	-
Net increase (decrease) in cash	4,480,962	(4,809,980)	610,154
CASH AND INVESTMENTS:			
Beginning of the year, as restated	32,083,656	25,356,453	1,079,151
End of the year	\$ 36,564,618	\$ 20,546,473	\$ 1,689,305

Special Aviation	Oceanside Small Craft Harbor District	Totals	
		2001	2000
\$ (52,614)	\$ (72,469)	\$ (10,527,931)	\$ (4,558,955)
-	(210,742)	(4,532,095)	(4,557,631)
-	-	(3,298,360)	(55,250,760)
140,000	(88,313)	(2,571,027)	(2,765,299)
-	-	-	55,785,000
87,386	(371,524)	(20,929,413)	(11,347,645)
-	655,400	6,138,048	1,169,048
-	655,400	6,138,048	1,169,048
-	1,406,642	1,687,778	(2,134,816)
-	6,360,715	64,879,975	67,014,791
\$ -	\$ 7,767,357	\$ 66,567,753	\$ 64,879,975

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INTERNAL SERVICE FUNDS

LOSS PREVENTION:

To account for the costs of the City's risk management and self-insurance programs. Funds are provided primarily from charges to programs and projects.

GENERAL SERVICES:

To account for the costs of maintenance of automotive equipment, City buildings, and the costs of operating central data processing operations. Funds are provided from charges to programs and projects.

City of Oceanside
Combining Balance Sheet
All Internal Service Funds
June 30, 2001

(With comparative totals for June 30, 2000)

	Loss Prevention	General Services	Totals	
			2001	2000
ASSETS				
Cash and investments	\$ 11,984,541	\$ 1,359,218	\$ 13,343,759	\$ 10,337,827
Accounts receivable	-	-	-	5,976
Inventory, at cost	-	218,486	218,486	227,281
Prepaid items	340,256	-	340,256	9,178
Property, plant and equipment:				
Machinery and equipment	24,981	18,048,580	18,073,561	17,117,261
Total property, plant and equipment	24,981	18,048,580	18,073,561	17,117,261
Less accumulated depreciation	12,272	10,366,151	10,378,423	9,305,179
Net property, plant and equipment	12,709	7,682,429	7,695,138	7,812,082
Total assets	\$ 12,337,506	\$ 9,260,133	\$ 21,597,639	\$ 18,392,344
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 681,402	\$ 556,817	\$ 1,238,219	\$ 490,688
Accrued liabilities	2,926	12,633	15,559	11,825
Due to other funds	-	-	-	1,695,766
Interest payable	-	-	-	1,620
Deferred revenue	-	-	-	100,000
Obligations under capital lease	-	-	-	150,238
Advances from other funds	-	315,897	315,897	315,897
Compensated absences	47,540	279,286	326,826	271,601
Claims and judgments payable	835,837	189,468	1,025,305	1,136,244
Total liabilities	1,567,705	1,354,101	2,921,806	4,173,879
Fund Equity:				
Retained earnings:				
Unreserved designated for:				
Unrealized gains on investments	50,373	7,719	58,092	-
Unreserved, undesignated	10,719,428	7,898,313	18,617,741	14,218,465
Total fund equity	10,769,801	7,906,032	18,675,833	14,218,465
Total liabilities and fund balances	\$ 12,337,506	\$ 9,260,133	\$ 21,597,639	\$ 18,392,344

City of Oceanside

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

All Internal Service Funds

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Loss Prevention	General Services	Totals	
			2001	2000
OPERATING REVENUES:				
Charges for services	\$ 10,716,789	\$ 20,767,444	\$ 31,484,233	\$ 27,873,946
Other	194,411	-	194,411	4,412,641
Total operating revenues	10,911,200	20,767,444	31,678,644	32,286,587
OPERATING EXPENSES:				
Maintenance and operations	4,753,360	19,451,968	24,205,328	20,324,030
Claims and losses	-	-	-	924,249
Insurance premiums	4,881,106	-	4,881,106	6,422,479
Depreciation	2,393	1,952,931	1,955,324	1,585,531
Total operating expenses	9,636,859	21,404,899	31,041,758	29,256,289
OPERATING INCOME (LOSS)	1,274,341	(637,455)	636,886	3,030,298
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	-	-	-	878
Interest expense	-	(7,620)	(7,620)	-
Sale of fixed assets	-	22,151	22,151	156,659
Total nonoperating revenues (expenses)	-	14,531	14,531	157,537
INCOME (LOSS) BEFORE OPERATING TRANSFERS	1,274,341	(622,924)	651,417	3,187,835
OPERATING TRANSFERS:				
Operating transfers in	990	2,513,049	2,514,039	1,231,612
Operating transfers out	-	(436,942)	(436,942)	(2,934,329)
Total operating transfers	990	2,076,107	2,077,097	(1,702,717)
Net income	1,275,331	1,453,183	2,728,514	1,485,118
RETAINED EARNINGS:				
Beginning of the year, as restated	9,494,470	6,452,849	15,947,319	12,733,347
End of the year	\$ 10,769,801	\$ 7,906,032	\$ 18,675,833	\$ 14,218,465

City of Oceanside
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2001
(With comparative totals for the year ended June 30, 2000)

	Loss Prevention	General Services	Totals	
			2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 1,274,341	\$ (637,455)	\$ 636,886	\$ 3,030,298
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	2,393	1,952,931	1,955,324	1,585,531
Prior period adjustments	-	1,728,854	1,728,854	-
Changes in assets and liabilities:				
Accounts receivable	-	5,976	5,976	635
Prepays and other assets	(340,256)	9,178	(331,078)	29,964
Inventories	-	8,795	8,795	(23,937)
Accounts payable	815,317	(67,788)	747,529	(14,636)
Accrued liabilities	1,997	1,737	3,734	(3,726)
Due to other funds	-	(1,695,766)	(1,695,766)	1,695,766
Deferred revenue	-	(100,000)	(100,000)	(4,848)
Interest payable	-	(1,620)	(1,620)	1,620
Claims & judgments	(111,583)	644	(110,939)	-
Compensated absences	3,515	51,710	55,225	25,462
Total cash provided by operating activities	1,645,724	1,257,196	2,902,920	6,322,129
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	990	2,513,049	2,514,039	1,231,612
Operating transfers out	-	(436,942)	(436,942)	(2,934,329)
Total cash provided (used) by noncapital financing activities	990	2,076,107	2,077,097	(1,702,717)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of fixed assets	-	(1,838,378)	(1,838,378)	(2,857,921)
Interest paid on capital lease obligations	-	(7,620)	(7,620)	-
Proceeds from sale of fixed assets	-	22,151	22,151	156,659
Principal payments under capital lease obligations	-	(150,238)	(150,238)	(159,629)
Total cash (used) by capital and related financing activities	-	(1,974,085)	(1,974,085)	(2,860,891)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	-	-	-	878
Net increase in cash	1,646,714	1,359,218	3,005,932	1,759,399
CASH AND INVESTMENTS:				
Beginning of year	10,337,827		10,337,827	8,578,428
End of year	\$ 11,984,541	\$ 1,359,218	13,343,759	\$ 10,337,827

AGENCY FUNDS

SPECIAL ASSESSMENT DISTRICT:

To account for special assessment collections and their disbursement to bondholders.

DEPOSITS:

To account for deposits received and held by the City as an agent for individuals, developers, private organizations, and other governmental agencies.

CALTRANS HIGHWAY 76 ACQUISITION:

To account for funds received and disbursed by the City, acting as agent for CALTRANS, for right-of-way property acquisition for the construction of State Highway 76.

City of Oceanside
Combining Balance Sheet
All Agency Funds
June 30, 2001
(With comparative totals June 30, 2000)

	Special Assessment District	Deposits	CALTRANS Highway 76 Acquisition	Totals	
				2001	2000
ASSETS					
Cash and investments	\$ 143,512	\$ 3,636,418	\$ 1,370,831	\$ 5,150,761	\$ 9,091,057
Restricted cash and investments	-	-	-	-	4,400
Accounts receivable	14	11,442	-	11,456	693,872
Total assets	<u>\$ 143,526</u>	<u>\$ 3,647,860</u>	<u>\$ 1,370,831</u>	<u>\$ 5,162,217</u>	<u>\$ 9,789,329</u>
LIABILITIES					
Deposits	\$ -	\$ 3,647,860	\$ 1,370,831	\$ 5,018,691	\$ 9,651,242
Due to bondholders	143,526	-	-	143,526	138,087
Total liabilities	<u>\$ 143,526</u>	<u>\$ 3,647,860</u>	<u>\$ 1,370,831</u>	<u>\$ 5,162,217</u>	<u>\$ 9,789,329</u>

City of Oceanside
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the year ended June 30, 2001

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
<u>Special Assessment District</u>				
Assets:				
Cash and investments	\$ 133,673	\$ 9,839	\$ -	\$ 143,512
Restricted cash and investments	4,400	-	(4,400)	-
Accounts receivable	14	-	-	14
Total assets	\$ 138,087	\$ 9,839	\$ (4,400)	\$ 143,526
Liabilities:				
Due to bondholders	\$ 138,087	\$ 9,839	\$ (4,400)	\$ 143,526
<u>Deposits</u>				
Assets:				
Cash and investments	\$ 7,869,619	\$ -	\$ (4,233,201)	\$ 3,636,418
Accounts receivable	693,858	-	(682,416)	11,442
Total assets	\$ 8,563,477	\$ -	\$ (4,915,617)	\$ 3,647,860
Liabilities:				
Deposits	\$ 8,563,477	\$ -	\$ (4,915,617)	\$ 3,647,860
<u>CALTRANS Highway 76 Acquisition</u>				
Assets:				
Cash and investments	\$ 1,087,765	\$ 283,066	\$ -	\$ 1,370,831
Liabilities:				
Deposits	\$ 1,087,765	\$ 283,066	\$ -	\$ 1,370,831
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 9,091,057	\$ 292,905	\$ (4,233,201)	\$ 5,150,761
Restricted cash and investments	4,400	-	(4,400)	-
Accounts receivable	693,872	-	(682,416)	11,456
Total assets	\$ 9,789,329	\$ 292,905	\$ (4,920,017)	\$ 5,162,217
Liabilities:				
Deposits	\$ 9,651,242	\$ 283,066	\$ (4,915,617)	\$ 5,018,691
Due to bondholders	138,087	9,839	(4,400)	143,526
Total liabilities	\$ 9,789,329	\$ 292,905	\$ (4,920,017)	\$ 5,162,217

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ACCOUNT GROUPS

GENERAL FIXED ASSETS ACCOUNT GROUP:

The General Fixed Assets Account Group is used to account for the cost of fixed assets of the City that are used in the performance of general government functions and that are not accounted for in the Enterprise or Internal Service Funds of the City.

GENERAL LONG-TERM DEBT ACCOUNT GROUP:

The General Long-Term Debt Account Group is used to account for the unmatured long-term indebtedness of the City.

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City of Oceanside
Comparative Schedules of General Fixed Assets - By Source
June 30, 2001 and 2000

	2001	2000
GENERAL FIXED ASSETS:		
General:		
Land	\$ 41,636,428	\$ 41,022,022
Buildings and structures	63,824,386	44,852,154
Improvements other than buildings	15,715,326	15,223,026
Machinery and equipment	16,346,190	15,768,539
Construction in progress	548,671	18,317,046
Total general fixed assets	\$ 138,071,001	\$ 135,182,787
INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE:		
Gifts and donations	\$ 8,007	\$ 8,007
State grants	696,570	696,570
Federal grants	6,230,631	6,179,019
General Fund revenues	23,864,305	23,655,862
Special revenue funds revenues	1,785,273	1,785,273
Capital projects funds revenues	104,451,370	101,823,211
Special assessments	912,540	912,540
Enterprise funds revenues	122,305	122,305
Total investment in fixed assets	\$ 138,071,001	\$ 135,182,787

City of Oceanside

Schedule of General Fixed Assets - By Function and Activity

June 30, 2001 and 2000

	Land	Buildings and Structures	Improvements Other than Buildings
GENERAL FIXED ASSETS			
Function and Activity:			
General government:			
City Council	\$ -	\$ -	\$ -
City Clerk	-	-	-
City Manager	-	-	-
Personnel	-	-	-
City Attorney	-	-	-
Administrative services	-	-	-
Nondepartmental	10,724,296	1,562,132	217,554
Redevelopment area	-	24,857,101	-
Total general government	10,724,296	26,419,233	217,554
Public safety:			
Police	-	15,131,944	388,675
Fire	2,017,099	1,414,490	5,943
Total public safety	2,017,099	16,546,434	394,618
Public works	17,024,232	5,138,661	1,854,932
Community development:			
Community development	1,622,505	3,324,112	50,000
Redevelopment area	7,486,881	584,910	-
Total community development	9,109,386	3,909,022	50,000
Community/cultural services:			
Recreation/parks	2,655,415	11,458,813	12,966,447
Library	106,000	352,223	231,775
Total community/cultural services	2,761,415	11,811,036	13,198,222
Total general fixed assets	\$ 41,636,428	\$ 63,824,386	\$ 15,715,326

Machinery and Equipment	Construction in Progress	Totals	
		2001	2000
\$ 384,324	\$ -	\$ 384,324	\$ 384,324
264,784	-	264,784	264,784
130,322	-	130,322	130,322
56,130	-	56,130	56,130
118,169	-	118,169	118,169
391,635	-	391,635	391,635
434,599	566	12,939,147	12,939,147
1,355	-	24,858,456	24,858,456
<u>1,781,318</u>	<u>566</u>	<u>39,142,967</u>	<u>39,142,967</u>
4,479,148	50,007	20,049,774	19,482,154
<u>2,582,574</u>	<u>60,698</u>	<u>6,080,804</u>	<u>5,607,877</u>
<u>7,061,722</u>	<u>110,705</u>	<u>26,130,578</u>	<u>25,090,031</u>
<u>3,193,166</u>	<u>53,439</u>	<u>27,264,430</u>	<u>27,229,535</u>
1,374,919	283,876	6,655,412	6,392,977
<u>142,953</u>		<u>8,214,744</u>	<u>7,600,338</u>
<u>1,517,872</u>	<u>283,876</u>	<u>14,870,156</u>	<u>13,993,315</u>
1,283,236	84,425	28,448,336	27,671,203
<u>1,508,876</u>	<u>15,660</u>	<u>2,214,534</u>	<u>2,055,736</u>
<u>2,792,112</u>	<u>100,085</u>	<u>30,662,870</u>	<u>29,726,939</u>
<u>\$ 16,346,190</u>	<u>\$ 548,671</u>	<u>\$ 138,071,001</u>	<u>\$ 135,182,787</u>

City of Oceanside

Schedule of Changes in General Fixed Assets - By Function by Activity

For the year ended June 30, 2001

	General Fixed Assets July 1, 2000	Additions	Deletions	General Fixed Assets June 30, 2001
GENERAL FIXED ASSETS				
Function and Activity:				
General government:				
City Council	\$ 384,324	\$ -	\$ -	\$ 384,324
City Clerk	264,784	-	-	264,784
City Manager	130,322	-	-	130,322
Personnel	56,130	-	-	56,130
City Attorney	118,169	-	-	118,169
Administrative services	391,635	-	-	391,635
Nondepartmental	12,939,147	-	-	12,939,147
Redevelopment area	24,858,456	-	-	24,858,456
Total general government	39,142,967	-	-	39,142,967
Public safety:				
Police	19,482,154	567,620	-	20,049,774
Fire	5,607,877	472,927	-	6,080,804
Total public safety	25,090,031	1,040,547	-	26,130,578
Public works	27,229,535	34,895	-	27,264,430
Community development:				
Community development	6,392,977	262,435	-	6,655,412
Redevelopment area	7,600,338	614,406	-	8,214,744
Total community development	13,993,315	876,841	-	14,870,156
Community/cultural services:				
Recreation/parks	27,671,203	777,133	-	28,448,336
Library	2,055,736	158,798	-	2,214,534
Total community/cultural services	29,726,939	935,931	-	30,662,870
Total general fixed assets	\$ 135,182,787	\$ 2,888,214	\$ -	\$ 138,071,001

City of Oceanside
Comparative Schedules of General Long-Term Debt
June 30, 2001 and 2000

	2001	2000
AMOUNT AVAILABLE AND TO BE PROVIDED FOR PAYMENT OF GENERAL LONG-TERM DEBT:		
Amount available in debt service funds	\$ 6,920,071	\$ 6,991,798
Amount to be provided for retirement of long-term debt	105,774,276	108,226,259
Total available and to be provided	\$ 112,694,347	\$ 115,218,057
GENERAL LONG-TERM DEBT PAYABLE:		
Tax allocation bonds payable	\$ 21,575,000	\$ 21,975,000
Certificates of participation	71,515,000	73,660,000
Special assessment debt with government commitment payable	4,800,000	7,390,000
Advances from other funds	5,739,654	3,541,897
Claims payable	2,175,509	2,065,870
Compensated absences payable	6,889,184	6,585,290
Total general long-term debt	\$ 112,694,347	\$ 115,218,057