

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oceanside, California (City), as of and for the year ended June 30, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

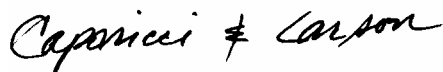
As described in Note 1 to the basic financial statements, the City adopted Statements of the Governmental Accounting Standards Board No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and, No. 38, *Certain Financial Statement Note Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2002 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Required Supplementary Information, such as management's discussion and analysis, budgetary comparison information and other information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Capricci & Carson". The script is cursive and fluid, with the ampersand clearly visible between the two names.

Costa Mesa, California
September 6, 2002



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2002

This discussion and analysis of the City of Oceanside's financial performance provides an overview of the fiscal year ended June 30, 2002. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Oceanside (the City) and the component units using the integrated approach as prescribed by GASB Statement No. 34.

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The Fund Financial Statements include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets report information about the City as a whole and about its activities. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities and Changes in Net Assets, we separate the City activities as follows:

Governmental activities-Most of the City's basic services are reported in this category, including the General Government, Fire, Police, Public Works, Community Development and Community/Cultural Services (including Recreation and Library). Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

Business-type activities-The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Water, Wastewater, Waste Disposal, Special Aviation and Harbor District activities are reported in this category.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State Law or by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds-Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements and those in the Government-Wide financial statements are explained in a reconciliation following **each** Governmental Fund financial statement

Proprietary funds-When the City charges customers for the services it provides (whether to outside customers or to other units of the City), these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities-such as the City's Self-Insurance, Fleet Operations and Information Technology Funds. The Internal Service funds are reported with governmental activities in the Government-Wide financial Statements.

THE CITY AS TRUSTEE

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary*, for certain funds held on behalf of other agencies and organizations. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE

The City's combined Net Assets for the fiscal year ended June 30, 2002 were:

Net Assets	2001	2002	Increase (Decrease)
Invested in Capital Assets, Net of Debt	\$ 209,941,996	\$ 280,641,613	\$ 70,699,617
Restricted	79,890,021	71,450,755	(8,439,266)
Unrestricted	161,135,817	115,434,666	(45,701,151)
Total Net Assets	\$ 450,967,834	\$ 467,527,034	\$ 16,559,200

The net assets for the City as a whole increased 3.70 % from \$451.0 million at June 30, 2001 to \$467.5 million at June 30, 2002. This increase of \$16,559,200 million comes from the change in net assets as recorded in the Statement of Activities and flows through the Statement of Net Assets.

Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before contributions to permanent fund principal, special, and extraordinary items, and total assets are presented in the Statement of Activities and Changes in Net Assets.

GOVERNMENTAL ACTIVITIES

Net Assets of Governmental Activities for the fiscal year ended June 30, 2002 were:

Net Assets	2001	2002	Increase (Decrease)
Invested in Capital Assets, Net of Debt	\$ 134,927,253	\$ 128,824,063	\$ (6,103,190)
Restricted	17,026,386	28,527,517	11,501,131
Unrestricted	57,988,357	71,005,500	13,017,143
Total Net Assets	\$ 209,941,996	\$ 228,357,080	\$ 18,415,084

The City's net assets from governmental activities increased 8.8% over last fiscal year, from \$209.9 million to \$228.5 million. Invested in capital assets net of related debt decreased \$1.3 million, due in large part to an adjustment made to convert Capital Assets to GASB 34 standards. Total net assets increased due an overall increase in revenues and a corresponding decrease in expenses in relation to budgeted amounts.

Total expenses for the fiscal year for Governmental activities was \$111.8 million. However, as shown in the Statement of Activities and Changes in Net Assets, only \$69.4 million of this was ultimately shouldered by the City's taxpayers because costs were defrayed by those who benefited directly from the programs (\$17.1 million), or by other governments and organizations that subsidized certain programs through grants and contributions (\$25.4 million). The City's overall governmental program revenues totaled \$42.5 million. The City paid for the remaining "public benefit" from revenues including taxes of \$53.2 million.

The City's programs include General Government, Public Safety (Fire and Police), Public Works, Community Development, and Community/Cultural Services (Recreation & Library). Each program's net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Government Activities (Note)	2001	2002	Increase/ (Decrease)
General Government	\$ (6,675,617)	\$ (6,588,601)	\$ (87,016)
Public Safety	(37,522,582)	(34,780,647)	(2,741,935)
Public Works	(12,693,531)	1,424,147	(14,117,678)
Community Development	2,633,753	2,967,530	(333,777)
Community/cultural services	(8,610,625)	(14,267,827)	5,657,202
Total Net (Expense) Revenue	\$ (62,868,602)	\$ (51,245,398)	\$ (9,059,838)

Note: Net (Expense) Revenues are stated exclusive of departmental depreciation expense.

The net cost of the City's programs, less interest on long-term debt of \$7.7 million, decreased overall by \$9 million due to increased revenue in Public Works and reduced expenses in Community Development.

Total resources available during the year to finance governmental operations were \$340,818,658 consisting of Net Assets at July 1, 2001 of \$209,941,996, program revenues of \$42,502,053 and General Revenues of \$88,191,713. Total Governmental Activities during the year were \$111,821,532, less an equity transfer of \$457,150; thus, net assets were increased by \$18,415,084 to \$228,357,080.

BUSINESS TYPE ACTIVITIES

Net Assets of Proprietary Fund (Business Type) Activities for fiscal year ended June 30, 2000 were:

Net Assets	2001	2002	Increase (Decrease)
Invested in Capital Assets, Net of Debt	\$ 62,431,050	\$ 151,817,550	\$ 89,386,500
Restricted	62,863,635	42,923,238	(19,940,397)
Unrestricted	103,147,460	44,429,166	(58,718,294)
Total Net Assets	\$ 228,442,145	\$ 239,169,954	\$ 10,727,809

The City's net assets from business-type activities increased 4.7%, from \$228.4 million to \$239.2 million. The increase in total net assets is mostly due to revenues in excess of budget.

The cost of all Proprietary (Business Type) activities this year was \$67,904,976. As displayed in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the activities was \$74,313,847, with grants and contributions comprising \$915,846 for total revenue of \$75,229,693.

The Proprietary Fund (Business Type) Activities include: the Water Utility, the Sewer, the Waste Disposal Fund, the Special Aviation Fund and the Harbor District. Each activity's net cost (total cost less revenues generated by the activities) is presented below:

Proprietary Fund Activities	Net (Expense) Revenue		Increase/ (Decrease)
	2001	2002	
Water	779,394	6,770,728	5,991,334
Sewer	(2,419,547)	(442,974)	1,976,573
Waste Disposal	759,917	1,357,328	597,411
Special Aviation	622,398	(51,942)	(674,340)
Harbor	(111,951)	(308,423)	(196,472)
Total Net (Expense) Revenue	(369,789)	7,324,717	7,694,506

Total resources available during the year to finance Proprietary Fund (Business Type) Activities were \$306,617,780 consisting of Net Assets at July 1, 2001 of \$228,442,145, program revenues of \$75,229,693 and General Revenues of \$2,945,942. Total Proprietary Fund (Business Type) Activities during the year were \$67,904,976, plus an equity transfer of \$457,150; thus net assets were increased by \$10,727,809 to \$239,169,954.

DEBT ADMINISTRATION

Debt, considered a liability of governmental activities, increased in fiscal year 2001-02 by \$21,799,207. This increase is due, in large part, to the issuance of the 2002 Tax Allocation Refunding Bonds, which were issued to finance projects in the Downtown Redevelopment area.

Debt of the business-type activities increased by \$2,737,840 in FY 2001-02, the result of a \$2.9 million interest-free loan from the State Water Resource Control Board. The proceeds from this loan will be used to upgrade and improve the San Luis Rey Wastewater Treatment Plant.

Fiscal year activity for both governmental and business-type activities is represented in the charts below:

	Balance July 1, 2001	Incurred or Issued	Satisfied or Matured	Balance June 30, 2002
Governmental Activities:				
Bonds Payable	\$ 21,575,000	\$ 22,030,000	\$ (420,000)	\$ 43,185,000
Certificates of Participation	71,515,000		(2,265,000)	69,250,000
Special Assessment Debt	4,800,000		(702,400)	4,097,600
Claims Payable	3,200,814	3,393,696		6,594,510
Compensated Absences	7,216,010		(237,089)	6,978,921
Total Governmental Activities	<u>\$ 108,306,824</u>	<u>\$ 25,423,696</u>	<u>\$ (3,624,489)</u>	<u>\$ 130,106,031</u>
	Balance July 1, 2001	Incurred or Issued	Satisfied or Matured	Balance June 30, 2002
Business-Type Activities:				
Bonds Payable	\$ 11,225,000	\$	\$ (105,000)	\$ 11,120,000
Certificates of Participation	27,740,000		(1,430,000)	26,310,000
Notes Payable	71,527,063	6,455,364	(2,247,868)	75,734,559
Claims Payable	223,893		(81,170)	142,723
Compensated Absences	1,249,379	146,514		1,395,893
Total Governmental Activities	<u>\$ 111,965,335</u>	<u>\$ 6,601,878</u>	<u>\$ (3,864,038)</u>	<u>\$ 114,703,175</u>

CASH MANAGEMENT

To obtain flexibility in cash management, the City employs a pooled cash system (Reference Note 2 in the Notes to the Financial Statements). Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity and yield.

CAPITAL ASSETS

The capital assets of the City are those assets that are used in the performance of the City's functions, including infrastructure assets. At June 30, 2002, net capital assets of the governmental activities totaled \$251,125,908 and the net capital assets of the business-type activities totaled \$240,527,108. Depreciation on capital assets is recognized in the Government-Wide financial statements.

Description	Governmental Activities		Business-type Activities	
	2002	2001	2002	2001
Land	\$ 49,107,260	\$ 41,636,428	\$ 14,818,769	\$ 14,818,769
Buildings	59,361,920	63,824,386	64,788,735	64,662,971
Improvements	7,887,866	15,715,326	196,028,668	192,580,546
Equipment	40,134,847	16,346,190	5,738,111	5,203,387
Construction in Progress	1,761,810	548,671	57,328,437	23,615,374
Infrastructure	225,523,778	134,897,910	-	-
Capital Assets	383,777,481	272,968,911	338,702,720	300,881,047
Accumulated Depreciation	(132,651,573)	(22,959,818)	(98,175,612)	(90,953,791)
Total Capital Assets	\$ 251,125,908	\$ 250,009,093	\$ 240,527,108	\$ 209,927,256

Information on Capital Assets can be found in Note 6 of this report.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2001-02

- Completed the 140-unit Trendwest vacation resort, located at the Oceanside Harbor
- Constructed the Pier View Way Pedestrian / Bicycle Undercrossing, connecting the beach and pier to the downtown area.
- Completed and opened the new Oceanside Welcome Center.
- Won the Helen Putnam Award for implementation of the Community Prosecutor Program.
- Established contract for the City's new 800 MHz communications system for Public Safety.
- Calls for service from the Police Department increased 2% while adult arrests increased by 250 over the prior year.
- The Fire Department exceeded 10,000 responses for emergency services, the highest rate in City history.
- Initiated the Child Safety Seat Awareness and Inspection program through a grant from the Office of Traffic Safety.

BUDGETS AND BUDGETARY ACCOUNTING

POLICIES

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Before the beginning of the fiscal year, the City Manager submits to the City Council a proposed budget for the year commencing July 1.
2. A public hearing is conducted to obtain public comment.
3. The budget is subsequently adopted through passage of a resolution and is not included herein; but is published separately.
4. All appropriations are as originally adopted or as amended by the City Council and all budgeted amounts lapse at year-end unless the adopting resolutions specifically allows the carryover of specific unexpended amounts into the next fiscal year.
5. Continuing Appropriations (other than those mentioned in note 4, above) are re-budgeted by the City Council as a separate agenda item.
6. Legally adopted budget appropriations are set for all funds.
7. The City Manager is authorized to transfer funds appropriated within the same fund. Revisions that alter the total appropriations of any fund must be approved by the City Council.
8. The Budget is adopted on a basis consistent with generally accepted accounting principles.

General Fund Budget

Comparing the FY 2001-02 original budget (as adopted) General Fund amount of \$68,684,593 to the final budget amount of \$74,546,721 shows a net increase of \$5,862,128.

	<u>Adopted</u>	<u>Amended</u>	<u>Variance</u>
General Government			
Operational	\$ 8,477,270	\$ 8,823,640	\$ 346,370
Non-Departmental	1,288,270	2,464,682	1,176,412
Capital Projects	250,000	305,392	55,392
Public Safety			
Police	27,087,050	28,174,619	1,087,569
Fire	13,208,110	13,815,804	607,694
Capital Projects	-	1,503,189	1,503,189
Public Works	6,078,490	6,610,058	531,568
Community Development	3,994,230	4,210,207	215,977
Community & Cultural Services			
Parks & Recreation	2,322,573	2,433,174	110,601
Library	4,507,370	4,546,792	39,422
Beach Recreation	1,471,230	1,471,704	474
Interest	<u>-</u>	<u>187,460</u>	<u>187,460</u>
Total Budget (excluding transfers)	<u>\$ 68,684,593</u>	<u>\$ 74,546,721</u>	<u>\$ 5,862,128</u>

Major supplemental changes in the General Government budget are accounted for in an increase in Non-Departmental expenses (\$1.4 million) that were allocated for anticipated increases in gas and electrical rates. The increase in Operational expenses is accounted for by increased personnel costs.

In Public Safety, adjustments were made to personnel costs to include several new positions for the Police Department, as well as a major increase in pension benefits for Safety personnel. The \$1.5 million increase in Capital Projects for Safety is incurred to fund the lease payments for the new 800 MHz radio and network system.

Public works saw an increase of \$531,568. \$300,000 of this was funded to comply with new regulations pertaining to the treatment of storm water. Another \$190,000 was incurred for new maintenance and cleaning contracts for City property.

\$187,000 was budgeted for issuance of Tax or Revenue Anticipation Notes (TAN / RAN), but was not used during the fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Annual Budget assures the efficient, effective and economic uses of the City's resources, as well as, establishing that the highest priority objectives are accomplished. Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities.

In considering the City budget for fiscal year 2002-03 the City Council and management used the following criteria:

The key assumptions in our revenue forecast are:

1. Property tax revenues will increase by 9.6% due to a steadily rising housing market.
2. Sales tax will increase by a modest 3.3%.
3. Franchise fees will increase 23.7%.
4. Transient Occupancy tax will decrease 4.7%.
5. Building permit revenues will increase 43.3%, due to new construction in Ocean Ranch and Morro Hills Community Facilities Districts (CFD).

The new items specifically addressed in the budget are:

1. Increased retirement benefits for police officers and firefighters, allowing retirement as early as 50 years old with a 3% retirement factor. The increased cost for this benefit is approximately \$800,000.
2. The Police Department budget includes provisions for the addition of a Communications Manager to coordinate emergency communication system need and is funded from internal savings in the Department's budget.
3. The budget allocates \$554,000 for the Fire Academy in order to increase retention and recruitment. The Academy will serve to train new recruits to effectively fill vacancies in the Department.
4. The budget includes a \$700,000 reserve operating fund to offset the cost of worker compensation claims and unfunded liabilities.
5. City recreation programs include limited funding for additional classes, league games, expanded special events and maintenance funding for a new park under construction in Morro Hills.
6. 37 benefited part time positions are included in the budget, primarily in Library, Recreation and Harbor. The positions will be phased back to hourly help over the next several years.
7. The budget also includes \$875,000 for the City's Community Facilities Program. The recommended enhancements include a new engine for the Fire Department, median and gateway landscaping, parks maintenance upgrades, and deferred building maintenance.

The adopted budget for all City funds for the fiscal year 2002-03 is \$204,648,807 (excluding transfers) and is summarized as follows:

General Operations

General Fund	\$	77,668,752	
Special Revenue Funds		11,597,441	
Internal Service Funds		32,983,686	
Capital Project Funds		<u>2,343,790</u>	
Subtotal General Operations			\$ 124,593,669

Enterprise Operations

Water Utility	\$	34,340,893	
Wastewater Utility		19,356,072	
Waste Disposal		16,913,690	
Special Aviation		143,651	
Harbor District Operations		<u>4,544,987</u>	
Subtotal Enterprise Operations			\$ 75,299,293

Debt Service

General Obligation, Assessment Districts, Community Facilities Districts and Redevelopment	\$	<u>4,755,845</u>	
Subtotal Debt Service			\$ <u>4,755,845</u>

Total Budget			\$ <u><u>204,648,807</u></u>
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In addition to the \$204.6 million total budget, the City's recommended new Capital Improvements Projects total \$115,878,904. These projects are accounted for in the City's CIP Resolution.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investor and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Office of the Chief Financial Officer at 300 North Coast Highway, Oceanside, California, 92054, phone (760) 435-3832.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Oceanside
Statement of Net Assets
June 30, 2002

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 99,712,566	\$ 70,151,580	\$ 169,864,146
Accounts receivable, net	1,930,683	6,339,424	8,270,107
Notes receivable	878,810	-	878,810
Interest receivable	1,463,276	-	1,463,276
Assessments receivable	4,099,421	-	4,099,421
Taxes receivable	2,957,713	-	2,957,713
Other receivable	1,566,214	2,480	1,568,694
Due from other governments	3,197,940	-	3,197,940
Internal balances	(496,566)	496,566	-
Prepaid items and inventory	292,066	678,621	970,687
Land and buildings held for resale	2,194,234	-	2,194,234
Other assets	-	1,097,740	1,097,740
Total current assets	117,796,357	78,766,411	196,562,768
Noncurrent assets:			
Restricted cash and investments	7,492,915	42,923,238	50,416,153
Notes receivable	2,194,234	-	2,194,234
Capital assets:			
Non depreciable assets	50,869,070	72,147,206	123,016,276
Depreciable assets, net	332,908,411	266,555,514	599,463,925
Total capital assets	383,777,481	338,702,720	722,480,201
Less accumulated depreciation	(132,651,573)	(98,175,612)	(230,827,185)
Capital assets, net	251,125,908	240,527,108	491,653,016
Total noncurrent assets	260,813,057	283,450,346	544,263,403
Total assets	378,609,414	362,216,757	740,826,171
LIABILITIES			
Current liabilities:			
Accounts payable	3,811,791	5,715,453	9,527,244
Interest payable	1,312,456	919,812	2,232,268
Accrued liabilities	1,030,797	196,236	1,227,033
Due to other governments	188,763	-	188,763
Deposits held for others	5,477,737	796,825	6,274,562
Deferred revenue	8,324,759	715,302	9,040,061
Compensated absences payable - within one year	1,323,414	-	1,323,414
Claims and judgments payable - within one year	1,151,735	-	1,151,735
Long-term debt - due within one year	3,660,000	2,555,389	6,215,389
Total current liabilities	26,281,452	10,899,017	37,180,469
Noncurrent liabilities:			
Compensated absences payable	5,655,507	1,395,893	7,051,400
Claims and judgments payable	5,442,775	142,723	5,585,498
Long-term debt - due in more than a year	112,872,600	110,609,170	223,481,770
Total noncurrent liabilities	123,970,882	112,147,786	236,118,668
Total liabilities	150,252,334	123,046,803	273,299,137
NET ASSETS			
Invested in capital assets, net of related debt	128,824,063	151,817,550	280,641,613
Restricted for:			
Capital projects	7,917,407	42,923,238	50,840,645
Debt service	10,973,122	-	10,973,122
Community development	9,636,988	-	9,636,988
Total restricted	28,527,517	42,923,238	71,450,755
Unrestricted	71,005,500	44,429,166	115,434,666
Total net assets	\$ 228,357,080	\$ 239,169,954	\$ 467,527,034

See accompanying Notes to Basic Financial Statements.

City of Oceanside
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2002

Functions/Programs	Expenses	Program Revenues			Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 9,344,781	\$ 2,290,656	\$ 324,089	\$ 141,435	\$ 2,756,180
Public safety	41,142,786	4,032,448	2,329,691	-	6,362,139
Public works	10,564,747	2,976,298	8,153,392	859,204	11,988,894
Community development	17,144,538	7,168,624	12,943,444	-	20,112,068
Community/cultural services	15,550,599	650,290	632,482	-	1,282,772
Depreciation	10,380,880	-	-	-	-
Interest on long-term debt	7,693,201	-	-	-	-
Total governmental activities	111,821,532	17,118,316	24,383,098	1,000,639	42,502,053
Business-type activities:					
Water	30,372,348	36,260,949	-	882,127	37,143,076
Sewer	17,723,166	17,280,192	-	-	17,280,192
Waste disposal	14,955,237	16,312,565	-	-	16,312,565
Special aviation	225,154	139,493	33,719	-	173,212
Oceanside Small Craft Harbor District	4,629,071	4,320,648	-	-	4,320,648
Total business-type activities	67,904,976	74,313,847	33,719	882,127	75,229,693
Total primary government	\$ 179,726,508	\$ 91,432,163	\$ 24,416,817	\$ 1,882,766	\$ 117,731,746

General revenues and transfers:

Taxes:

Property taxes
Special assessments
Sales taxes
Other taxes
Total taxes

Fines, penalties, & forfeitures
Payments in lieu of services
Use of money and property
Developer contributions
Miscellaneous
Loss on sale of assets
Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year, as restated (Note 14)

Equity transfers

Net assets - end of year

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Totals
\$ (6,588,601)	\$ -	\$ (6,588,601)
(34,780,647)	-	(34,780,647)
1,424,147	-	1,424,147
2,967,530	-	2,967,530
(14,267,827)	-	(14,267,827)
(10,380,880)	-	(10,380,880)
(7,693,201)	-	(7,693,201)
(69,319,479)	-	(69,319,479)
-	6,770,728	6,770,728
-	(442,974)	(442,974)
-	1,357,328	1,357,328
-	(51,942)	(51,942)
-	(308,423)	(308,423)
-	7,324,717	7,324,717
(69,319,479)	7,324,717	(61,994,762)
23,022,750	-	23,022,750
905,338	-	905,338
13,003,666	-	13,003,666
16,289,504	-	16,289,504
53,221,258	-	53,221,258
2,443,296	-	2,443,296
8,998,124	-	8,998,124
13,638,035	3,845,942	17,483,977
7,823,035	-	7,823,035
1,212,793	-	1,212,793
(44,828)	-	(44,828)
900,000	(900,000)	-
88,191,713	2,945,942	91,137,655
18,872,234	10,270,659	29,142,893
209,941,996	228,442,145	438,384,141
(457,150)	457,150	-
\$ 228,357,080	\$ 239,169,954	\$ 467,527,034

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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.

Housing Assistance Program Special Revenue Fund

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.

Redevelopment Agency Capital Projects Fund

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

General Improvement Capital Projects Fund

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

Other Governmental Funds

Other Governmental Funds is the aggregate of all the non-major governmental funds.

City of Oceanside
Balance Sheet
Governmental Funds
June 30, 2002

	Major Funds			
	General	Housing Assistance Program Special Revenue	Redevelopment Agency Capital Projects	General Improvement Capital Projects
ASSETS				
Cash and investments	\$ 24,514,865	\$ 6,657,290	\$ 6,294,699	\$ 25,164,797
Restricted cash and investments	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	1,916,757	-	-	13,539
Notes	-	2,998,375	74,669	-
Interest	1,390,046	-	-	-
Assessments	1,821	-	-	-
Taxes	2,862,080	-	19,127	-
Other	781,806	-	-	-
Due from other funds	462,438	-	590,825	-
Due from other governments	-	493,833	-	1,903,152
Advances to other funds	6,350,176	-	4,543,517	-
Inventory	2,292	-	-	-
Land held for resale	-	-	2,194,234	-
Total assets	\$ 38,282,281	\$ 10,149,498	\$ 13,717,071	\$ 27,081,488
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,084,798	\$ 63,599	\$ 30,356	\$ 627,822
Accrued liabilities	874,884	25,384	2,803	3,543
Deposits	-	5,217,247	81,047	29,443
Due to other funds	-	-	745,688	-
Due to other governments	-	188,763	-	-
Deferred revenue	2,658,043	-	-	697,880
Advances from other funds	-	-	-	-
Total liabilities	4,617,725	5,494,993	859,894	1,358,688
Fund Balances:				
Reserved for:				
Land held for resale	-	-	2,194,234	-
Noncurrent assets	-	2,874,675	-	1,903,152
Low and moderate income housing	-	-	9,636,988	246,197
Debt service	1,200,000	-	-	-
Capital projects	5,200,000	-	-	-
Advances from other funds	3,552,133	-	-	-
Infrastructure	4,740,610	-	-	-
Cash flow	5,250,000	-	-	-
Economic stabilization	1,343,174	-	-	-
Unreserved designated for:				
Unrealized gains on investments	614,622	-	41,873	151,404
Unexpended budgeted projects	-	-	984,082	23,422,047
Unreserved, undesignated	11,764,017	1,779,830	-	-
Total fund balances	33,664,556	4,654,505	12,857,177	25,722,800
Total liabilities and fund balances	\$ 38,282,281	\$ 10,149,498	\$ 13,717,071	\$ 27,081,488

See accompanying Notes to Basic Financial Statements.

Other Governmental Funds		Totals
\$	28,852,803	\$ 91,484,454
	7,492,915	7,492,915
	387	1,930,683
	-	3,073,044
	73,230	1,463,276
	4,097,600	4,099,421
	76,506	2,957,713
	784,408	1,566,214
	-	1,053,263
	800,955	3,197,940
	-	10,893,693
	-	2,292
	-	2,194,234
\$	42,178,804	\$ 131,409,142
\$	1,423,570	\$ 3,230,145
	56,403	963,017
	150,000	5,477,737
	1,053,263	1,798,951
	-	188,763
	4,968,836	8,324,759
	10,644,572	10,644,572
	18,296,644	30,627,944
	-	2,194,234
	-	4,777,827
	-	9,883,185
	10,973,122	12,173,122
	-	5,200,000
	-	3,552,133
	-	4,740,610
	-	5,250,000
	-	1,343,174
	86,133	894,032
	-	24,406,129
	12,822,905	26,366,752
	23,882,160	100,781,198
\$	42,178,804	\$ 131,409,142

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City of Oceanside
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2002

Total Fund Balances - Total Governmental Funds	\$ 100,781,198
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Amounts reported for governmental activities in the Statement of Net Assets were reported differently because:

Capital assets used in governmental activities are not current financial resources. Therefore, were not reported in the Governmental Funds Balance Sheet. Except for the internal service Funds amounts of \$7,399,253 which are reported below, the capital assets were adjusted as follows:

Land	50,869,070
Depreciable buildings, property, equipment and infrastructure, net	<u>192,857,585</u>
Total capital assets	<u>243,726,655</u>

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.	<u>(1,312,456)</u>
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Government-Wide Statement of Net Assets.

Loss Prevention Fund	5,038,018
General Services Fund	<u>9,032,007</u>
Total internal service funds	<u>14,070,025</u>

Long-term liabilities are not due and payable in the current period. Therefore, were not reported in the Governmental Funds Balance Sheet. Except for the Internal Service Funds amounts of \$1,352,131 which are reported above, the long-term liabilities were adjusted as follows:

Long-term liabilities - due in more than one year	<u>(128,908,342)</u>
Total long-term liabilities	<u>(128,908,342)</u>

Net Assets of Governmental Activities	\$ 228,357,080
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City of Oceanside
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2002

	Major Funds			
	General	Housing Assistance Program Special Revenue	Redevelopment Agency Capital Projects	General Improvement Capital Projects
REVENUES:				
Taxes	\$ 39,793,547	\$ -	\$ 943,376	\$ -
Special assessments	-	-	-	-
Licenses and permits	2,650,656	126,202	-	-
Intergovernmental	10,339,051	11,903,996	-	1,558,978
Charges for services	10,120,406	237,766	-	-
Fines and forfeitures	2,518,911	77	-	-
Lease revenue	-	-	-	-
Interest and rentals	4,937,957	389,096	313,879	1,199,902
Administrative and in lieu charges	8,998,124	-	-	-
Developer fees	-	-	945,015	6,923,035
Other	146,755	170,534	38,697	132,641
Total revenues	79,505,407	12,827,671	2,240,967	9,814,556
EXPENDITURES:				
General government	10,547,192	-	-	-
Public safety	42,940,769	-	-	-
Public works	6,705,323	-	-	273,433
Community development	3,805,026	13,258,048	529,282	31,626
Community/cultural services	8,911,250	-	-	-
Capital improvements	-	-	7,732,629	7,913,903
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	72,909,560	13,258,048	8,261,911	8,218,962
REVENUES OVER (UNDER) EXPENDITURES	6,595,847	(430,377)	(6,020,944)	1,595,594
OTHER FINANCING SOURCES (USES):				
Debt proceeds	-	-	3,550,000	-
Operating transfers in	250,000	375,740	4,656,357	2,675,000
Operating transfers out	(3,123,361)	(11,638)	-	(580,453)
Total other financing sources (uses)	(2,873,361)	364,102	8,206,357	2,094,547
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	3,722,486	(66,275)	2,185,413	3,690,141
FUND BALANCES:				
Beginning of year	22,468,708	4,720,780	7,225,565	21,171,461
Prior period adjustment	587,748	-	3,903,349	(364,171)
Equity transfer	6,885,614	-	(457,150)	1,225,369
End of year	\$ 33,664,556	\$ 4,654,505	\$ 12,857,177	\$ 25,722,800

See accompanying Notes to Basic Financial Statements.

Other Governmental Funds		Totals	
\$	3,512,888	\$	44,249,811
	5,613,928		5,613,928
	-		2,776,858
	7,683,215		31,485,240
	587,608		10,945,780
	352,548		2,871,536
	2,868,446		2,868,446
	3,802,834		10,643,668
	-		8,998,124
	-		7,868,050
	657,357		1,145,984
	25,078,824		129,467,425
	290,732		10,837,924
	789,155		43,729,924
	4,537,136		11,515,892
	1,008,952		18,632,934
	8,572,208		17,483,458
	250,639		15,897,171
	6,937,400		6,937,400
	7,306,270		7,306,270
	29,692,492		132,340,973
	(4,613,668)		(2,873,548)
	22,030,000		25,580,000
	1,058,939		9,016,036
	(4,949,810)		(8,665,262)
	18,139,129		25,930,774
	13,525,461		23,057,226
	20,527,406		76,113,920
	(10,392,812)		(6,265,886)
	222,105		7,875,938
\$	23,882,160	\$	100,781,198

City of Oceanside

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For the year ended June 30, 2002

Net Change in Fund Balances - Total Governmental Funds	\$ 23,057,226
Governmental activities in the Statement of Activities were reported differently because:	
Governmental funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	19,479,810
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds.	(8,362,551)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Assets.	(25,580,000)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government -Wide Statement of Net Assets.	6,937,400
Interest expense on long-term debt is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but does not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represents the change in accrued interest from the prior year.	(386,931)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities.	3,727,280
Change in Net Assets of Governmental Activities	\$ 18,872,234

PROPRIETARY FUND FINANCIAL STATEMENTS

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
Statement of Net Assets
Proprietary Funds
June 30, 2002

	Major Funds			
	Water	Sewer	Waste Disposal	Special Aviation
ASSETS				
Current assets:				
Cash and investments	\$ 37,293,272	\$ 22,579,217	\$ 1,771,610	\$ (42,448)
Receivables:				
Accounts	3,731,846	1,350,057	1,071,600	-
Other	2,480	-	-	-
Due from other funds	15,580,688	10,960,000	-	-
Inventory, at cost	351,762	326,859	-	-
Prepaid items	-	-	-	-
Other assets	824,732	273,008	-	-
Total current assets	57,784,780	35,489,141	2,843,210	(42,448)
Restricted cash and investments	4,743,329	38,179,909	-	-
Advances to other funds	-	-	-	-
Property, plant and equipment:				
Land	12,769,291	843,552	35,328	1,144,495
Buildings and structures	21,373,003	42,420,324	27,630	66,286
Improvements other than buildings	90,675,400	85,389,893	526	490,240
Machinery and equipment	1,997,253	2,522,517	326,221	46,249
Construction in progress	16,923,137	40,405,300	-	-
Total property, plant and equipment	143,738,084	171,581,586	389,705	1,747,270
Less accumulated depreciation	43,104,065	42,240,697	165,853	363,276
Net property, plant and equipment	100,634,019	129,340,889	223,852	1,383,994
Total assets	\$ 163,162,128	\$ 203,009,939	\$ 3,067,062	\$ 1,341,546

See accompanying Notes to Basic Financial Statements.

Major Funds		Governmental	
Oceanside		Activities	
Small Craft		Internal	
Harbor District	Totals	Service Funds	
\$ 8,549,929	\$ 70,151,580	\$ 8,228,112	
185,921	6,339,424	-	
-	2,480	-	
-	26,540,688	-	
-	678,621	273,404	
-	-	16,371	
-	1,097,740	-	
8,735,850	104,810,533	8,517,887	
-	42,923,238	-	
-	-	-	
26,103	14,818,769	-	
901,492	64,788,735	-	
19,472,609	196,028,668	-	
845,871	5,738,111	7,399,253	
-	57,328,437	-	
21,246,075	338,702,720	7,399,253	
12,301,721	98,175,612	-	
8,944,354	240,527,108	7,399,253	
\$ 17,680,204	\$ 388,260,879	\$ 15,917,140	

City of Oceanside
Statement of Net Assets
Proprietary Funds, Continued
June 30, 2002

	Major Funds			
	Water	Sewer	Waste Disposal	Special Aviation
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	\$ 2,241,186	\$ 3,421,556	\$ 22,645	\$ 1,948
Accrued liabilities	62,870	81,885	21,154	-
Due to other funds	14,835,000	10,960,000	-	-
Deferred revenue	36,076	13,528	574,252	-
Bonds payable within one year	105,000	-	-	-
Loans payable within one year	307,716	453,279	-	-
Total current liabilities (payable from current assets)	17,587,848	14,930,248	618,051	1,948
Current liabilities (payable from restricted assets):				
Interest payable	517,684	223,498	-	-
Deposits	526,217	4,666	-	360
Certificates of participation	1,165,000	340,000	-	-
Total current liabilities (payable from restricted assets)	2,208,901	568,164	-	360
Long-term debt excluding current installments:				
Revenue bonds payable	11,015,000	61,581,054	-	-
Loans payable	2,281,193	6,259,894	-	-
Certificates of participation	14,185,000	10,620,000	-	-
Advances from other funds	-	-	-	249,122
Claims and judgments payable	142,723	-	-	-
Compensated absences	441,042	609,122	100,041	-
Total long-term debt	28,064,958	79,070,070	100,041	249,122
Total liabilities	47,861,707	94,568,482	718,092	251,430
NET ASSETS				
Invested in capital assets, net of related debt	86,410,110	59,706,662	223,852	1,383,994
Restricted for capital projects	4,743,329	38,179,909	-	-
Unrestricted	24,146,982	10,554,886	2,125,118	(293,878)
Total net assets	<u>\$ 115,300,421</u>	<u>\$ 108,441,457</u>	<u>\$ 2,348,970</u>	<u>\$ 1,090,116</u>

See accompanying Notes to Basic Financial Statements.

Major Funds			Governmental		
Oceanside			Activities		
Small Craft			Internal		
Harbor District	Totals		Service Funds		
\$ 28,118	\$ 5,715,453		\$ 581,646		
30,327	196,236		67,780		
-	25,795,000		-		
91,446	715,302		-		
-	105,000		-		
184,394	945,389		-		
334,285	33,472,380		649,426		
178,630	919,812		-		
265,582	796,825		-		
-	1,505,000		-		
444,212	3,221,637		-		
-	72,596,054		-		
4,667,029	13,208,116		-		
-	24,805,000		-		
-	249,122		-		
-	142,723		835,837		
245,688	1,395,893		361,852		
4,912,717	112,396,908		1,197,689		
5,691,214	149,090,925		1,847,115		
4,092,932	151,817,550		-		
-	42,923,238		-		
7,896,058	44,429,166		14,070,025		
\$ 11,988,990	\$ 239,169,954		\$ 14,070,025		

(Concluded)

City of Oceanside
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2002

	Major Funds			
	Water	Sewer	Waste Disposal	Special Aviation
OPERATING REVENUES:				
Charges for services	\$ 33,941,125	\$ 15,315,051	\$ 16,312,565	\$ 139,493
License and permits	244,535	-	-	-
Developer fees	2,056,380	1,963,543	-	-
Slip rental and other related fees	-	-	-	-
Other	18,909	1,598	-	-
Total operating revenues	36,260,949	17,280,192	16,312,565	139,493
OPERATING EXPENSES:				
Personal services	3,338,827	4,080,855	924,109	1,851
Maintenance and operations	7,710,690	8,442,466	14,016,247	195,265
Cost of purchased water	14,084,453	-	-	-
Insurance premium	-	-	-	-
Depreciation	3,479,484	3,204,928	14,881	28,038
Total operating expenses	28,613,454	15,728,249	14,955,237	225,154
OPERATING INCOME (LOSS)	7,647,495	1,551,943	1,357,328	(85,661)
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	1,442,823	2,007,338	-	-
Interest expense and fiscal charges	(1,758,894)	(1,994,917)	-	-
Grants and contributions	882,127	-	-	33,719
Gain (loss) on sale of fixed assets	-	-	-	-
Total nonoperating revenues (expenses)	566,056	12,421	-	33,719
INCOME (LOSS) BEFORE OPERATING TRANSFERS	8,213,551	1,564,364	1,357,328	(51,942)
OPERATING TRANSFERS:				
Operating transfers in	362,000	-	-	-
Operating transfers out	(1,262,000)	-	-	-
Total operating transfers	(900,000)	-	-	-
Change in net assets	7,313,551	1,564,364	1,357,328	(51,942)
NET ASSETS:				
Beginning of the year	107,529,720	106,877,093	991,642	1,142,058
Equity transfer	457,150	-	-	-
End of the year	\$ 115,300,421	\$ 108,441,457	\$ 2,348,970	\$ 1,090,116

See accompanying Notes to Basic Financial Statements.

Major Funds		
Oceanside		Governmental
Small Craft		Activities
Harbor District	Totals	Internal
		Service Funds
\$ -	\$ 65,708,234	\$ 26,550,020
-	244,535	-
-	4,019,923	-
4,312,874	4,312,874	-
7,774	28,281	371,169
4,320,648	74,313,847	26,921,189
1,685,351	10,030,993	3,538,290
1,534,697	31,899,365	12,868,244
-	14,084,453	-
-	-	5,273,444
1,016,797	7,744,128	2,018,329
4,236,845	63,758,939	23,698,307
83,803	10,554,908	3,222,882
395,781	3,845,942	-
(392,226)	(4,146,037)	-
-	915,846	-
-	-	(44,828)
3,555	615,751	(44,828)
87,358	11,170,659	3,178,054
-	362,000	549,226
-	(1,262,000)	-
-	(900,000)	549,226
87,358	10,270,659	3,727,280
11,901,632	228,442,145	18,675,833
-	457,150	(8,333,088)
\$ 11,988,990	\$ 239,169,954	\$ 14,070,025

City of Oceanside
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2002

	Major Funds		
	Water	Sewer	Waste Disposal
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers/other funds	\$ 18,704,691	\$ 4,330,468	\$ 16,219,960
Cash payments to suppliers for goods and services	(7,639,429)	5,659,674	(15,048,270)
Cash payments to employees for services	(3,338,827)	(4,080,855)	(924,109)
Insurance premiums and settlements	-	-	-
Other operating revenues	2,319,824	1,965,141	-
Net cash provided (used) by operating activities	10,046,259	7,874,428	247,581
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	362,000	-	-
Operating transfers out	(1,262,000)	-	-
Net cash provided (used) by noncapital financing activities	(900,000)	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(7,854,061)	(30,034,731)	(165,276)
Repayments of long-term borrowing	(1,500,052)	(2,106,363)	-
Interest paid on revenue bonds and contracts	(1,758,894)	(1,994,917)	-
Nonoperating grants and contributions	882,127	-	-
Changes in restricted assets	(86,698)	20,027,095	-
Proceeds from issuing of debt	-	6,259,894	-
Net cash provided (used) by capital and related financing activities	(10,317,578)	(7,849,022)	(165,276)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income	1,442,823	2,007,338	-
Net cash provided (used) by investing activities	1,442,823	2,007,338	-
Net increase (decrease) in cash and cash equivalents	271,504	2,032,744	82,305
CASH AND CASH EQUIVALENTS:			
Beginning of year	36,564,618	20,546,473	1,689,305
Equity transfer	457,150	-	-
End of year	\$ 37,293,272	\$ 22,579,217	\$ 1,771,610
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 7,647,495	\$ 1,551,943	\$ 1,357,328
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,479,484	3,204,928	14,881
Changes in assets and liabilities:			
Accounts receivable	(473,672)	(99,634)	(117,540)
Due from other funds	(15,277,364)	(10,960,000)	-
Advances to other funds	339,369	29,750	-
Prepays and other assets	199,585	19,111	24,935
Inventories	(24,352)	26,190	-
Accounts payable	(904,655)	3,094,757	(986,528)
Accrued liabilities	48,336	59,739	17,402
Due to other funds	14,835,000	10,960,000	-
Deferred revenue	36,076	13,528	(65,835)
Deposits	18,285	7,641	-
Interest payable	(27,473)	(27,784)	-
Claims and judgments	90,687	(65,090)	(10,753)
Compensated absences	59,458	59,349	13,691
Total adjustments	2,398,764	6,322,485	(1,109,747)
Net cash provided (used) by operating activities	\$ 10,046,259	\$ 7,874,428	\$ 247,581

See accompanying Notes to Basic Financial Statements.

Major Funds			Governmental
Special	Oceanside		Activities
Aviation	Small Craft		Internal
	Harbor District	Totals	Service Funds
\$ 139,493	\$ 4,307,568	\$ 43,702,180	\$ 26,818,987
(213,809)	(1,580,079)	(18,821,913)	-
(1,851)	(1,685,351)	(10,030,993)	(3,538,290)
-	-	-	(18,900,481)
-	7,774	4,292,739	371,169
(76,167)	1,049,912	19,142,013	4,751,385
-	-	362,000	549,226
-	-	(1,262,000)	-
-	-	(900,000)	549,226
-	(289,912)	(38,343,980)	(1,767,273)
-	(176,453)	(3,782,868)	(315,897)
-	(392,226)	(4,146,037)	-
33,719	-	915,846	-
-	-	19,940,397	-
-	195,470	6,455,364	-
33,719	(663,121)	(18,961,278)	(2,083,170)
-	395,781	3,845,942	-
-	395,781	3,845,942	-
(42,448)	782,572	3,126,677	3,217,441
-	7,767,357	66,567,753	13,343,759
-	-	457,150	(8,333,088)
\$ (42,448)	\$ 8,549,929	\$ 70,151,580	\$ 8,228,112
\$ (85,661)	\$ 83,803	\$ 10,554,908	\$ 3,222,882
28,038	1,016,797	7,744,128	2,018,329
-	(5,306)	(696,152)	-
-	-	(26,237,364)	-
-	-	369,119	-
-	-	243,631	323,885
-	-	1,838	(54,918)
1,598	17,077	1,222,249	(656,572)
-	24,333	149,810	52,221
(18,637)	-	25,776,363	-
(315)	14,715	(1,831)	-
(1,190)	1,193	25,929	-
-	(20,702)	(75,959)	-
-	(96,014)	(81,170)	(189,468)
-	14,016	146,514	35,026
9,494	966,109	8,587,105	1,528,503
\$ (76,167)	\$ 1,049,912	\$ 19,142,013	\$ 4,751,385

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FIDUCIARY FUND FINANCIAL STATEMENTS

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
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2002

	Special Assessment District	Deposits	CALTRANS Highway 76 Acquisition	Totals
ASSETS				
Cash and investments	\$ 319,731	\$ 4,074,785	\$ 1,376,850	\$ 5,771,366
Accounts receivable	7	6,925	-	6,932
Total assets	\$ 319,738	\$ 4,081,710	\$ 1,376,850	\$ 5,778,298
LIABILITIES				
Accounts payable	\$ 3,710	\$ -	\$ -	\$ 3,710
Deposits	-	4,081,710	1,376,850	5,458,560
Due to bondholders	316,028	-	-	316,028
Total liabilities	\$ 319,738	\$ 4,081,710	\$ 1,376,850	\$ 5,778,298

See accompanying Notes to Basic Financial Statements.

City of Oceanside
Statement of Changes in Net Assets
Fiduciary Funds
For the year ended June 30, 2002

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
<u>Special Assessment District</u>				
Assets:				
Cash and investments	\$ 143,512	\$ 216,484	\$ (40,265)	\$ 319,731
Accounts receivable	14	7	(14)	7
Total assets	\$ 143,526	\$ 216,491	\$ (40,279)	\$ 319,738
Liabilities:				
Accounts payable	\$ -	\$ 3,710	\$ -	\$ 3,710
Due to bondholders	143,526	254,534	(82,032)	316,028
Total liabilities	\$ 143,526	\$ 258,244	\$ (82,032)	\$ 319,738
 <u>Deposits</u>				
Assets:				
Cash and investments	\$ 3,636,418	\$ 59,646,829	\$ (59,208,462)	\$ 4,074,785
Accounts receivable	11,442	133,324	(137,841)	6,925
Total assets	\$ 3,647,860	\$ 59,780,153	\$ (59,346,303)	\$ 4,081,710
Liabilities:				
Deposits	\$ 3,647,860	\$ 41,682,431	\$ (41,248,581)	\$ 4,081,710
 <u>CALTRANS Highway 76 Acquisition</u>				
Assets:				
Cash and investments	\$ 1,370,831	\$ 73,514	\$ (67,495)	\$ 1,376,850
Liabilities:				
Deposits	\$ 1,370,831	\$ 67,201	\$ (61,182)	\$ 1,376,850
 <u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 5,150,761	\$ 59,936,827	\$ (59,316,222)	\$ 5,771,366
Accounts receivable	11,456	133,331	(137,841)	6,932
Total assets	\$ 5,162,217	\$ 60,070,158	\$ (59,454,063)	\$ 5,778,298
Liabilities:				
Accounts payable	\$ -	\$ 3,710	\$ -	\$ 3,710
Deposits	5,018,691	41,749,632	(41,309,763)	5,458,560
Due to bondholders	143,526	254,534	(82,032)	316,028
Total liabilities	\$ 5,162,217	\$ 42,004,166	\$ (41,391,795)	\$ 5,778,298

See accompanying Notes to Basic Financial Statements.

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City of Oceanside
Notes to Basic Financial Statements
For the year ended June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic 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 basic 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 basic 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 entities are reported 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 government funds of the City.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

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 business-type and are a proprietary 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 government funds of the City.

Oceanside Bridge Corporation

The Oceanside Bridge Corporation (Corporation) 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 Corporation are reported as a governmental fund of the City.

Oceanside Public Financing Authority

The Oceanside Public Finance Authority was established January 23, 2002 under the Joint Exercise of Powers Law of the State of California (constituting Chapter 5 of Division 7 of Title 1 of the California Government Code) to assist in the financing of public capital improvements to be owned by any of its members (the City and the Commission). The operations of the Authority are reported as government funds of the City.

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

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, 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.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements

The City government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of governmental and business-type activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These basic financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets and related infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. (In the Statement of Activities, internal service fund transactions have been eliminated.) However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Operating transfers in/out

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business-type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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 balance sheet and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Change in Net Assets, and a Statement of Cash Flows for all proprietary funds.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Assets. The City’s fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting as are the governmental funds explained above. Fiduciary fund types are accounted for according to the nature of the fund.

C. Use of Restricted and Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City’s policy is to apply restricted net assets first.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. 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.

E. 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.

F. Inventory

Inventory is recorded 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 proprietary funds are recorded at cost, which approximates market, and include various accessories used for repair and maintenance of equipment.

G. Land Held for Resale

Land held for resale is carried at the lower of cost or market, but not greater than the net 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 Basic Financial Statements, Continued
For the year ended June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting infrastructure at \$100,000, all other capital assets are set at \$10,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	50-60 years
Improvements other than buildings	30-50 years
Machinery and Equipment	5-20 years
Infrastructure	15-50 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB Statement No. 34, the City has included all infrastructure into the 2001-02 basic financial statements.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, park lands, and buildings. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property as of June 30, 2002. This appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Long-Term Debt

Government-Wide Financial Statements

Long-term debt and other financed obligations are reported as liabilities in the appropriate funds.

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.

Fund Financial Statements

The fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

J. 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.

K. Net Assets

Government-Wide Financial Statements

Invested in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Net Assets, Continued

Fund Financial Statements

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.

L. Compensated Absences

Government-Wide Financial Statements

For governmental and business-type activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported.

Fund Financial Statements

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. In proprietary funds, compensated absences are expensed 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.

M. Implementation of New GASB Pronouncements

In 2002, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.
- Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*
- Statement No. 38, *Certain Financial Statement Note Disclosures*

GASB Statement No. 34 is a new financial reporting requirement for local governments in the United States. The City has implemented this pronouncement and has restructured much of the information that it has presented in the past. The main goal is to make the reports more comprehensive and easier to understand and use.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Implementation of New GASB Pronouncements, Continued

GASB Statement No. 37 addresses selected issues and amends GASB Statement No. 21, *Accounting for Escheat Property*, and No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. These Statements make selective changes including accounting for Escheat Property, Management's Discussion and Analysis, Capitalization of Construction – Period Interest, Modified Approach for Reporting Infrastructure, Program Revenues and Major Fund Criteria.

GASB Statement No. 38 establishes and modifies disclosure requirements related to Summary of Significant Accounting Policies, actions taken to address violations of significant finance – related legal and contractual provisions, debt and lease obligations, short-term debt, disaggregation of receivable and payable balances, and interfund balances and transfers.

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. Deposits

The carrying amounts of the City's cash deposits were \$(382,332) at June 30, 2002. Bank balances before reconciling items were \$1,116,359 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.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

2. CASH AND INVESTMENTS, Continued

A. Deposits, Continued

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.

B. Investments

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments were 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 in all funds and component units.

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.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

2. CASH AND INVESTMENTS, Continued

C. Credit Risk, Continued

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.

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.

D. Summary of Cash and Investments

The following is a summary of cash and investments at June 30, 2002:

	Government-Wide Statement of Net Assets			Fund Financials	
				Fiduciary Funds	
	Governmental	Business-Type		Statement of	
	Activities	Activities	Totals	Net Assets	Totals
Cash and Investments	\$ 99,886,759	\$ 70,151,580	\$ 170,038,339	\$ 5,597,173	\$ 175,635,512
Restricted Cash and Investments	\$ 7,492,915	\$ 42,923,238	\$ 50,416,153	\$ -	\$ 50,416,153

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

2. CASH AND INVESTMENTS, Continued

D. Summary of Cash and Investments, Continued

Cash (deposits) and investments were categorized as follows at June 30, 2002:

	Category		Un-categorized	Fair Value
	1	2		
City Treasury:				
Deposits:				
Deposit	\$ (382,332)	\$ -	\$ -	\$ (382,332)
Total deposits	(382,332)	-	-	(382,332)
Investments:				
Investment in partnership	-	-	245,000	245,000
Securities of U.S. government agencies	-	133,516,844	-	133,516,844
Local Agency Investment Funds	-	-	42,256,000	42,256,000
Total investments	-	133,516,844	42,501,000	176,017,844
Total City Treasury	(382,332)	133,516,844	42,501,000	175,635,512
Restricted Cash and Investments:				
Milestone Treasury Money Market Fund	-	50,416,153	-	50,416,153
Total restricted cash and investments	-	50,416,153	-	50,416,153
Total cash and investments	\$ (382,332)	\$ 183,932,997	\$ 42,501,000	\$ 226,051,665

At June 30, 2002, the City had no category 3 investments.

E. Investments in Local Agency Investment Funds

The City's investments with Local Agency Investment Funds (LAIF), a State of California investment pool, at June 30, 2002, 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.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

2. CASH AND INVESTMENTS, Continued

E. Investments in Local Agency Investment Funds, Continued

As of June 30, 2002, the City had \$42,256,000 invested in LAIF, which had invested 3.086% of the pool investment funds in Structured Notes and Asset-Backed Securities. The City valued its investments in LAIF as of June 30, 2002, at cost which approximate fair value. Fair value is calculated by multiplying the 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.

F. Summary of Investments to Maturity

Investments held in the City Treasury grouped by maturity date at June 30, 2002, are shown below:

<u>Maturity</u>	
Current to one year	\$ 48,526,930
One to two years	53,769,120
Two to three years	67,735,794
Three to four years	5,034,750
Five years	<u>951,250</u>
Total	<u>\$ 176,017,844</u>

3. PROPERTY TAXES

Property taxes attach a legal enforceable lien on property as of January 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 an enforceable legal lien is attached to the property.

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 Basic Financial Statements, Continued
For the year ended June 30, 2002

4. RECEIVABLES

A. Notes Receivable

At June 30, 2002, the City had the following notes receivable:

Housing Rehabilitation	\$ 2,998,375
Low and Moderate Income Housing	<u>74,669</u>
Total	<u>\$ 3,073,044</u>

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

The City 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.

B. Assessments Receivable

As of June 30, 2002, the following assessments receivable were outstanding:

Weed Abatement	\$ 1,821
1993 Special Tax Refunding Bonds	1,160,000
1994 Oceanside Local Agency Revenue Bonds	<u>2,937,600</u>
Total	<u>\$ 4,099,421</u>

The City collects money from property owners for weed abatement purposes. The amount of the receivable for this program was \$1,821.

In connection with the Authority's issuance of its \$6,825,000 1993 Special Tax Bonds, the Commission has recorded \$1,160,000 in assessments receivable and a corresponding deferred revenue. These amounts will be reduced as the principal on the bonds mature.

In connection with the Authority's issuance of its \$4,120,000 and \$974,719 Oceanside Local Agency Revenue Bonds, the Commission has recorded \$2,937,600 in assessments receivable and corresponding deferred revenue. These amounts will be reduced as the principal on the bonds mature.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

5. INTERFUND TRANSACTIONS

A. Government-Wide Financial Statements

Internal Balances

At June 30, 2002, the City had the following short-term interfund receivables and payables:

Internal Balances Out		Internal Balances In
		Business-Type Activities
	Governmental Activities	<u>\$ 496,566</u>

Transfers

At June 30, 2002, the City had the following operating transfers:

Transfers In		Transfers Out
		Business-Type Activities
	Governmental Activities	<u>\$ 900,000</u>

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

5. INTERFUND TRANSACTIONS, Continued

B. Fund Financial Statements

Due To, Due From

At June 30, 2002, the City had the following short-term interfund receivables and payables:

		Due From				
		Redevelopment		Enterprise Funds		Totals
		General	Agency	Water	Sewer	
Due To	Redevelopment Agency	\$ -	\$ -	\$ 745,688	\$ -	\$ 745,688
	Non-major Governmental					
	Funds	462,438	590,825	-	-	1,053,263
	Enterprise Funds:					
	Water	-	-	14,835,000	-	14,835,000
	Sewer	-	-	-	10,960,000	10,960,000
Totals		<u>\$ 462,438</u>	<u>\$ 590,825</u>	<u>\$ 15,580,688</u>	<u>\$ 10,960,000</u>	<u>\$ 27,593,951</u>

Long-Term Advances

At June 30, 2002, the City had the following interfund long-term advances:

		Advances To		
		Redevelopment		Totals
		General	Agency	
Advances From	Non-major Governmental			
	Funds	\$ 6,101,054	\$ 4,543,517	\$ 10,644,572
	Enterprise Fund:			
	Special Aviation	249,122	-	249,122
Totals		<u>\$ 6,350,176</u>	<u>\$ 4,543,517</u>	<u>\$ 10,893,694</u>

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

5. INTERFUND TRANSACTIONS, Continued

B. Fund Financial Statements, Continued

Operating Transfers

At June 30, 2002, the City had the following operating transfers:

		Transfers Out					
		General	Housing Assistance Program	General Improvements	Non-major Governmental Funds	Enterprise Fund Water	Totals
Transfers In	General	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
	Housing Assistance Program	364,102	11,638	-	-	-	375,740
	Redevelopment Agency	-	-	-	4,656,357	-	4,656,357
	General Improvement	1,775,000	-	-	-	900,000	2,675,000
	Non-major Governmental Funds	185,033	-	580,453	293,453	-	1,058,939
	Enterprise Fund: Water	-	-	-	-	362,000	362,000
	Internal Service Funds	549,226	-	-	-	-	549,226
	Totals	\$ 3,123,361	\$ 11,638	\$ 580,453	\$ 4,949,810	\$ 1,262,000	\$ 9,927,262

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

6. CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2002, the City's capital assets consisted of the following:

	Government Activities	Business-Type Activities	Totals
Non-Depreciable Assets:			
Land	\$ 49,107,260	\$ 14,818,769	\$ 63,926,029
Construction in process	1,761,810	57,328,437	59,090,247
Total non-depreciable assets, net	50,869,070	72,147,206	123,016,276
Depreciable Assets:			
Buildings	59,361,921	64,788,735	124,150,656
Improvements	7,887,865	196,028,668	203,916,533
Equipment	40,134,847	5,738,111	45,872,958
Infrastructure	225,523,778	-	225,523,778
	332,908,411	266,555,514	599,463,925
Less accumulated depreciation	(132,651,573)	(98,175,612)	(230,827,185)
Total depreciable assets, net	200,256,838	168,379,902	368,636,740
Total capital assets	\$ 251,125,908	\$ 240,527,108	\$ 491,653,016

The following is a summary of capital assets for governmental activities:

	Balance July 1, 2001	Additions	Deletions	Adjustments	Balance June 30, 2002
Land	\$ 41,636,428	\$ 7,470,832	\$ -	\$ -	\$ 49,107,260
Buildings and structures	63,824,386	51,613	-	(4,514,079)	59,361,920
Improvements other than buildings	15,715,326	1,300,693	-	(9,128,153)	7,887,866
Machinery and equipment	34,419,751	1,975,654	(1,765,194)	5,504,636	40,134,847
Construction in progress	548,671	1,213,139	-	-	1,761,810
Infrastructure	-	9,235,151	-	216,288,627	225,523,778
	156,144,562	21,247,082	(1,765,194)	208,151,031	383,777,481
Less accumulated depreciation	(10,378,423)	(10,380,880)	1,720,366	(113,612,636)	(132,651,573)
Total governmental activities	\$ 145,766,139	\$ 10,866,202	\$ (44,828)	\$ 94,538,395	\$ 251,125,908

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

6. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

Governmental activities depreciation expense for capital assets for the year ended June 30, 2002 was \$10,380,880.

The following is a summary of capital assets for business-type activities:

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Land	\$ 14,818,769	\$ -	\$ -	\$ 14,818,769
Buildings and structures	64,662,971	125,764	-	64,788,735
Improvements other than buildings	192,580,546	3,463,044	(14,922)	196,028,668
Machinery and equipment	5,203,387	1,042,107	(507,385)	5,738,109
Construction in progress	23,615,374	37,866,806	(4,153,741)	57,328,439
	300,881,047	42,497,721	(4,676,048)	338,702,720
Less accumulated depreciation	(90,953,791)	(7,744,128)	522,307	(98,175,612)
Total business-type activities	\$ 209,927,256	\$ 34,753,593	\$ (4,153,741)	\$ 240,527,108

Business-type activities depreciation expense for capital assets for the year ended June 30, 2002 are as follows:

Water	\$ 3,479,484
Sewer	3,204,928
Waste Disposal	14,881
Special Aviation	28,038
Oceanside Small Craft Harbor District	1,016,797
Total depreciation expense	\$ 7,744,128

B. Fund Financial Statements

The fund financial statements do not present general government capital assets but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

7. LAND AND BUILDINGS HELD FOR RESALE

Land and buildings held for resale comprised the following at June 30, 2002:

Governmental Activities:

Capital Projects Fund:	
Redevelopment Agency	<u>\$ 2,194,234</u>

Land and buildings held for resale are recorded in the Redevelopment Agency Capital Projects Fund at the lower of cost or market, but not greater than 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 current operations. The amount recorded as assets held for resale and the corresponding fund balance reserved as of June 30, 2002, was \$2,194,234.

8. LONG-TERM DEBT

A. Governmental Activities Long-Term Debt

Summary of changes in governmental activities long-term debt for the year ended June 30, 2002 was as follows:

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002	Due within one year	Due in more than one year
Bonds payable	\$ 21,575,000	\$ 22,030,000	\$ (420,000)	\$ 43,185,000	\$ 605,000	\$ 42,580,000
Certificates of Participation	71,515,000	-	(2,265,000)	69,250,000	2,395,000	66,855,000
Loans payable	-	3,550,000	(3,550,000)	-	-	-
Special assessment debt with government commitment	4,800,000	-	(702,400)	4,097,600	660,000	3,437,600
Totals	<u>\$ 97,890,000</u>	<u>\$ 25,580,000</u>	<u>\$ (6,937,400)</u>	<u>\$ 116,532,600</u>	<u>\$ 3,660,000</u>	<u>\$ 112,872,600</u>

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Bonds Payable

Bonds payable at June 30, 2002, consisted of the following:

1993 Tax Allocation Refunding Bonds	\$ 8,000,000
1994 Tax Allocation Refunding Bonds	13,155,000
2002 Tax Allocation Refunding Bonds	<u>22,030,000</u>
Total	<u><u>\$ 43,185,000</u></u>

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
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
2007	350,000	402,705	752,705
2008-2012	2,105,000	1,660,099	3,765,099
2013-2017	2,895,000	905,087	3,800,087
2018-2019	<u>1,445,000</u>	<u>89,517</u>	<u>1,534,517</u>
Totals	<u><u>\$ 8,000,000</u></u>	<u><u>\$ 4,852,615</u></u>	<u><u>\$ 12,852,615</u></u>

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Bonds Payable, Continued

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.

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
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
2007	200,000	840,497	1,040,497
2008-2012	1,205,000	3,987,506	5,192,506
2013-2017	1,590,000	3,525,700	5,115,700
2018-2022	4,680,000	2,643,082	7,323,082
2023-2025	4,765,000	506,198	5,271,198
Totals	\$ 13,155,000	\$ 14,977,379	\$ 28,132,379

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Bonds Payable, Continued

2002 Tax Allocation Refunding Bonds - Original Issue \$22,030,000

The 2002 Tax Allocation Refunding Bonds were issued finance the Commission's projects in the Downtown Redevelopment Project pursuant to the Redevelopment Plan, to provide for fund reserves, and pay for the costs of the bond issuance.

The bonds mature annually through 2020, in amounts ranging from \$165,000 to \$1,240,000. Interest rates vary from 3.0% to a maximum of 5.5% and are payable annually on September 1. The bonds can be redeemed prior to maturity if notice of such redemption is mailed and trustee is satisfied with such procedure.

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

For the Years Ending June 30,	Principal	Interest	Totals
2004	\$ 165,000	\$ 1,147,500	\$ 1,312,500
2005	540,000	1,142,550	1,682,550
2006	610,000	1,123,650	1,733,650
2007	630,000	1,101,538	1,731,538
2008	655,000	1,076,338	1,731,338
2009-2013	3,760,000	4,906,814	8,666,814
2014-2018	4,790,000	3,871,989	8,661,989
2019-2023	3,530,000	2,432,975	5,962,975
2024-2025	7,350,000	545,388	7,895,388
Totals	\$ 22,030,000	\$ 17,348,742	\$ 39,378,742

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Certificates of Participation

Certificates of participation payable at June 30, 2002, consisted of the following:

Bridge Corporation 1992 Refunding Certificates of Participation	\$ 2,635,000
Building Authority 1993 Series A Refunding Certificates of Participatio	24,510,000
Building Authority 1994 Certificates of Participation	2,495,000
Oceanside Civic Center 1995 Refunding Certificates of Participation	29,265,000
Building Authority 1998 Certificates of Participation	10,345,000
Total	\$ 69,250,000

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 certificates are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
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
2007	490,000	66,380	556,380
2008	535,000	34,775	569,775
Totals	\$ 2,635,000	\$ 633,035	\$ 3,268,035

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Certificates of Participation, Continued

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

The 1993 Series A Refunding Certificates of Participation were issued by the 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.

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 certificates are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
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
2007	895,000	1,366,013	2,261,013
2008-2012	5,415,000	5,896,125	11,311,125
2013-2017	7,325,000	3,990,150	11,315,150
2018-2022	6,580,000	1,596,956	8,176,956
2023	1,220,000	80,825	1,300,825
Totals	\$ 24,510,000	\$ 18,895,695	\$ 43,405,695

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Certificates of Participation, Continued

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

The 1994 Certificates of Participation 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.

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

For the Years Ending June 30,	Principal	Interest	Totals
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
2007	165,000	122,358	287,358
2008-2012	995,000	431,670	1,426,670
2013-2015	770,000	79,731	849,731
Totals	\$ 2,495,000	\$ 1,215,712	\$ 3,710,712

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Certificates of Participation, Continued

1995 Refunding Certificates of Participation – Original Issue \$34,300,000

The 1995 Refunding Certificates of Participation 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 certificates are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
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
2007	1,210,000	1,349,753	2,559,753
2008-2012	7,165,000	5,622,252	12,787,252
2013-2017	9,535,000	3,249,127	12,784,127
2018-2020	7,100,000	571,988	7,671,988
Totals	\$ 29,265,000	\$ 16,771,066	\$ 46,036,066

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Certificates of Participation, Continued

1998 Certificates of Participation – Original Issue \$10,750,000

The 1998 Certificates of Participation 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 certificates are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
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
2007	305,000	461,215	766,215
2008-2012	1,880,000	2,063,568	3,943,568
2013-2017	2,635,000	1,517,730	4,152,730
2018-2022	3,630,000	722,493	4,352,493
2023	875,000	22,750	897,750
Totals	\$ 10,345,000	\$ 6,757,974	\$ 17,102,974

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Loans payable

During the fiscal year ended June 30, 2002, the City loaned the Community Development Commission \$3,550,000 to fund the acquisition of property for implementation of the redevelopment plan. The loan was paid off during the fiscal year ended June 30, 2002.

Special Assessment Debt with City Commitment

Special Assessment Debt with City Commitment at June 30, 2002, consisted of the following:

1993 Community Facilities District No.1 Special Tax Revenue Bonds	\$ 1,160,000
1994 Assessment District Refinancing Revenue Bonds	2,610,000
1994 Assessment District Refinancing Subordinated Revenue Bonds	<u>327,600</u>
Total	<u><u>\$ 4,097,600</u></u>

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
2003	\$ 355,000	\$ 75,756	\$ 430,756
2004	385,000	47,081	432,081
2005	<u>420,000</u>	<u>16,081</u>	<u>436,081</u>
Totals	<u><u>\$ 1,160,000</u></u>	<u><u>\$ 138,918</u></u>	<u><u>\$ 1,298,918</u></u>

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Special Assessment Debt with Government Commitment, Continued

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
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
2007	330,000	76,203	406,203
2008-2010	1,140,000	179,581	1,319,581
Totals	\$ 2,610,000	\$ 731,397	\$ 3,341,397

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Special Assessment Debt with Government Commitment, Continued

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
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
2007	50,000	12,163	62,163
2008-2010	92,600	16,916	109,516
Totals	\$ 327,600	\$ 105,802	\$ 433,402

Claims Payable

Claims payable have been accrued. Amounts determined to be debts of either the business-type and proprietary funds have been recorded as liabilities in those funds. There is no fixed payment schedule to pay these liabilities. Total amount of claims payable for the governmental activities at June 30, 2002, was \$6,594,510.

Compensated Absences

The City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) in the governmental activities has been accrued and amounts to \$6,978,921 at June 30, 2002.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type and Proprietary Funds

Summary of changes in long-term debt of business-type and proprietary funds for the year ended June 30, 2002:

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002	Due within one year	Due in more than one year
Bonds payable	\$ 11,225,000	\$ -	\$ (105,000)	\$ 11,120,000	\$ 105,000	\$ 11,015,000
Certificates of participation	27,740,000	-	(1,430,000)	26,310,000	1,505,000	24,805,000
Notes payable	71,527,063	6,455,364	(2,247,868)	75,734,559	945,389	74,789,170
Totals	\$ 110,492,063	\$ 6,455,364	\$ (3,782,868)	\$ 113,164,559	\$ 2,555,389	\$ 110,609,170

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
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
2007	590,000	412,631	1,002,631
2007-2011	3,360,000	1,648,996	5,008,996
2012-2016	4,200,000	774,452	4,974,452
2017-2018	965,000	24,125	989,125
Totals	\$ 11,120,000	\$ 4,750,271	\$ 15,870,271

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type and Proprietary Funds, Continued

Certificates of Participation

Certificates of Participation payable at June 30, 2002, consisted of the following:

1992 WaterReuse Finance Program Certificates of Participation Series A	\$ 515,000
1993 Water System Refunding Project Certificates of Participation	14,835,000
1993 Wastewater System Refunding Plan Certificates of Participation	<u>10,960,000</u>
Total	<u><u>\$ 26,310,000</u></u>

1992 Water Reuse 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 basic 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 are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
2003	\$ 515,000	\$ 529,304	\$ 1,044,304
Totals	<u><u>\$ 515,000</u></u>	<u><u>\$ 529,304</u></u>	<u><u>\$ 1,044,304</u></u>

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type and Proprietary Funds, Continued

Certificates of Participation, Continued

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 are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
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
2007	800,000	664,245	1,464,245
2008-2012	4,175,000	2,594,613	6,769,613
2013-2017	3,035,000	1,619,761	4,654,761
2018-2022	4,010,000	581,595	4,591,595
Totals	\$ 14,835,000	\$ 8,514,239	\$ 23,349,239

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type and Proprietary Funds, Continued

Certificates of Participation, Continued

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 are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
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
2007	420,000	545,328	965,328
2007-2011	2,465,000	2,347,211	4,812,211
2012-2016	3,255,000	1,558,390	4,813,390
2017-2021	3,355,000	499,960	3,854,960
Totals	\$ 10,960,000	\$ 7,335,159	\$ 18,295,159

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type and Proprietary Funds, Continued

Notes Payable

Notes payable at June 30, 2002, consisted of the following:

State of California Water Supply Project	\$ 2,588,909
State revolving loan	6,259,894
State Water Resources Control Board	7,589,333
Department of Boating and Waterways	4,851,423
1998 Wateruse Purchase Contract	54,445,000
Total	\$ 75,734,559

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 are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
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
2007	389,764	68,756	458,521
2008-2009	851,350	133,614	984,964
Totals	\$ 2,588,909	\$ 688,658	\$ 3,277,568

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type and Proprietary Funds, Continued

Notes Payable, Continued

State Water Resource Control Board Loan for the San Luis Rey Wastewater Treatment Plant Interim Expansion - Original Issue \$6,259,894

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 \$60,000,000 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 \$2,926,499 commencing in May 2005 through 2024. The loan is interest free.

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 are as follows:

For the Years Ending June 30,	Principal	Interest	Totals
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
2007	504,252	153,939	658,191
2008-2012	2,732,986	557,971	3,290,957
2013-2015	2,464,216	168,550	2,632,766
Totals	\$ 7,589,333	\$ 1,625,345	\$ 9,214,678

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type and Proprietary Funds, Continued

Notes Payable, Continued

Department of Boating and Waterways

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

	Amount Outstanding at June 30, 2002
1984 Loan Payable	
Due in annual installments of \$64,425 through 2015 including interest of 4.5% per annum	\$ 659,271
1986 Loan Payable	
Due in annual installments of \$227,600 through 2017 including interest of 4.5% per annum	2,592,563
1991 Loan Payable	
Due in annual installments of \$116,003 through 2023 including interest of 4.5% per annum	1,599,589
Total loans payable	<u><u>\$ 4,851,423</u></u>

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:

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type and Proprietary Funds, Continued

Notes Payable, Continued

For the Years Ending June 30,	Principal
2003	1,420,000
2004	1,475,000
2005	1,515,000
2006	1,565,000
2007	1,610,000
2007-2011	8,865,000
2012-2016	10,360,000
2017-2021	12,110,000
2022-2026	14,145,000
2027-2028	1,380,000
Total	\$ 54,445,000

Claims Payable

The City reported claims payable for workers' compensation liabilities in the business-type and proprietary funds that incurred the loss. General liability claims and the short-term portion of workers' compensation liabilities that were incurred were reported in governmental funds. Claims payable at June 30, 2002, were recorded in the following funds:

Business-Type Activities:	
Water	\$ 142,723
Total claims payable	\$ 142,723

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type and Proprietary Funds, 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, 2002, compensated absences in the proprietary funds types were as follows:

Business-Type Activities:	
Water	\$ 441,042
Sewer	609,122
Waste Disposal	100,041
Oceanside Small Craft Harbor	245,688
Total compensated absences payable	\$ 1,395,893

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

The following Mortgage Revenue and Special District Bonds bearing 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 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 obligations were included in the accompanying basic financial statements.

Issue	Issuing Agency	Date of Issue	Amount of Issue	Outstanding at June 30, 2002
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	16,370,000
City of Oceanside Assessment District No 4-1988 (Mission Square)	City of Oceanside	May 1, 1994	320,830	235,000
1994 Multi-Family Housing Revenue Refunding Bonds Lakeridge	City of Oceanside	December 1, 1994	43,240,000	43,240,000

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

9. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

A. Deficit Fund Balances

At June 30, 2002, the following funds had deficit fund balances. The City has implemented plans to eliminate these deficits.

<u>Fund Name</u>	<u>Deficit Fund Balance</u>
Special Revenue Funds	
Community Development Block Grant	\$ 1,164
Debt Service Funds	
Redevelopment Agency	\$ 8,745,339

B. Excess of Expenditures over Appropriations

At June 30, 2002, there were funds with immaterial excess of expenditures over appropriations. The City has implemented plans to eliminate these excess expenditures.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

10. 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. Condensed Financial Segment Information as of and for the year ended June 30, 2002, is presented as follows:

	Water Fund	Sewer Fund	Waste Disposal Fund	Special Aviation Fund	Oceanside Small Craft Harbor Fund	Totals
Current assets	\$ 57,784,780	\$ 35,489,141	\$ 2,843,210	\$ (42,448)	\$ 8,735,850	\$ 104,810,533
Capital assets, net	100,634,019	129,340,889	223,852	1,383,994	8,944,354	240,527,108
Other assets	824,732	273,008	-	-	-	1,097,740
Current liabilities	19,796,749	15,498,412	618,051	2,308	778,497	36,694,017
Long-term liabilities	28,064,958	79,070,070	100,041	249,122	4,912,717	112,396,908
Amounts invested in capital assets, net of related debt	43,047,682	9,177,810	188,524	239,499	4,066,828	56,720,343
Restricted net assets	4,743,329	38,179,909	-	-	-	42,923,238
Unrestricted net assets	67,509,410	61,083,738	2,160,446	850,617	7,922,162	139,526,373
Operating revenues	36,260,949	17,280,192	16,312,565	139,493	4,320,648	74,313,847
Operating expenses	28,613,454	15,728,249	14,955,237	225,154	4,236,845	63,758,939
Depreciation expense	3,479,484	3,204,928	14,881	28,038	1,016,797	7,744,128
Operating income (loss)	7,647,495	1,551,943	1,357,328	(85,661)	83,803	10,554,908
Nonoperating revenue	2,324,950	2,007,338	-	33,719	395,781	4,761,788
Nonoperating expenses	1,758,894	1,994,917	-	-	392,226	4,146,037
Transfers	(900,000)	-	-	-	-	(900,000)
Change in net assets	7,313,551	1,564,364	1,357,328	(51,942)	87,358	10,270,659
Beginning net assets	107,529,720	106,877,093	991,642	1,142,058	11,901,632	228,442,145
Equity transfer	457,150	-	-	-	-	457,150
Ending net assets	115,300,421	108,441,457	2,348,970	1,090,116	11,988,990	239,169,954
Net cash provided (used) by:						
Operating activities	10,046,259	7,874,428	247,581	(76,167)	1,049,912	19,142,013
Noncapital financing activities	(900,000)	-	-	-	-	(900,000)
Capital and related financing activities	(10,317,578)	(7,849,022)	(165,276)	33,719	(663,121)	(18,961,278)
Investing activities	1,442,823	2,007,338	-	-	395,781	3,845,942
Beginning cash and cash equivalent balances	36,564,618	20,546,473	1,689,305	-	7,767,357	66,567,753
Equity transfer	457,150	-	-	-	-	457,150
Ending cash and cash equivalent balances	37,293,272	22,579,217	1,771,610	(42,448)	8,549,929	70,151,580

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

11. RISK MANAGEMENT

The City is a member of the San Diego Pooled Insurance Program Authority (SANDPIPA) which provides general liability 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. There have been no significant changes in insurance coverage during the current year and settlements have not exceeded coverage in each of the past three fiscal years.

The workers' compensation and general and auto liability claims payable of \$5,585,498 reported at June 30, 2002, 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,
2001	\$ 3,379,011	\$ 3,484,114	\$ (3,438,418)	\$ 3,424,707
2002	3,424,707	3,891,648	(1,730,857)	5,585,498

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 (IBNR) losses
- Costs to purchase excess insurance
- Costs to purchase any additional coverage

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

11. RISK MANAGEMENT, Continued

The following represents summary audited financial information of SANDPIPA for the fiscal year ended June 30, 2002, which is the most current information available:

Total assets	<u>\$ 22,009,066</u>
Total liabilities	<u>\$ 7,854,699</u>
Fund equity	<u>\$ 14,154,367</u>
Total revenues	<u>\$ 3,826,522</u>
Total expenses	<u>\$ 4,561,137</u>
Net increase in fund equity	<u>\$ (734,615)</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.

12. 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 \$3,390,547 for the year ended June 30, 2002. The City employer is required to contribute for fiscal year 2001-2002 at an actuarially determined rate of 0.00% and 1.927% of annual covered payroll for miscellaneous and safety employees, respectively.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

12. RETIREMENT PLANS, Continued

Pension Plan, Continued

Annual Pension Cost – For fiscal year 2001-2002, the City's annual pension cost of \$1,835,598 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>
6/30/00	\$ 4,337,494	100%	\$ -
6/30/01	871,505	100%	-
6/30/02	1,835,598	100%	-

13. 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.

City of Oceanside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2002

14. PRIOR PERIOD ADJUSTMENTS & EQUITY TRANSFERS

A. Government-Wide Statements

The City recorded the following prior period adjustments to correct prior year transactions, record long-term advances and implement GASB Statement No. 34. Accordingly, the net assets as of July 1, 2001, have been restated as follows:

	Net Assets as Previously Reported	Prior Period Adjustments			Net Assets as Restated
		Capital Assets	Long-term Debt	Other	
Government-Wide Activities:					
Net assets	\$ 94,789,753	\$ 232,609,396	\$ (110,265,742)	\$ (7,191,411)	\$ 209,941,996
Total government-wide activities	<u>\$ 94,789,753</u>	<u>\$ 232,609,396</u>	<u>\$ (110,265,742)</u>	<u>\$ (7,191,411)</u>	<u>\$ 209,941,996</u>

B. Fund Financial Statements

	Net Assets as Previously Reported	Prior Period Adjustments	Net Assets, as restated
Governmental Activities:			
General	\$ 22,468,708	\$ 587,748	\$ 23,056,456
Redevelopment Agency	7,225,565	3,903,349	11,128,914
General Improvement	21,171,461	(364,171)	20,807,290
Non-major Funds:			
Grants - Special Revenue	644,292	115,990	760,282
Redevelopment Agency - Debt Service	1,846,730	(10,508,802)	(8,662,072)
Total governmental activities	<u>\$ 53,356,756</u>	<u>\$ (6,265,886)</u>	<u>\$ 47,090,870</u>

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REQUIRED SUPPLEMENTARY INFORMATION

City of Oceanside
Required Supplementary Information
For the year ended June 30, 2002

Budgets and Budgetary Accounting

The City's procedures in establishing the budgetary data 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 project 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
Required Supplementary Information, Continued
For the year ended June 30, 2002

General Fund

	Budgeted Amounts		Actual	Favorable (Unfavorable) Variance with Final Budget
	Original	Final	Amounts	
Fund balance, July 1	\$ 29,942,070	\$ 29,942,070	\$ 29,942,070	\$ -
Resources (inflows):				
Property taxes	37,970,489	37,970,489	39,793,547	1,823,058
Licenses, fees, and permits	1,980,200	1,980,200	2,650,656	670,456
Fines and penalties	2,412,700	2,412,700	2,518,911	106,211
Use of money and property	6,430,600	6,430,600	4,937,957	(1,492,643)
Intergovernmental revenue	9,435,300	9,435,300	10,339,051	903,751
Current services	8,428,092	8,603,092	10,120,406	1,517,314
Developer fees				
Other revenues	38,300	95,028	146,755	51,727
Payment in lieu of services	8,849,319	8,849,319	8,998,124	148,805
Transfers from other funds	250,000	250,000	250,000	-
Amount available for appropriation	75,795,000	76,026,728	79,755,407	3,728,679
Charges to appropriations (outflows):				
General government	10,015,540	11,593,714	10,547,192	1,046,522
Public safety	40,295,160	43,493,612	42,940,769	552,843
Public works	6,078,490	6,610,058	6,705,323	(95,265)
Community development	3,994,230	4,210,207	3,805,026	405,181
Community/cultural services	8,301,173	8,451,670	8,911,250	(459,580)
Non-departmental:				
Interest	-	187,460	-	187,460
Transfers	1,562,610	2,181,582	3,123,361	(941,779)
Total charges to appropriations	70,247,203	76,728,303	76,032,921	695,382
Excess of resources over (under) charges to appropriations	5,547,797	(701,575)	3,722,486	3,033,297
Fund balance, June 30	\$ 35,489,867	\$ 29,240,495	\$ 33,664,556	\$ 3,033,297

City of Oceanside
Required Supplementary Information, Continued
For the year ended June 30, 2002

Housing Assistance Program Special Revenue Fund

	Budgeted Amounts		Actual	Favorable (Unfavorable) Variance with
	Original	Final	Amounts	Final Budget
Fund balance, July 1	<u>\$ 4,720,780</u>	<u>\$ 4,720,780</u>	<u>\$ 4,720,780</u>	<u>\$ -</u>
Resources (inflows):				
Property taxes	-	-	-	-
Licenses, fees, and permits	117,500	117,500	126,202	8,702
Fines and penalties	-	-	77	77
Use of money and property	86,094	86,094	389,096	303,002
Intergovernmental revenue	11,200,951	13,867,797	11,903,996	(1,963,801)
Current services	240,820	240,820	237,766	(3,054)
Other revenues	245,000	245,000	170,534	(74,466)
Payment in lieu of services	-	-	-	-
Transfers from other funds	<u>348,348</u>	<u>399,986</u>	<u>375,740</u>	<u>(24,246)</u>
Amount available for appropriation	<u>12,238,713</u>	<u>14,957,197</u>	<u>13,203,411</u>	<u>(1,753,786)</u>
Charges to appropriations (outflows):				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	12,244,356	15,149,683	13,258,048	1,891,635
Library	-	-	-	-
Non-departmental:				
Capital outlay	-	-	-	-
Transfers to other funds	<u>1,138</u>	<u>12,776</u>	<u>11,638</u>	<u>1,138</u>
Total charges to appropriations	<u>12,245,494</u>	<u>15,162,459</u>	<u>13,269,686</u>	<u>1,892,773</u>
Excess of resources over (under) charges to appropriations	<u>(6,781)</u>	<u>(205,262)</u>	<u>(66,275)</u>	<u>(3,646,559)</u>
Fund balance, June 30	<u><u>\$ 4,713,999</u></u>	<u><u>\$ 4,515,518</u></u>	<u><u>\$ 4,654,505</u></u>	<u><u>\$ (3,646,559)</u></u>

City of Oceanside
Required Supplementary Information, Continued
For the year ended June 30, 2002

Redevelopment Agency Capital Projects Fund

	Budgeted Amounts		Actual	Favorable (Unfavorable) Variance with
	Original	Final	Amounts	Final Budget
Fund balance, July 1	\$ 10,671,764	\$ 10,671,764	\$ 10,671,764	\$ -
Resources (inflows):				
Property taxes	765,000	765,000	943,376	178,376
Licenses, fees, and permits	-	-	-	-
Fines and penalties	-	-	-	-
Use of money and property	275,000	275,000	313,879	38,879
Intergovernmental revenue	-	-	-	-
Current services	-	-	-	-
Developer fees				
Other revenues	75,000	975,000	983,712	8,712
Payment in lieu of services	-	-	-	-
Debt proceeds	-	-	3,550,000	3,550,000
Transfers from other funds	1,338,749	1,338,749	4,656,357	3,317,608
Amount available for appropriation	2,453,749	3,353,749	10,447,324	7,093,575
Charges to appropriations (outflows):				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	584,320	2,334,320	529,282	1,805,038
Capital improvement	230,000	9,154,500	7,732,629	1,421,871
Non-departmental:				
Capital outlay	-	-	-	-
Transfers to other funds	-	-	-	-
Total charges to appropriations	814,320	11,488,820	8,261,911	3,226,909
Excess of resources over (under) charges to appropriations	1,639,429	(8,135,071)	2,185,413	3,866,666
Fund balance, June 30	\$ 12,311,193	\$ 2,536,693	\$ 12,857,177	\$ 3,866,666

City of Oceanside
Required Supplementary Information, Continued
For the year ended June 30, 2002

General Improvement Capital Projects Fund

	Budgeted Amounts		Actual	Favorable (Unfavorable) Variance with
	Original	Final	Amounts	Final Budget
Fund balance, July 1	\$ 22,032,659	\$ 22,032,659	\$ 22,032,659	\$ -
Resources (inflows):				
Property taxes	-	-	-	-
Licenses, fees, and permits	-	-	-	-
Fines and penalties	-	-	-	-
Use of money and property	1,025,270	1,025,270	1,199,902	174,632
Intergovernmental revenue	1,470,860	1,470,860	1,558,978	88,118
Current services	-	-	-	-
Developer fees				
Other revenues	3,282,961	3,282,961	7,055,676	3,772,715
Payment in lieu of services	-	-	-	-
Transfers from other funds	2,675,000	2,700,000	2,675,000	(25,000)
Amount available for appropriation	8,454,091	8,479,091	12,489,556	4,010,465
Charges to appropriations (outflows):				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	450,000	499,380	273,433	225,947
Capital Improvement	20,394,080	21,528,448	7,913,903	13,614,545
Community development	-	64,540	31,626	32,914
Non-departmental:				
Capital outlay	-	-	-	-
Transfers to other funds	580,453	580,453	580,453	-
Total charges to appropriations	21,424,533	22,672,821	8,799,415	13,873,406
Excess of resources over (under) charges to appropriations	(12,970,442)	(14,193,730)	3,690,141	(9,862,941)
Fund balance, June 30	\$ 9,062,217	\$ 7,838,929	\$ 25,722,800	\$ (9,862,941)

City of Oceanside
Required Supplementary Information, Continued
For the year ended June 30, 2002

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	Actuarial Excess Assets as Percentage of Covered Payroll
6/30/1999	\$ 127,322,705	\$ 91,964,928	\$ 35,357,777	138.4%	\$ 20,117,325	175.7%
6/30/2000	140,678,268	102,330,298	38,347,970	137.5%	23,157,517	165.6%
6/30/2001	145,717,080	112,889,754	32,827,326	129.1%	27,269,384	120.4%

Safety Employees

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Excess Assets	Funded Ratio	Covered Payroll	Actuarial Excess Assets as Percentage of Covered Payroll
6/30/1999	\$ 141,017,279	\$ 123,232,908	\$ 17,784,371	114.4%	\$ 14,518,631	122.5%
6/30/2000	160,916,052	151,694,957	9,221,095	106.1%	16,419,323	56.2%
6/30/2001	164,763,252	166,246,122	(1,482,870)	99.1%	17,271,814	-8.6%

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SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

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.

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.

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.

DEBT SERVICE FUNDS:

Redevelopment Agency:

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

Oceanside Public Financing Authority:

Accounts for payment of interest and principal on debt of the Public Financing Authority.

Oceanside Bridge Corporation:

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

Oceanside Building Authority:

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

CAPITAL PROJECTS FUND:

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
Non-Major Governmental Funds
June 30, 2002

	Special Revenue					
	Asset Seizure	Library	Gas Tax	Murray Road Bridge	Community Development Block Grant	Recreation
ASSETS						
Cash and investments	\$ 113,599	\$ 99,321	\$ 8,324,601	\$ 2,115,218	\$ 69,691	\$ 394,610
Restricted cash and investments	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles):						
Accounts	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Assessments	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
Other	-	-	750,000	-	-	-
Due from other governments	-	-	-	-	462,438	-
Total assets	\$ 113,599	\$ 99,321	\$ 9,074,601	\$ 2,115,218	\$ 532,129	\$ 394,610
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 7,124	\$ 1,135,016	\$ -	\$ 66,876	\$ 19,562
Accrued liabilities	-	-	22,178	-	3,979	16,529
Deposits	-	-	-	-	-	-
Due to other funds	-	-	-	-	462,438	-
Deferred revenue	-	-	-	-	-	141,000
Advances from other funds	-	-	-	-	-	-
Total liabilities	-	7,124	1,157,194	-	533,293	177,091
Fund Balances:						
Reserved:						
Debt service	-	-	-	-	-	-
Unreserved designated for:						
Unrealized gains on investments	-	-	86,133	-	-	-
Unreserved, undesignated	113,599	92,197	7,831,274	2,115,218	(1,164)	217,519
Total fund balances	113,599	92,197	7,917,407	2,115,218	(1,164)	217,519
Total liabilities and fund balances	\$ 113,599	\$ 99,321	\$ 9,074,601	\$ 2,115,218	\$ 532,129	\$ 394,610

Special Revenue			Debt Service			Capital Projects	Total Other Governmental Funds
Maintenance Districts	Stop	Grants	Redevelopment Agency	Oceanside Bridge Corporation	Oceanside Building Authority	Oceanside Building Authority	
\$ 1,146,912	\$ 740,766	\$ 1,100,708	\$ 13,365,887	\$ 535	\$ 1,380,955	\$ -	\$ 28,852,803
-	-	-	3,604,308	493,292	3,360,328	34,987	7,492,915
387	-	-	-	-	-	-	387
-	-	-	73,067	-	163	-	73,230
-	-	-	-	-	4,097,600	-	4,097,600
-	-	-	76,506	-	-	-	76,506
28,373	-	-	-	-	6,035	-	784,408
-	-	338,517	-	-	-	-	800,955
\$ 1,175,672	\$ 740,766	\$ 1,439,225	\$ 17,119,768	\$ 493,827	\$ 8,845,081	\$ 34,987	\$ 42,178,804
\$ 70,886	\$ 234	\$ 121,315	\$ -	\$ -	\$ 2,557	\$ -	1,423,570
4,740	2,204	6,773	-	-	-	-	56,403
-	-	-	-	-	150,000	-	150,000
-	-	-	590,825	-	-	-	1,053,263
-	-	730,236	-	-	4,097,600	-	4,968,836
-	-	-	10,644,572	-	-	-	10,644,572
75,626	2,438	858,324	11,235,397	-	4,250,157	-	18,296,644
-	-	-	5,884,371	493,827	4,594,924	-	10,973,122
-	-	-	-	-	-	-	86,133
1,100,046	738,328	580,901	-	-	-	34,987	12,822,905
1,100,046	738,328	580,901	5,884,371	493,827	4,594,924	34,987	23,882,160
\$ 1,175,672	\$ 740,766	\$ 1,439,225	\$ 17,119,768	\$ 493,827	\$ 8,845,081	\$ 34,987	\$ 42,178,804

City of Oceanside

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2002

	Special Revenue					
	Asset Seizure	Library	Gas Tax	Murray Road Bridge	Community Development Block Grant	Recreation
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	2,600,000	-	-	-
Intergovernmental	44,296	252,335	4,966,698	-	1,106,558	-
Charges for services	-	74,585	-	-	-	513,023
Fines and forfeitures	-	-	-	-	-	-
Lease revenue	-	-	-	-	-	-
Use of money and property	4,332	-	488,314	-	-	67,566
Other	-	32,924	1,200	-	-	502
Total revenues	48,628	359,844	8,056,212	-	1,106,558	581,091
EXPENDITURES:						
Current:						
General government	-	-	-	-	288,583	-
Public safety	37,892	-	-	-	-	-
Public works	-	-	1,885,107	511,542	-	-
Community development	-	-	-	-	536,120	-
Community/cultural services	-	407,578	7,247,873	-	31,216	617,320
Capital improvements	-	-	-	-	250,639	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	37,892	407,578	9,132,980	511,542	1,106,558	617,320
REVENUES OVER (UNDER) EXPENDITURES	10,736	(47,734)	(1,076,768)	(511,542)	-	(36,229)
OTHER FINANCING SOURCES (USES):						
Debt proceeds	-	-	-	-	-	-
Operating transfers in	-	47,737	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	47,737	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	10,736	3	(1,076,768)	(511,542)	-	(36,229)
FUND BALANCES:						
Beginning of year	102,863	92,194	8,772,070	2,626,760	(1,164)	253,748
Prior period adjustment	-	-	-	-	-	-
Equity transfer	-	-	222,105	-	-	-
End of year	\$ 113,599	\$ 92,197	\$ 7,917,407	\$ 2,115,218	\$ (1,164)	\$ 217,519

Special Revenue			Debt Service			Capital Projects	Total Other Governmental Funds
Maintenance Districts	Stop	Grants	Redevelopment Agency	Oceanside Bridge Corporation	Oceanside Building Authority	Oceanside Building Authority	
\$ -	\$ -	\$ -	\$ 3,426,015	\$ -	\$ 86,873	\$ -	\$ 3,512,888
2,108,590	-	-	-	-	905,338	-	5,613,928
-	-	1,313,328	-	-	-	-	7,683,215
-	-	-	-	-	-	-	587,608
-	352,548	-	-	-	-	-	352,548
-	-	-	-	510,870	2,357,576	-	2,868,446
44,895	22,101	29,205	3,024,730	9,267	111,791	633	3,802,834
564,442	-	18,630	-	-	39,659	-	657,357
2,717,927	374,649	1,361,163	6,450,745	520,137	3,501,237	633	25,078,824
-	-	-	-	-	2,149	-	290,732
-	82,992	668,271	-	-	-	-	789,155
1,959,975	-	180,512	-	-	-	-	4,537,136
-	-	472,832	-	-	-	-	1,008,952
-	-	268,221	-	-	-	-	8,572,208
-	-	-	-	-	-	-	250,639
-	-	-	4,905,000	330,000	1,702,400	-	6,937,400
-	-	-	4,460,949	194,532	2,650,789	-	7,306,270
1,959,975	82,992	1,589,836	9,365,949	524,532	4,355,338	-	29,692,492
757,952	291,657	(228,673)	(2,915,204)	(4,395)	(854,101)	633	(4,613,668)
-	-	-	22,030,000	-	-	-	22,030,000
-	-	49,292	88,004	-	873,906	-	1,058,939
(293,453)	-	-	(4,656,357)	-	-	-	(4,949,810)
(293,453)	-	49,292	17,461,647	-	873,906	-	18,139,129
464,499	291,657	(179,381)	14,546,443	(4,395)	19,805	633	13,525,461
635,547	446,671	644,292	1,846,730	498,222	4,575,119	34,354	20,527,406
-	-	115,990	(10,508,802)	-	-	-	(10,392,812)
-	-	-	-	-	-	-	222,105
\$ 1,100,046	\$ 738,328	\$ 580,901	\$ 5,884,371	\$ 493,827	\$ 4,594,924	\$ 34,987	\$ 23,882,160

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, 2002

	Budgeted Amounts		Actual	(Unfavorable)
	Original	Final	Amounts	Variance with Final Budget
Fund balance, July 1	\$ -	\$ -	\$ 102,863	\$ (102,863)
Resources (inflows):				
Intergovernmental revenue	-	-	44,296	44,296
Interest and rental	-	-	4,332	4,332
Amount available for appropriation	-	-	48,628	48,628
Charges to appropriations (outflows):				
Public safety	-	-	37,892	(37,892)
Total charges to appropriations	-	-	37,892	(37,892)
Excess of resources over (under) charges to appropriations	-	-	10,736	86,520
Fund balance, June 30	\$ -	\$ -	\$ 113,599	\$ (16,343)

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, 2002

	Budgeted Amounts		Actual	(Unfavorable)
	Original	Final	Amounts	Variance with Final Budget
Fund balance, July 1	\$ -	\$ -	\$ 92,194	\$ (92,194)
Resources (inflows):				
Intergovernmental revenue	266,400	266,400	252,335	(14,065)
Charge for services	60,500	60,500	74,585	14,085
Other	54,590	54,590	32,924	(21,666)
Operating transfers	65,300	65,300	47,737	(17,563)
Amount available for appropriation	446,790	446,790	407,581	(39,209)
Charges to appropriations (outflows):				
Community/cultural services	446,790	446,790	407,578	39,212
Total charges to appropriations	446,790	446,790	407,578	39,212
Excess of resources over (under) charges to appropriations	-	-	3	(78,421)
Fund balance, June 30	\$ -	\$ -	\$ 92,197	\$ (170,615)

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, 2002

	Budgeted Amounts		Actual	(Unfavorable)
	Original	Final	Amounts	Variance with Final Budget
Fund balance, July 1	\$ -	\$ -	\$ 8,772,070	\$ (8,772,070)
Resources (inflows):				
Special assessments	3,431,000	3,431,000	2,600,000	(831,000)
Intergovernmental	6,973,092	6,973,092	4,966,698	
Use of money and property	661,524	661,524	488,314	(173,210)
Other	300	300	1,200	900
Equity transfers	-	-	222,105	222,105
Amount available for appropriation	11,065,916	11,065,916	8,278,317	(2,787,599)
Charges to appropriations (outflows):				
Public works	1,387,800	1,475,600	1,885,107	(409,507)
Community/cultural services	16,502,254	16,934,358	7,247,873	9,686,485
Total charges to appropriations	17,890,054	18,409,958	9,132,980	9,276,978
Excess of resources over (under) charges to appropriations	(6,824,138)	(7,344,042)	(854,663)	(12,064,577)
Fund balance, June 30	\$ (6,824,138)	\$ (7,344,042)	\$ 7,917,407	\$ (20,836,647)

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, 2002

	Budgeted Amounts		Actual	(Unfavorable)
	Original	Final	Amounts	Variance with Final Budget
Fund balance, July 1	\$ -	\$ -	\$ 2,626,760	\$ (2,626,760)
Resources (inflows):				
Charges for services	-	-	-	-
Total revenues	-	-	-	-
Charges to appropriations (outflows):				
Public works	1,042,465	1,042,465	511,542	530,923
Total charges to appropriations	1,042,465	1,042,465	511,542	530,923
Excess of resources over (under) charges to appropriations	(1,042,465)	(1,042,465)	(511,542)	(530,923)
Fund balance, June 30	\$ (1,042,465)	\$ (1,042,465)	\$ 2,115,218	\$ (3,157,683)

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, 2002

	Budgeted Amounts		Actual	(Unfavorable)
	Original	Final	Amounts	Variance with Final Budget
Fund balance, July 1	\$ -	\$ -	\$ (1,164)	\$ 1,164
Resources (inflows):				
Intergovernmental	1,957,000	3,800,695	1,106,558	(2,694,137)
Amount available for appropriation	1,957,000	3,800,695	1,106,558	(2,694,137)
Charges to appropriations (outflows):				
General government	191,320	289,939	288,583	1,356
Community development	1,083,300	1,554,907	536,120	1,018,787
Community/cultural services	32,680	32,680	31,216	1,464
Capital Improvements	799,700	1,923,169	250,639	1,672,530
Total charges to appropriations	2,107,000	3,800,695	1,106,558	2,694,137
Excess of resources over (under) charges to appropriations	(150,000)	-	-	(5,388,274)
Fund balance, June 30	\$ (150,000)	\$ -	\$ (1,164)	\$ (5,387,110)

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, 2002

	Budgeted Amounts		Actual	(Unfavorable)
	Original	Final	Amounts	Variance with Final Budget
Fund balance, July 1	\$ -	\$ -	\$ 253,748	\$ (253,748)
Resources (inflows):				
Charges for services	549,520	549,520	513,023	(36,497)
Interests and rentals	-	44,578	67,566	22,988
Other	1,400	1,400	502	(898)
Amount available for appropriation	550,920	595,498	581,091	(14,407)
Charges to appropriations (outflows):				
Community/cultural services	578,666	784,166	617,320	166,846
Total charges to appropriations	578,666	784,166	617,320	166,846
Excess of resources over (under) charges to appropriations	(27,746)	(188,668)	(36,229)	152,439
Fund balance, June 30	\$ (27,746)	\$ (188,668)	\$ 217,519	\$ (101,309)

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, 2002

	Budgeted Amounts		Actual	(Unfavorable)
	Original	Final	Amounts	Variance with Final Budget
Fund balance, July 1	\$ -	\$ -	\$ 635,547	\$ (635,547)
Resources (inflows):				
Special assessments	2,104,558	2,104,558	2,108,590	4,032
Interest and rentals	76,019	76,019	44,895	(31,124)
Other	-	-	564,442	564,442
Amount available for appropriation	2,180,577	2,180,577	2,717,927	537,350
Charges to appropriations (outflows):				
Public works	2,776,660	2,776,660	1,959,975	816,685
Operating transfers	297,140	297,140	293,453	3,687
Total charges to appropriations	3,073,800	3,073,800	2,253,428	820,372
Excess of resources over (under) charges to appropriations	(893,223)	(893,223)	464,499	1,357,722
Fund balance, June 30	\$ (893,223)	\$ (893,223)	\$ 1,100,046	\$ 722,175

City of Oceanside

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

Stop Special Revenue Fund

For the year ended June 30, 2002

	Budgeted Amounts		Actual	(Unfavorable)
	Original	Final	Amounts	Variance with Final Budget
Fund balance, July 1	\$ -	\$ -	\$ 446,671	\$ (446,671)
Resources (inflows):				
Fines and forfeitures	-	-	352,548	352,548
Interest and rentals	-	-	22,101	22,101
Amount available for appropriation	-	-	374,649	374,649
Charges to appropriations (outflows):				
Public safety	-	25,719	82,992	(57,273)
Total charges to appropriations	-	25,719	82,992	(57,273)
Excess of resources over (under) charges to appropriations	-	(25,719)	291,657	317,376
Fund balance, June 30	\$ -	\$ (25,719)	\$ 738,328	\$ (129,295)

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, 2002

	Budgeted Amounts		Actual	(Unfavorable)
	Original	Final	Amounts	Variance with Final Budget
Fund balance, July 1	\$ -	\$ -	\$ 760,282	\$ (760,282)
Resources (inflows):				
Intergovernmental	-	2,113,820	1,313,328	(800,492)
Interest and rental	-	30,083	29,205	(878)
Other	-	-	18,630	18,630
Operating transfers			49,292	49,292
Amount available for appropriation	-	2,143,903	1,410,455	(733,448)
Charges to appropriations (outflows):				
Public safety	-	1,399,680	668,271	731,409
Public works	-	308,685	180,512	128,173
Community development	-	807,979	472,832	335,147
Community/cultural services	-	120,000	268,221	(148,221)
Total charges to appropriations	-	2,636,344	1,589,836	1,046,508
Excess of resources over (under) charges to appropriations	-	(492,441)	(179,381)	313,060
Fund balance, June 30	\$ -	\$ (492,441)	\$ 580,901	\$ (447,222)

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, 2002

	Budgeted Amounts		Actual	(Unfavorable)
	Original	Final	Amounts	Variance with Final Budget
Fund balance, July 1	\$ -	\$ -	\$ 34,354	\$ (34,354)
Resources (inflows):				
Interest and rental	-	-	633	633
Amount available for appropriation	-	-	633	633
Charges to appropriations (outflows):				
Total charges to appropriations	-	-	-	-
Excess of resources over (under) charges to appropriations	-	-	633	633
Fund balance, June 30	\$ -	\$ -	\$ 34,987	\$ (33,721)

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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 Statement of Net Assets
All Internal Service Funds
June 30, 2002

	Loss Prevention	General Services	Totals
ASSETS			
Cash and investments	\$ 6,033,969	\$ 2,194,143	\$ 8,228,112
Inventory, at cost	-	273,404	273,404
Prepaid items	16,371	-	16,371
Property, plant and equipment:			
Machinery and equipment	10,334	7,388,919	7,399,253
Total property, plant and equipment	10,334	7,388,919	7,399,253
Total assets	6,060,674	9,856,466	15,917,140
LIABILITIES			
Accounts payable	130,244	451,402	581,646
Accrued liabilities	11,655	56,125	67,780
Claims and judgments payable	835,837	-	835,837
Compensated absences	44,920	316,932	361,852
Total liabilities	1,022,656	824,459	1,847,115
NET ASSETS			
Unrestricted	5,038,018	9,032,007	14,070,025
Total net assets	\$ 5,038,018	\$ 9,032,007	\$ 14,070,025

City of Oceanside

Combining Statement of Revenues, Expenses and Changes in Net Assets

All Internal Service Funds

For the year ended June 30, 2002

	Loss Prevention	General Services	Totals
OPERATING REVENUES:			
Charges for services	\$ 11,398,291	\$ 15,151,729	\$ 26,550,020
Other	196,565	174,604	371,169
Total operating revenues	11,594,856	15,326,333	26,921,189
OPERATING EXPENSES:			
Personal services	465,343	3,072,947	3,538,290
Maintenance and operations	3,585,478	9,282,766	12,868,244
Insurance premiums	5,273,444	-	5,273,444
Depreciation	2,374	2,015,955	2,018,329
Total operating expenses	9,326,639	14,371,668	23,698,307
OPERATING INCOME (LOSS)	2,268,217	954,665	3,222,882
NONOPERATING REVENUES (EXPENSES):			
Gain (loss) on sale of fixed assets	-	(44,828)	(44,828)
Total nonoperating revenues (expenses)	-	(44,828)	(44,828)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	2,268,217	909,837	3,178,054
OPERATING TRANSFERS:			
Operating transfers in	-	549,226	549,226
Total operating transfers	-	549,226	549,226
Net income (loss)	2,268,217	1,459,063	3,727,280
NET ASSETS:			
Beginning of the year	10,769,801	7,906,032	18,675,833
Equity transfer	(8,000,000)	(333,088)	(8,333,088)
End of the year	\$ 5,038,018	\$ 9,032,007	\$ 14,070,025

City of Oceanside
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2002

	Loss Prevention	General Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers/other funds	\$ 11,722,176	\$ 15,096,811	\$ 26,818,987
Cash payments to employees for services	(465,343)	(3,072,947)	(3,538,290)
Insurance premiums and settlements	(9,403,970)	(9,496,511)	(18,900,481)
Other operating revenues	196,565	174,604	371,169
Net cash provided (used) by operating activities	2,049,428	2,701,957	4,751,385
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	-	549,226	549,226
Total cash provided (used) by noncapital financing activities	-	549,226	549,226
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of fixed assets	-	(1,767,273)	(1,767,273)
Repayments of long-term borrowing	-	(315,897)	(315,897)
Total cash provided (used) by capital and related financing activities	-	(2,083,170)	(2,083,170)
Net increase (decrease) in cash	2,049,428	1,168,013	3,217,441
CASH AND INVESTMENTS:			
Beginning of year	11,984,541	1,359,218	13,343,759
Equity transfer	(8,000,000)	(333,088)	(8,333,088)
End of year	<u>\$ 6,033,969</u>	<u>\$ 2,194,143</u>	<u>\$ 8,228,112</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 2,268,217	\$ 954,665	\$ 3,222,882
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,374	2,015,955	2,018,329
Changes in assets and liabilities:			
Prepays and other assets	323,885	-	323,885
Inventories	-	(54,918)	(54,918)
Accounts payable	(551,157)	(105,415)	(656,572)
Accrued liabilities	8,729	43,492	52,221
Claims and judgments	-	(189,468)	(189,468)
Compensated absences	(2,620)	37,646	35,026
Total cash provided (used) by operating activities	\$ 2,049,428	\$ 2,701,957	\$ 4,751,385

**CAPITAL ASSETS USED IN THE OPERATING
OF GOVERNMENTAL FUNDS**

City of Oceanside
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source*
June 30, 2002

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 49,107,260
Buildings, structures and improvements other than buildings	67,249,786
Machinery and equipment	22,059,208
Infrastructure	225,523,778
Construction in progress	1,761,810
Total governmental funds capital assets	365,701,842
Accumulated depreciation	(121,975,188)
Total governmental funds capital assets, net	\$ 243,726,654

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

State grants	734,588
Federal grants	6,230,631
General fund revenues	29,615,473
Special revenue funds revenues	1,785,273
Capital projects funds revenues	204,325,844
Special assessments	912,540
Enterprise funds revenues	122,305
Total governmental funds capital assets	\$ 243,726,654

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds

City of Oceanside

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes in Capital Assets - By Function by Activity

For the year ended June 30, 2002

	Capital Assets July 1, 2001	Additions	Deletions	Capital Assets June 30, 2002
Function and Activity:				
General government:	\$ 47,357,711	\$ 32,463,087	\$ -	\$ 79,820,798
Public safety	26,130,578	489,470	(7,797,699)	18,822,349
Public works	27,264,430	103,977,573	(21,085,765)	110,156,238
Community development:	6,655,412	483,274	(6,330,484)	808,202
Community/cultural services:	30,662,870	3,648,041	(191,844)	34,119,067
Total general fixed assets	\$ 138,071,001	\$ 141,061,445	\$ (35,405,792)	\$ 243,726,654

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