

CITY OF DALY CITY, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2002



Prepared by
DEPARTMENT OF FINANCE
AND
ADMINISTRATIVE SERVICES

DONALD W. MCVEY
DIRECTOR



CITY OF DALY CITY

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CITY COUNCIL

Michael P. Guingona, Mayor

Adrienne J. Tissier, Vice Mayor

Carol L. Klatt

Madolyn L. Agrimonti

Sal Torres

ADMINISTRATION AND DEPARTMENT HEADS

City Manager

City Attorney

City Clerk

City Treasurer

Acting Fire Chief

Police Chief

Library Director

Director of Public Works

Director of Human Resources

Director of Parks & Recreation

Director of Finance and Administrative Services

Director of Water & Wastewater Resources

Director of Economic & Community Development

John C. Martin

Stan Gustavson

Helen Flowerday

Anthony J. Zidich

Mike Orloff

Gary S. McLane

Susanna C. Gilden

Peter Gleichenhaus

Diane L. Cronin

Michael F. Stallings

Donald W. McVey

Patrick Sweetland

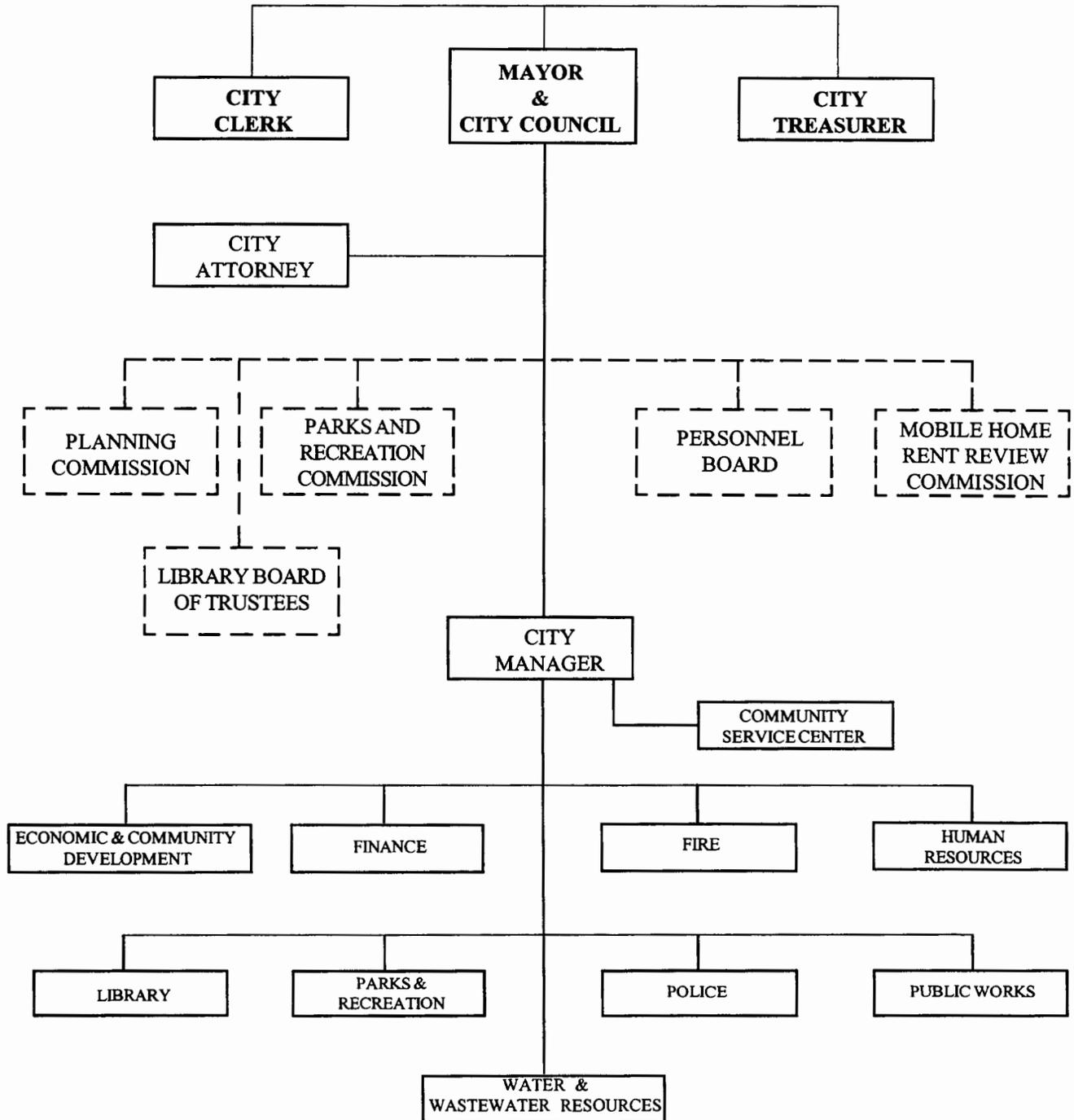
Terry Sedik



City of Daly City ORGANIZATION STRUCTURE

Fiscal Year 2001-2002

CITIZENS OF DALY CITY



----- ADVISORY BOARDS & COMMISSIONS



CITY OF DALY CITY

DEPARTMENT OF FINANCE

DONALD W. McVEY
DIRECTOR

October 24, 2002

Honorable Mayor
Members of City Council
Citizens of Daly City

We are pleased to submit the Comprehensive Annual Financial Report of the City of Daly City for the fiscal year ended June 30, 2002. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data presented is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity are included.

The comprehensive annual financial report is presented in three sections:

- 1) **Introductory Section** -- As the title indicates, this section introduces the reader to the report and includes the City organization chart, this transmittal letter, the Certificate of Achievement awarded to the City by the Government Finance Officers Association and the Certificate of Award for Outstanding Financial Reporting awarded to the City by the California Society of Municipal Finance Officers.
- 2) **Financial Section** -- Five combined financial statements, together with the notes to the financial statements, comprise the General Purpose Financial Statements (GPFS). The GPFS are the City's basic financial statements and provide an overview for users who require less detailed information about the City's finances than is contained in the balance of this report. The remainder of the financial section presents combining statements, individual fund statements and schedules focusing on individual funds rather than fund types, and supplementary financial information.
- 3) **Statistical Section** -- Although this section contains substantial financial information, these tables differ from financial statements in that they present some nonaccounting data, cover more than two fiscal years, and are designed to reflect social and economic data, financial trends, and the fiscal capacity of the City.

GENERAL INFORMATION - CITY OF DALY CITY

The City of Daly City is located in northern San Mateo County, adjacent to the southern boundary of the City and County of San Francisco. A population of 105,000 is contained within approximately 7.6 square miles of substantially developed land. The City is considered the "Gateway to the Peninsula", as it is strategically placed directly south of San Francisco.

The City has a Council-Manager form of government and was incorporated on March 22, 1911. There are five council members who serve overlapping terms of four years, and the Council, in turn, elects one of the council members to serve as Mayor each year. The City Council engages a City Manager and a City Attorney. The City Manager is the chief executive officer. It is the City Manager's responsibility to hire department heads for each of the City functions, to propose the annual budget, to coordinate and oversee all activities of the organization, and to implement the laws, policies, and budgets adopted by the City Council.

REPORTING ENTITY AND SERVICES PROVIDED

This report includes all funds and account groups of the City of Daly City. The financial statements include the financial activities of the City, the Daly City Redevelopment Agency, the North San Mateo County Sanitation District, and the Daly City Public Facilities Financing Corporation. The financial operations of the City and the other entities included in this financial report are closely related. City Council members serve as the governing board of the Redevelopment Agency, the North San Mateo County Sanitation District, and the Daly City Public Facilities Financing Corporation. The City Manager also serves as the Executive Director of the Redevelopment Agency and the General Manager of the Sanitation District. Financial activities of the Redevelopment Agency are included with the special revenue fund type and long-term debt account group. The Sanitation District is included in the proprietary fund types as an enterprise fund, and includes the activities of the Daly City Public Facilities Financing Corporation.

The City provides a full range of municipal services. These include police, fire, library, recreation and related social services, street construction and maintenance, traffic signalization and control, engineering, code enforcement, parks operations and maintenance, general administration, planning, and community development. The City also provides water services, sanitary sewer services, and a transfer station for solid waste under an enterprise fund system, with user fees covering the cost of providing the programs.

ECONOMIC CONDITION AND OUTLOOK

Fiscal 2002 was by anyone's standards a terrible year—for the national economy, the California economy, and even worse for our region. Being just north of Silicon Valley in a county that is home to the San Francisco International Airport and United Airlines' western hub, local governments have felt the impact of the economic downturn. This region will continue to feel its effects for years to come.

As an example, the local unemployment rate has nearly tripled, going from an incredibly low 1.6% in Fiscal 2001 to 3.6% in Fiscal 2002. While still much less than the national average,

lower employment has translated directly into reduced City revenues. Our sales tax revenue is down 6.6%; utility taxes are also down 3.1%.

While this may seem dower, overall General Fund revenues have stayed flat, something that can be said by few other cities in our region. As primarily a bedroom community, Daly City has a fairly diverse revenue base. We do not rely highly on any one source of income, making us less vulnerable in economic downturns. Conversely, we did not benefit to the same extent as other local cities from the economic expansion.

Staying lean and flexible, by necessity, along with extremely careful financial management, has allowed us to come away from a difficult year relatively intact. A key part of our financial survival during Fiscal 2002 was not losing additional revenue to the State. Through heavy lobbying efforts and grassroots support, cities and counties in California were able to prevent the State from using local revenues to solve the State's budget crisis.

The near-term outlook remains an unknown. Being an election year, the State budget shortfall was filled using short-term strategies without addressing the underlying imbalance of State revenues and expenditures. Having adopted a budget that was systemically imbalanced, the Legislature will need to make midyear corrections. Due to the magnitude of this imbalance, estimated to be a cumulative \$22 billion by the end of Fiscal 2004, all options will again be on the table. Local revenues will be at risk again.

As we go forward into Fiscal 2003, we continue to face large uncertainties. We may have to endure reduced revenues if the State Legislature balances their budget on the backs of local government, as they did 10 years ago. We most certainly will be facing large increases in pension costs in Fiscal 2004, as a result of the stock market losses incurred by the California Public Employees Retirement System. We will also likely see a slow recovery of our local economy, potentially as long as two or three years.

Property Tax

The major revenue source available to the General Fund is property tax. Property tax is collected by the County and distributed to the City based upon a formula determined by State law. With the imposition of property tax limits through state Proposition 13, taxes were limited to \$1 per \$100 of assessed valuation. This \$1 is split among cities, schools, and counties in proportion to the taxes collected before the passage of Proposition 13, though the State's diversion of over 20 percent of our property taxes actually places the City's share below that allocation. Rather than collecting an average of 25.5 cents of each \$1, Daly City's split is presently closer to 20 cents. The City has no direct influence over the amount of property tax payments because that is dependent upon 1) property sales and revaluations at current sales prices, 2) periodic property devaluations and 3) the automatic two percent increase on assessed valuations on all other properties.

Daly City's Property Tax revenue increased significantly, at over 12 percent in fiscal 2002, and will increase again in the coming year. Signs of the recession are everywhere, though, with vacancy rates increasing in both commercial and residential segments of the real estate market. This will undoubtedly affect the assessed values of future real estate sales, but hopefully will not result in

large numbers of appeals for reductions in existing assessed values. An additional potential impact on the supplemental roll may be the outcome of calamity reassessment claims filed by air carriers and concessionaires at the San Francisco International Airport. Since the Airport is located in San Mateo County, under the AB8 assessment allocation regulations all entities in the County share in a reassessment loss in the first year. These claims have been denied by the County Assessor, but are subject to appeal. The ultimate result may remain unknown for several years or more.

Sales Tax

Under the Bradley-Burns Uniform Sales and Use Tax Act enacted by the California State Legislature in 1955, Daly City receives one percent of taxable sales made in Daly City, plus an allocation for sales from a county-wide pool resulting from certain specific types of sales. Of this amount, the County of San Mateo receives a five percent administrative fee.

Sales tax declined at a 6.6 percent rate in fiscal 2002. As bad as this sounds, it follows on a year of significant growth at 10 percent in fiscal 2001. For further comparison, the average decrease in San Mateo County in fiscal 2002 was 20 percent, so we fared much better than most. We are hopeful that some growth returns in fiscal 2003.

Motor Vehicle In-lieu

The Motor Vehicle In-lieu tax was adopted in 1935 to consolidate locally assessed and collected property taxes on motor vehicles, and is equal to two percent of a motor vehicle's market value. The tax is assessed on the purchase price in the first year, with the value declining for 11 years, thereafter remaining at 15 percent of original purchase price. However, under former Governor Wilson, the tax was initially reduced by 12.5 percent, with the State backfilling the difference in revenue from their available general fund budget surplus as a continuing appropriation. Because the state continued to enjoy a budget surplus further decreases were triggered, ultimately reducing the tax by 66 percent. Although the State general fund can no longer support the back-fill to local government, State legislators are reluctant to reinstate the tax. This imbalance puts local governments at risk to lose the State back-fill. It is likely that the Governor will call the legislature into a special session after the election to attempt to address the State's budget shortfall. Since it is likely that all options will be on the table, local governments are concerned that their revenues will again be raided to balance the State's budget.

In fiscal 2002 we saw a 5.4 percent increase in the Motor Vehicle In-Lieu. Because this tax is assessed by the State and apportioned by population, Daly City receives the benefit of overall growth in vehicle registration, and generally has been boosted upwards by the State's population increases and more active economy. Vehicle sales were very strong in fiscal 2002 as a result of aggressive marketing by manufacturers, including substantial rebate programs. We expect this revenue source to out pace inflation again in fiscal 2003, so long as the State does not go back on their promise to back-fill this local revenue source.

Utility Users Tax

Adopted in fiscal 1989 in lieu of a previously assessed lighting and landscaping district fee, the utility users tax (UUT) is a major revenue source for Daly City. Because the usage of gas, electricity, telephone, cellular, and cable television service is relatively stable and increases are mainly dependent on population and rate changes, this revenue source has been more predictable than most. However, due to rate reductions related to utility deregulation, we experienced a 1.5 percent decrease in UUT in fiscal 2000. When commodity prices were allowed to go to market rate, this changed. With electricity deregulation and escalating rates, this revenue source significantly increased in fiscal 2002 by 20 percent. Much of that revenue increase was offset in increased cost of energy to the City. Now that the price gouging and rate instability seems to have abated, fiscal 2002 ended up with a 3.1 percent decline in tax. This strongly suggests that there will not be anything other than moderate growth in this revenue source in fiscal 2003.

Summary

Fiscal 2002 brought the recession home to many cities across the nation, and more so here in California than in most other states. Cities near Silicon Valley were hit hard. We are thankful that Daly City fared better than most, primarily due to our stable and varied revenue sources, but also because of careful financial stewardship and planning. Strong City Council leadership and support for financially conservative budgeting and spending practices followed by responsible and responsive management of our limited resources has always helped us make it through. Being in the lower tier of cities in revenue per capita has historically forced us to be creative in getting the City's work done. We intend to continue that approach into 2003 and beyond.

MAJOR INITIATIVES

Current Year

During the course of the year there have been substantial accomplishments, some of which include:

- The completion of the construction of Phase I and Phase II of the Pacific Plaza development, including a major office building, cinema and restaurant complex, parking structures, a public plaza and public landscaping
- Execution of an Exclusive Right to Negotiate for the construction of a full service hotel in the Pacific Plaza development and the acquisition of an additional parcel of land for Phase III of that development.
- The widening of John Daly bridge with aesthetic improvements, the completion of major street resurfacing, street improvement activities throughout the community and the completion of improvements to John Daly Boulevard from Dorchester to the Daly City Bart Station.
- Achieving contracts with the three local golf courses for the provision of recycled water in lieu of potable water for irrigation purposes; an agreement with the City and County of San Francisco to implement a conjunctive use program that would allow preservation of the aquifer for potable water purposes; and a pilot project to reintroduce rain water into

- Lake Merced to enhance the capacity of the Vista Grande storm drainage system, as well as assisting in the recharge of Lake Merced.
- Continued implementation of the Five-Year Major Facility Capital Improvement Program including:
 - Construction underway of the Lincoln Park Community Center.
 - Design of the Westmoor Community Center expansion, Westlake Community Center expansion, Gellert Park field renovation, Hillside Park renovation, War Memorial replacement, Serramonte Library expansion and the Bayshore Community Center and Library.
 - Continuation of improvements in the Colma Creek storm drainage basin that is anticipated to be completed in the next two years, alleviating storm drainage problems within that basin, as well as the completion of new storm drainage facilities in the Bayshore Basin to provide the necessary capacity for that area.
 - Development and introduction of our hiredalycity.org website. As part of the Hire Daly City First campaign, this site allows local employers to post job openings and offers our citizens the opportunity to search the available listings.
 - Grant of an Exclusive Right to Negotiate for a major new development on Mission Street for the Landmark site as a proposed mixed-use retail office and residential development.

For the Future

- Continue to plan and implement strategies to market development opportunities within the Bayshore Redevelopment Project Area.
- In conjunction with San Mateo County, pursue redevelopment project area and expand economic development efforts adjacent to the Colma BART station to support the Colma Area Specific Plan to increase jobs and services within the community.
- Continue economic development strategies on Mission Street.
- Implement Phase II of identified major capital improvements to address library services, community recreational needs, and aged infrastructure.
- Information Services Division implementation and oversight of major information system expansion to integrate GIS with MuniBase attribute data.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of Federal and State financial assistance, the City is also responsible for maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City.

As part of the City's single audit, which is required in conformity with the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133 (Audits of State and Local Governments and Nonprofit Organizations), tests are made to determine the adequacy of the internal control structure. This includes all portions related to Federal financial assistance programs, as well as determinations that the City has complied with applicable laws and regulations.

Budgetary Controls. In addition, the City maintains budgetary controls to ensure compliance with provisions embodied in the annual appropriated budgets approved by the City Council. Activities of all funds are included in the annual operating and capital budget, on a generally accepted accounting principles basis. Moreover, project length financial plans are adopted in a separate capital projects budget. The legal level of budgeting control is at the total appropriations level, and the management level of budgetary control is established by function and activity within an individual fund. The City Manager has the discretion to transfer appropriations between functions and activities, but City Council approval is required for any overall increase in appropriation levels. An encumbrance system is also maintained to aid in budgetary control.

Encumbered amounts at year-end are reported as reservations of fund balance and are automatically reappropriated in the upcoming fiscal year. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Governmental Functions. The following schedule presents a summary of General Fund and special revenue funds revenues for the fiscal year ended June 30, 2002, and the amount and percentage of increases and decreases in relation to the prior fiscal year.

REVENUE (Dollars in thousands)	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 2001	PERCENT OF INCREASE (DECREASE)
Taxes	\$39,190	60%	\$1,907	5%
Licenses and Permits	1,550	2	(168)	(10)
Fines	1,919	3	(34)	(2)
Rents and Interest	2,666	4	(1,643)	(38)
Federal Programs	3,148	5	47	2
Intergovernmental	7,966	12	5,424	213
Charges for Services	7,726	12	214	3
Miscellaneous	1,146	2	394	52
TOTAL	\$65,311	100%	\$6,141	10%

While general taxes kept up with inflation as a whole, this masks the underlying changes. Property taxes increased 12 percent, while both sales and utility taxes declined six and three percent respectively. Licenses and permits were lower as expected as the prior year included building permits and fees from major developments that were not expected to be repeated. Interest income suffered due to the precipitous drop in interest rates coming as a result of Federal Reserve Board actions adjusting the discount rate, as well as the inability of the Redevelopment Agency to pay accrued interest on prior advances as budgeted. The Agency anticipated selling certain land parcels to a developer for the second phase of an office building project, but due to market conditions that sale has been delayed. Intergovernmental revenues increased as a result of federal contributions to local roadway improvements.

The following schedule presents a summary of General Fund and special revenue funds expenditures for the fiscal year ended June 30, 2002, and the percentage of increases and decreases in relation to the prior fiscal year.

EXPENDITURES (Dollars in thousands)	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 2001	PERCENT OF INCREASE (DECREASE)
Current:				
General Government	\$ 4,317	7%	\$ 1,096	34%
Public Safety	26,245	40	1,767	7
Public Works	4,729	7	384	9
Culture/Recreation	10,483	16	1,284	14
Community Development	9,633	15	3,921	69
Capital Projects:	7,444	12	2,288	44
Debt Service:	2,040	3	(475)	(19)
TOTAL	\$64,891	100%	\$10,265	19%

General Government expenditures increased principally due to the purchase of a parcel of land, while the main component of other increases was primarily the result of wage and benefit increases under labor agreements, along with capital expenditures in both the Community Development and Capital Projects categories. These expenditures are reflective of our major facilities projects, funded with prior one-time revenues and savings, plus federal block grant dollars.

Enterprise Operations

The Water Utility had a small increase in net income from \$151,000 last year to \$336,000 in fiscal year 2002. The utility's cash position is essentially unchanged and operations have remained stable. In the coming year some significant capital projects are contemplated, including either the construction of a new reservoir or the replacement of an existing one to increase capacity and allow for development.

The Sanitation District had a net income of \$983,000 this year versus a net income of \$1,784,000 last year. The decrease is attributable to anticipated increases in operating costs as well as a substantial drop in interest income. The utility's cash position has dropped by 19 percent, or \$2.7 million as a result of our continuing aggressive capital program. The District is looking forward to the construction of a tertiary treatment facility to allow us to serve local golf courses with recycled water, in lieu of groundwater pumping from their wells. We hope that this effort will aid in preserving the local aquifer and make better use of a scarce resource.

DEBT ADMINISTRATION

The City of Daly City has no outstanding general obligation bonds at June 30, 2002. Long-term debt consists of one capital lease obligation and one certificate of participation. Amortization schedules for these obligations are included in the notes to the General Purpose Financial Statements.

CASH MANAGEMENT

The City and its related entities had \$64,971,000 invested in time deposits and other allowable investments as of June 30, 2002. Interest income was \$ 2,687,000 compared to \$3,566,000 the previous year. The decrease is due to average interest rates being dramatically lower than the previous year, as well as lower average monthly cash balances during the year. The City strives to minimize uninsured or uncollateralized deposits. All deposits are normally insured or collateralized.

The City is allowed a wide range of investment opportunities under State law. Some of the options are U.S. Treasury securities, notes or bonds of other government agencies within the State, bankers acceptances and commercial paper, certificates of deposit, repurchase or reverse repurchase agreements, medium-term notes issued by U.S. Corporations, mutual funds which invest exclusively in otherwise allowed investments, the State Treasurer's Local Agency Investment Fund, and the County of San Mateo Investment Pool. Pooled investments at year-end consisted entirely of the State Treasurer's Local Agency Investment Fund, certificates of deposit, and the County of

San Mateo Investment Pool. These were the primary investment vehicles throughout fiscal year 2002.

RISK MANAGEMENT

The City's self-insurance programs cover general, auto, property and specialty liability, unemployment benefits, and workers' compensation. Most recurring program costs are paid through annual charges assessed to every City department, with additional funding provided from reserve fund investment income. The City's Self-Insurance Fund cash balance increased from \$3,615,000 last year to \$5,740,000 this year as a result of reimbursement of substantial costs from FEMA for previous years' winter storm damage.

INDEPENDENT AUDIT

The City Council contracts for an annual audit of the books of accounts, financial records and transactions of City departments, divisions and functions by the firm of Maze and Associates, Certified Public Accountants. The audit is complete and the accounting firm's unqualified report has been included in this document.

AWARDS

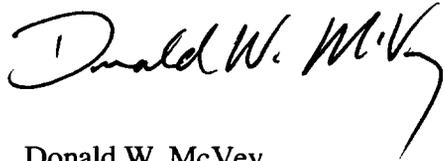
The Government Finance Officers Association awards a Certificate of Achievement for Excellence in Financial Reporting to those entities whose annual financial reports are judged to conform substantially with high standards of public financial reporting, including generally accepted accounting principles promulgated by the Governmental Accounting Standard Board and its predecessor, the National Council on Governmental Accounting. The City of Daly City was awarded a Certificate of Conformance for its annual report for the fiscal years 1982, 1983 and 1984, and the Certificate of Achievement for Excellence in Financial Reporting in 1985 through 2001. The 1982 and 1983 reports were also awarded the Certificate of Award for Meritorious Financial Reporting by the California Society of Municipal Finance Officers, and the 1984 through 2001 reports received the Outstanding award. It is our belief that the accompanying fiscal year 2002 financial report meets the same high program standards, and it will be submitted to both award programs for review.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its Comprehensive Operating and Capital Budget for the 1991 through 2002 fiscal years. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization.

ACKNOWLEDGMENT

The Department of Finance sincerely appreciates the support, cooperation, and assistance of the City Council and City staff in addressing the financial concerns of fiscal year 2002. Special acknowledgment is due to the staff of the Accounting and Central Services Divisions for their continued high level of performance, enabling the timely issuance of this report.

Respectfully submitted,



Donald W. McVey
Director of Finance



John C. Martin
City Manager



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Daly City,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Vate
President

Jeffrey L. Esser
Executive Director

*California Society of
Municipal Finance Officers*

Certificate of Award

Outstanding Financial Reporting 2000-2001

Presented to the

City of Daly City

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

February 20, 2002


Genie Roberts
Chair, Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management

INDEPENDENT AUDITORS' REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS

Honorable Mayor and Members of the
City Council of the City of Daly City, California

We have audited the general purpose financial statements of the City of Daly City as of and for the years ended June 30, 2002 and 2001 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 audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards* (1994 Revision), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance as to 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 financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly in all material respects the financial position of the City of Daly City at June 30, 2002 and 2001 and the results of its operations and the cash flows of its proprietary fund types for the years then ended, in conformity with generally accepted accounting principles in the United States of America.

Our audits were made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Combining, Individual Fund, and Account Group Statements and Schedules and Supplementary Financial Information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The Statistical Section listed in the table of contents was not audited by us and, accordingly, we do not express an opinion on this information.

Maze + Associates

October 24, 2002





CITY OF DALY CITY
 COMBINED BALANCE SHEETS
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2002
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
ASSETS			
Cash and investments	\$10,316,473	\$12,264,719	\$21,602,510
Cash with fiscal agent			
Receivables - net	2,495,315	5,148,001	49,656
Due from other funds	121,238		
Inventories	136,109		
Prepays	255,912	750	
Deposits			
Advances to others			
Notes receivable	428,500	1,216,581	
Long-term interfund receivables	33,627,969		
Property held for development		12,525,210	
Fixed assets-net			
Amount to be provided for retirement of general long-term obligations			
Total Assets	<u>\$47,381,516</u>	<u>\$31,155,261</u>	<u>\$21,652,166</u>
LIABILITIES			
Accounts payable	\$522,141	\$999,180	\$614,494
Accrued liabilities	228,255		
Accrued payroll	718,980	42,359	
Due to other funds		121,238	
Accrued claims payable			
Deferred revenue	13,721,528	9,944,229	
Refundable deposits	19,180	175,850	
Due to bondholders			
Long-term interfund payables			
Compensated absences			
Certificates of Participation			
Line of Credit			
Capital lease obligations			
Total Liabilities	<u>15,210,084</u>	<u>11,282,856</u>	<u>614,494</u>

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (Memorandum Only)	
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	2002	2001
\$17,587,504	\$10,663,594	\$3,099,214			\$75,534,014	\$67,686,678
1,923,114					1,923,114	1,932,389
2,506,169	41,523	678,406			10,919,070	11,701,542
					121,238	176,717
1,551,392	144,932				1,832,433	1,767,282
245,694	47,826				550,182	683,294
						100,000
44,597					44,597	239,548
					1,645,081	1,781,072
948,968					34,576,937	33,740,953
					12,525,210	11,574,765
67,502,379	6,233,089		\$50,049,153		123,784,621	115,290,661
				\$40,519,794	40,519,794	37,791,036
<u>\$92,309,817</u>	<u>\$17,130,964</u>	<u>\$3,777,620</u>	<u>\$50,049,153</u>	<u>\$40,519,794</u>	<u>\$303,976,291</u>	<u>\$284,465,937</u>
\$2,525,773	\$505,845	\$503,846			\$5,671,279	\$5,370,952
	4,300				232,555	281,324
536,491	406,045				1,703,875	1,465,372
					121,238	176,717
	1,693,886				1,693,886	1,300,931
					23,665,757	20,153,322
53,175	15,357	2,148,466			2,412,028	2,390,233
		1,125,308			1,125,308	1,010,397
948,968				\$33,627,969	34,576,937	33,740,953
169,716	175,844			5,731,777	6,077,337	5,283,103
10,870,000					10,870,000	12,125,000
				119,897	119,897	119,897
				1,040,151	1,040,151	42,774
<u>15,104,123</u>	<u>2,801,277</u>	<u>3,777,620</u>		<u>40,519,794</u>	<u>89,310,248</u>	<u>83,460,975</u>

(continued)

CITY OF DALY CITY
 COMBINED BALANCE SHEETS
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2002
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
EQUITY AND OTHER CREDITS			
Investment in general fixed assets			
Contributed capital			
Retained earnings:			
Reserved for:			
Equipment replacement			
Fire apparatus			
Recycling			
Operating capital			
Possible future claims			
Capital projects			
Unreserved			
Fund balances			
Reserved for:			
Encumbrances	74,456	4,520,935	3,331,184
Inventories	136,109		
Prepays and condemnation deposits	255,912	750	
Notes receivable	428,500		
Long-term interfund receivable	19,906,441		
Property held for development		12,525,210	
Capital projects		4,196,531	
Restricted purposes		2,923,840	
Imprest cash funds	4,730	1,250	
Unreserved:			
Designated for:			
Capital projects	1,500,000		17,706,488
Operating capital	2,500,000		
Undesignated	7,365,284	(4,296,111)	
	32,171,432	19,872,405	21,037,672
Total Retained Earnings/Fund Balance	32,171,432	19,872,405	21,037,672
Total Fund Equity and Other Credits	32,171,432	19,872,405	21,037,672
Total Liabilities, Equity and Other Credits	\$47,381,516	\$31,155,261	\$21,652,166

See accompanying notes to financial statements

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (Memorandum Only)	
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	2002	2001
			\$50,049,153		50,049,153	44,856,669
10,647,401	76,962				10,724,363	11,066,700
3,179,618	3,628,482				6,808,100	8,900,282
	15,858				15,858	319,739
22,906					22,906	63,387
4,500,000					4,500,000	4,500,000
	4,413,883				4,413,883	2,461,744
8,754,829	596,803				9,351,632	13,364,964
50,100,940	5,597,699				55,698,639	46,685,541
					7,926,575	9,441,577
					136,109	138,193
					256,662	507,205
					428,500	540,227
					19,906,441	19,906,440
					12,525,210	11,574,765
					4,196,531	7,225,014
					2,923,840	2,672,245
					5,980	5,930
					19,206,488	15,469,512
					2,500,000	2,500,000
					3,069,173	(1,195,172)
66,558,293	14,252,725				153,892,527	145,081,593
77,205,694	14,329,687		50,049,153		214,666,043	201,004,962
\$92,309,817	\$17,130,964	\$3,777,620	\$50,049,153	\$40,519,794	\$303,976,291	\$284,465,937



CITY OF DALY CITY
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	GOVERNMENTAL FUND TYPES			TOTALS (Memorandum Only)	
	General	Special Revenue	Capital Projects	2002	2001
REVENUES					
Taxes	\$33,582,488	\$5,608,004		\$39,190,492	\$37,283,455
Licenses and permits	1,550,157			1,550,157	1,717,826
Fines and forfeitures	1,919,172			1,919,172	1,952,893
Rents and interest	2,146,691	519,552	\$757,070	3,423,313	5,239,340
Federal programs and grants		3,148,439		3,148,439	2,701,976
Receipts from other agencies	1,186,427	6,779,124		7,965,551	3,040,380
Charges and fees	6,351,003	1,374,499	704,463	8,429,965	8,484,939
Miscellaneous	767,292	378,926	402,193	1,548,411	917,018
Total Revenues	47,503,230	17,808,544	1,863,726	67,175,500	61,337,827
EXPENDITURES					
Current:					
General government	4,316,653			4,316,653	3,221,234
Public safety	26,129,206	115,636		26,244,842	24,477,735
Public works	4,713,125	15,666		4,728,791	4,344,717
Culture and recreation	9,011,420	1,472,054		10,483,474	9,198,923
Community development	2,476,718	7,156,216		9,632,934	5,712,316
Capital projects		7,443,885	4,626,689	12,070,574	11,600,677
Debt service:					
Principal retirements			144,326	144,326	527,813
Interest and fiscal charges	6,566	2,033,986		2,040,552	1,987,374
Total Expenditures	46,653,688	18,237,443	4,771,015	69,662,146	61,070,789
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	849,542	(428,899)	(2,907,289)	(2,486,646)	267,038
OTHER FINANCING SOURCES (USES)					
Sale of property	191,412	678,241		869,653	4,020,780
Operating transfers in	5,309,947	2,118,114	7,392,168	14,820,229	14,605,237
Operating transfers out	(6,481,102)	(4,556,960)		(11,038,062)	(11,335,312)
Proceeds from long-term debt and interfund loans		945,922	1,184,477	2,130,399	516,282
Total Other Financing Sources (Uses)	(979,743)	(814,683)	8,576,645	6,782,219	7,806,987
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(130,201)	(1,243,582)	5,669,356	4,295,573	8,074,025
Fund balances at beginning of year	32,301,633	21,115,987	15,368,316	68,785,936	60,711,911
FUND BALANCES AT END OF YEAR	\$32,171,432	\$19,872,405	\$21,037,672	\$73,081,509	\$68,785,936

See accompanying notes to financial statements

CITY OF DALY CITY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 GENERAL, SPECIAL REVENUE, AND CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$33,226,734	\$33,582,488	\$355,754	\$4,574,161	\$5,608,004	\$1,033,843
Licenses and permits	1,553,800	1,550,157	(3,643)			
Fines and forfeitures	2,072,904	1,919,172	(153,732)			
Rents and interest	4,787,232	2,146,691	(2,640,541)	221,494	519,552	298,058
Federal programs and grants				9,694,196	3,148,439	(6,545,757)
Receipts from other agencies	982,991	1,186,427	203,436	17,923,102	6,779,124	(11,143,978)
Charges and fees	6,178,776	6,351,003	172,227	1,637,836	1,374,499	(263,337)
Miscellaneous	189,600	767,292	577,692	238,048	378,926	140,878
Total Revenues	48,992,037	47,503,230	(1,488,807)	34,288,837	17,808,544	(16,480,293)
EXPENDITURES						
Current:						
General government	4,727,342	4,316,653	410,689			
Public safety	26,196,246	26,129,206	67,040	310,631	115,636	194,995
Public works	4,739,485	4,713,125	26,360	19,640	15,666	3,974
Culture and recreation	9,013,897	9,011,420	2,477	1,956,661	1,472,054	484,607
Community development	2,560,005	2,476,718	83,287	23,325,757	7,156,216	16,169,541
Capital projects				12,292,725	7,443,885	4,848,840
Debt service:						
Principal retirement						
Interest and fiscal charges	24,644	6,566	18,078	4,993,760	2,033,986	2,959,774
Total Expenditures	47,261,619	46,653,688	607,931	42,899,174	18,237,443	24,661,731
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,730,418	849,542	(880,876)	(8,610,337)	(428,899)	8,181,438
OTHER FINANCING SOURCES (USES):						
Sale of property	6,500	191,412	184,912	3,525,000	678,241	(2,846,759)
Operating transfers in	5,354,606	5,309,947	(44,659)	2,082,892	2,118,114	35,222
Operating transfers out	(9,445,448)	(6,481,102)	2,964,346	(4,831,450)	(4,556,960)	274,490
Proceeds from long-term debt and interfund loans				162,686	945,922	783,236
Total Other Financing Sources (Uses)	(4,084,342)	(979,743)	3,104,599	939,128	(814,683)	(1,753,811)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(2,353,924)	(130,201)	2,223,723	(7,671,209)	(1,243,582)	6,427,627
Fund balances at beginning of year	32,301,633	32,301,633		21,115,987	21,115,987	
FUND BALANCES AT END OF YEAR	\$29,947,709	\$32,171,432	\$2,223,723	\$13,444,778	\$19,872,405	\$6,427,627

See accompanying notes to financial statements

CAPITAL PROJECTS FUND			TOTALS (Memorandum Only)			
			2002		2001	
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Actual
			\$37,800,895	\$39,190,492	\$1,389,597	\$37,283,455
			1,553,800	1,550,157	(3,643)	1,717,826
			2,072,904	1,919,172	(153,732)	1,952,893
\$300,000	\$757,070	\$457,070	5,308,726	3,423,313	(1,885,413)	5,239,340
103,500		(103,500)	9,797,696	3,148,439	(6,649,257)	2,701,976
2,979,541		(2,979,541)	21,885,634	7,965,551	(13,920,083)	3,040,380
200,000	704,463	504,463	8,016,612	8,429,965	413,353	8,484,939
2,203,067	402,193	(1,800,874)	2,630,715	1,548,411	(1,082,304)	917,018
5,786,108	1,863,726	(3,922,382)	89,066,982	67,175,500	(21,891,482)	61,337,827
			4,727,342	4,316,653	410,689	3,221,234
			26,506,877	26,244,842	262,035	24,477,735
			4,759,125	4,728,791	30,334	4,344,717
			10,970,558	10,483,474	487,084	9,198,923
			25,885,762	9,632,934	16,252,828	5,712,316
23,177,450	4,626,689	18,550,761	35,470,175	12,070,574	23,399,601	11,600,677
144,326	144,326		144,326	144,326		527,813
			5,018,404	2,040,552	2,977,852	1,987,374
23,321,776	4,771,015	18,550,761	113,482,569	69,662,146	43,820,423	61,070,789
(17,535,668)	(2,907,289)	14,628,379	(24,415,587)	(2,486,646)	21,928,941	267,038
			3,531,500	869,653	(2,661,847)	4,020,780
10,566,233	7,392,168	(3,174,065)	18,003,731	14,820,229	(3,183,502)	14,605,237
(8,000)		8,000	(14,284,898)	(11,038,062)	3,246,836	(11,335,312)
2,550,000	1,184,477	(1,365,523)	2,712,686	2,130,399	(582,287)	516,282
13,108,233	8,576,645	(4,531,588)	9,963,019	6,782,219	(3,180,800)	7,806,987
(4,427,435)	5,669,356	10,096,791	(14,452,568)	4,295,573	18,748,141	8,074,025
15,368,316	15,368,316		68,785,936	68,785,936		60,711,911
\$10,940,881	\$21,037,672	\$10,096,791	\$54,333,368	\$73,081,509	\$18,748,141	\$68,785,936

CITY OF DALY CITY
 COMBINED STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Enterprise	Internal Service	Totals (Memorandum Only)	
			2002	2001
OPERATING REVENUES				
Charges for services	\$24,884,565	\$8,655,768	\$33,540,333	\$32,342,961
Other revenues	616,347	584,103	1,200,450	1,071,954
Total Operating Revenues	25,500,912	9,239,871	34,740,783	33,414,915
OPERATING EXPENSES				
Salaries and benefits	5,181,617	3,319,303	8,500,920	7,662,927
Services and supplies	5,016,930	2,489,192	7,506,122	7,499,006
Water purchases	2,241,561		2,241,561	1,990,834
Transfer station charges	1,188,405		1,188,405	1,142,932
Utilities	1,937,307	502,781	2,440,088	2,160,345
Insurance	341,325	886,660	1,227,985	1,154,392
Claims and settlements		1,426,469	1,426,469	573,341
Depreciation	2,717,682	1,316,273	4,033,955	3,701,410
Other charges	2,023,949	266,090	2,290,039	3,025,764
Total Operating Expenses	20,648,776	10,206,768	30,855,544	28,910,951
Operating Income (Loss)	4,852,136	(966,897)	3,885,239	4,503,964
NONOPERATING REVENUES (EXPENSES)				
Property taxes	926,225		926,225	831,017
Interest income	834,698	385,367	1,220,065	1,943,828
Interest expense	(732,823)	(465)	(733,288)	(805,791)
Gain (loss) on sale of fixed assets	(53,505)	52,159	(1,346)	269,770
Grant reimbursement		3,115,453	3,115,453	2,870,688
Storm damage repair expenses		(457,157)	(457,157)	(3,866,243)
Net Nonoperating Revenues (Expenses)	974,595	3,095,357	4,069,952	1,243,269
Income Before Operating Transfers	5,826,731	2,128,460	7,955,191	5,747,233
OPERATING TRANSFERS				
Operating transfers in	774,650	1,125,670	1,900,320	1,815,804
Operating transfers out	(5,466,666)	(215,821)	(5,682,487)	(5,085,729)
NET INCOME	1,134,715	3,038,309	4,173,024	2,477,308
ITEM AFFECTING CONTRIBUTED CAPITAL				
Depreciation of contributed assets	330,562	11,775	342,337	449,117
INCREASE IN RETAINED EARNINGS	1,465,277	3,050,084	4,515,361	2,926,425
Retained earnings at beginning of year	65,093,016	11,202,641	76,295,657	73,369,232
RETAINED EARNINGS AT END OF YEAR	\$66,558,293	\$14,252,725	\$80,811,018	\$76,295,657

See accompanying notes to financial statements

CITY OF DALY CITY
 COMBINED STATEMENTS OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Enterprise	Internal Service	Totals (Memorandum Only)	
			2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$4,852,136	(\$966,897)	\$3,885,239	\$4,503,964
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	2,717,682	1,316,273	4,033,955	3,701,410
Net effect of changes in:				
Receivables	255,160	118,197	373,357	(671,563)
Inventories	(58,005)	(9,230)	(67,235)	11,360
Prepays	30,395	(47,826)	(17,431)	30,395
Accounts payable and other liabilities	43,147	690,278	733,425	1,253,517
Cash Flows from Operating Activities	<u>7,840,515</u>	<u>1,100,795</u>	<u>8,941,310</u>	<u>8,829,083</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>834,698</u>	<u>385,367</u>	<u>1,220,065</u>	<u>1,943,828</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interest expense	(51,650)		(51,650)	(57,125)
Operating transfers in	774,650	1,125,670	1,900,320	1,815,804
Operating transfers out	(5,466,666)	(215,821)	(5,682,487)	(5,085,729)
Grant proceeds		3,115,453	3,115,453	2,870,688
Storm damage repair		(457,157)	(457,157)	(3,866,243)
Receipt from long-term interfund receivable	109,939		109,939	104,464
Disbursement of long-term inter-fund payable	(109,939)		(109,939)	(104,464)
Property taxes	<u>926,225</u>		<u>926,225</u>	<u>831,017</u>
Cash Flows from Noncapital Financing Activities	<u>(3,817,441)</u>	<u>3,568,145</u>	<u>(249,296)</u>	<u>(3,491,588)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of fixed assets	19,334	52,159	71,493	269,770
Principal paid on debt	(1,255,000)	(42,774)	(1,297,774)	(1,244,257)
Interest paid on debt	(681,173)	(465)	(681,638)	(748,666)
Acquisition and construction of capital assets	<u>(5,473,904)</u>	<u>(1,934,366)</u>	<u>(7,408,270)</u>	<u>(5,382,071)</u>
Cash Flows from Capital and Related Financing Activities	<u>(7,390,743)</u>	<u>(1,925,446)</u>	<u>(9,316,189)</u>	<u>(7,105,224)</u>
NET CASH FLOWS	(2,532,971)	3,128,861	595,890	176,099
Cash and cash equivalents at beginning of year	<u>22,043,589</u>	<u>7,534,733</u>	<u>29,578,322</u>	<u>29,402,223</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$19,510,618</u>	<u>\$10,663,594</u>	<u>\$30,174,212</u>	<u>\$29,578,322</u>

See accompanying notes to financial statements



CITY OF DALY CITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note 1.

DESCRIPTION OF FUNDS AND SUMMARY OF ACCOUNTING POLICIES

The City of Daly City (City) was incorporated on March 22, 1911, and operates under a Council-Manager form of government. Daly City is a general law city, and provides the following services: public safety (police and fire), highways and streets, water, sanitary sewer, health and social services, culture and recreation, public improvements, planning and zoning and general administrative services.

The general purpose financial statements include financial information for entities of the City which are directly or indirectly governed by the City Council. The entities included are the City, the Daly City Redevelopment Agency, the North San Mateo County Sanitation District, and the Daly City Public Facilities Financing Corporation (see Note 2).

The accounting policies of the City conform with generally accepted accounting principles as they apply to governments. The following is a summary of the more significant policies.

A. FUND ACCOUNTING

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self - balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the general purpose financial statements into three broad fund categories and six generic fund types as follows:

GOVERNMENTAL FUND TYPES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes or for which separate accounting is required by administrative action.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

PROPRIETARY FUND TYPES

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

INTERNAL SERVICE FUNDS

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

FIDUCIARY FUND TYPE

AGENCY FUNDS

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. The Agency Funds are custodial in nature and do not involve measurement of results of operations.

B. ACCOUNT GROUPS - GENERAL FIXED ASSETS AND GENERAL LONG-TERM OBLIGATIONS

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or financial flow measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. All fixed assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated fixed assets are recorded at their estimated fair value on the date donated. No depreciation has been provided on general fixed assets.

Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since noncurrent liabilities do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or liabilities.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group, not in the governmental funds. This includes Redevelopment Agency loans due to the General Fund.

The two account groups are not funds. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. FIXED ASSETS AND LONG-TERM DEBT IN PROPRIETARY FUNDS

All Proprietary Funds are accounted for on a cost of services or capital maintenance measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets and are excluded from General Fixed Assets and General Long-Term Obligations Account Groups. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

Buildings	20-50 years	Water Mains	50 years
Equipment	3-20 years	Sewage Collection Facilities	7-20 years
Wells and Pump Stations	40-50 years	Sewage Treatment Facilities	10-40 years
Water Reservoirs	40-99 years	Sewage Disposal Facilities	15-50 years
Sanitation Subsurface Lines	50 years		

The City capitalizes major asset purchases and improvements which increase the useful life of the related assets. Minor purchases and routine repair and maintenance costs are charged directly to expense.

D. PROPERTY HELD FOR INVESTMENT

Property held for investment is stated at the lower of historical cost or net realizable value (equal to agreed upon sales price if a disposition agreement has been reached with a developer).

E. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the general purpose financial statements. Basis of accounting relates to the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed in all governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Property taxes and sales taxes are considered measurable and available when in the hands of intermediary collecting governments and are recognized as revenue at that time. The primary revenue sources which are susceptible to accrual include taxes, rents, licenses, interest, grants and contributions. Fines and penalties and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Expenditures, other than interest on long-term obligations which is recorded when paid, are recognized under the modified accrual basis of accounting generally when the related fund liability is incurred.

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The City follows Financial Accounting Standard Board Statements issued on or before November 30, 1989 which do not conflict with Governmental Accounting Standards Board Statements.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

F. BUDGETS, BUDGETARY ACCOUNTING AND ENCUMBRANCES

The City adopts an annual budget before June 30, for all funds and component units other than the Agency Funds. Budgets are subject to public hearing before they are adopted by the City Council. Budgets are prepared on the basis of generally accepted accounting principles (GAAP basis).

The City is not legally required to prepare budgets for any of its funds, but does so as a matter of managerial policy. Budgets submitted to the City Council include both proposed appropriations and the means of financing them. The City Council approves total appropriations on a fund by fund basis.

The City Manager is authorized and directed to make any changes or transfers of appropriations within any Department of the City and from one Department to another if he deems necessary or feasible under circumstances existing, as long as the total appropriations of the funds are not exceeded. Additional appropriations not included in the original budget resolutions require approval by the City Council. Budgeted amounts shown are as adopted and amended by the City Council. Individual amendments were not material in relation to the original appropriations. Budgets for the City's proprietary funds are considered as memorandum budgets used for the purpose of management control. These nonappropriated budgets are not included in the general purpose financial statements.

The City uses an encumbrance system as an extension of normal budgetary accounting for the General Fund, Special Revenue Funds and Capital Projects Fund. Under this system purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Outstanding encumbrances at year end are automatically reappropriated the following year. Unencumbered and unexpended appropriations for other than capital outlay lapse at year end. However, the Capital Projects Fund is not budgeted on a project-length basis. Only the budget estimated to be spent in the current fiscal year is appropriated, even if the project will continue into future fiscal years. The City prepares a five year capital plan, and each project year budget (GAAP Basis) is appropriated separately on an on-going basis.

G. INTERFUND TRANSACTIONS

A description of the three basic types of the City's interfund transactions during the year and the related accounting policies is set forth as follows:

1. Transactions related directly to services rendered or facilities provided are recorded as revenues in the fund providing the service or facility and expenditures (or expenses) in the fund receiving them.
2. Transactions to allocate resources from one fund to another not contingent on the specific expenditures occurring in the receiving fund are recorded as operating transfers in and transfers out in the respective funds.

3. Transactions recording equity contributions between funds are recorded as residual equity transfers in the governmental funds. In proprietary funds, they are recorded as contributed capital in the fund equity section.

H. CASH AND INVESTMENTS

At June 30, 2002, the carrying amount of the City's deposits and certificates of deposit was \$7,662,299 and the bank balance was \$9,740,562. Of the bank balance \$1,642,566 was insured by federal depository insurance or covered by collateral held by the City's agent in the City's name, and \$8,097,996 was covered by collateral held in the pledging financial institutions' trust department or agent in the City's name, in accordance with Section 53652 of the California Government Code.

The City's investments of \$64,971,896 at June 30, 2002 (excluding certificates of deposit and mortgage backed securities) consist of funds on deposit with the Local Agency Investment Fund (State Treasurer's Pool) and the San Mateo County Investment Pool. The investment pools are not subject to risk categorization because they are not evidenced by securities that exist in physical or book entry form.

The City has invested in mortgage backed securities issued by the Government National Mortgage Association which are evidenced by specific identifiable securities instruments. The City categorizes securities instruments in ascending order to reflect the relative risk of loss on these instruments. This risk is called Credit Risk. The lower the number, the lower the risk. Of the three levels of risk prescribed by generally accepted accounting principles, the City's securities instruments are considered Category 1, because the City has possession of these securities instruments and they are in the City's name. The fair value of these securities instruments at June 30, 2002 was \$2,899,819. Five of these securities instruments have original maturity terms greater than five years. For fiscal 2001-2002, the City Council adopted a resolution which included authorization for the City Treasurer to invest up to \$4 million which, at the time of investment, have terms remaining to maturity in excess of 5 years.

The City's cash with fiscal agent of \$1,923,114 at June 30, 2002 consists of money market funds investing in United States Treasury securities. The money market funds were purchased and are held by a fiscal agent in the name of the fiscal agent.

The City's cash with fiscal agent, as well as cash and investments recorded in the City's Agency funds, are required to be expended for the payment of certificates of participation or assessment bonds. The expenditure of these cash and investments is governed by indenture agreements and other agency agreements. The California Government Code requires these monies to be invested in accordance with any applicable City ordinance, resolution or bond indenture, unless there are specific State statutes governing their investment. All these funds have been invested only as permitted by either the above Code or applicable City ordinance.

Proprietary funds' portion of the City Treasury is reported on the accompanying financial statements as Cash and Investments, similar to a demand deposit account, and is considered a cash equivalent used in the preparation of the statement of cash flows.

The City of Daly City operates its investment activities under the prudent investor rule (Civil Code Sec. 2261, et seq.). This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current statutes of the State of California (Government Code Sec. 53600, et seq.).

Investments are allowed in the following media:

- Collateralized Certificates of Deposit
- United States Treasury notes, bonds, bills or certificates of indebtedness
- Registered state warrants or treasury notes or bonds of the State of California
- Bonds, notes, warrants or other evidences of indebtedness of any local agency within the State of California, including those of the City or of any agency or authority of the City
- Obligations issued by banks and guaranteed by a federal agency or United States government-sponsored enterprise
- Banker's acceptances
- Commercial paper
- Negotiable certificates of deposit or time deposits placed with commercial banks and/or savings and loan companies
- Mutual Funds
- Local Agency Investment Fund (State Treasurer's Pool)
- Repurchase or reverse repurchase agreements
- San Mateo County Treasurer's Pool
- Passbook Savings Accounts

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

The City voluntarily invests in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

I. INVENTORY

Inventory is valued at cost, using the first-in, first-out method. For the General Fund, inventories consist of consumable supplies held for consumption, and do not constitute "available spendable resources", even though they are a component of net current assets. Such amounts are equally offset by a reservation of fund balance. For proprietary funds, inventories represent materials and supplies for operations. The consumption method of accounting is applied to inventories.

J. WATER UTILITY ACCOUNTS RECEIVABLE

The City bills usage to water utility customers on a bimonthly basis. Each day's meter readings are usually billed on the next business day. At any given time, an average of one month's usage is unread and unbilled. These unbilled estimated usages have been recognized as revenue and receivables in the financial statements of the enterprise funds.

K. ADVANCES TO OTHER FUNDS AND AGENCIES

In governmental funds, noncurrent portions of long-term interfund loans receivable (reported in "advances to" asset accounts) are equally offset by a reservation of fund balance which indicates that they do not constitute available spendable resources since they are not a component of net current assets. These advances accumulate interest annually and because interest revenue is not expected to be collected within the next year, the accumulated interest has been reflected as deferred revenue in the General Fund. Current portions of long-term interfund loans receivable (reported in "due from" asset accounts) are considered available spendable resources.

L. ACCUMULATED UNPAID VACATION, COMPENSATORY AND SICK LEAVE

Accumulated unpaid employee benefits are accrued at year-end. If vacation or compensatory leave is not taken by employees during their employment, the City is obligated to make cash payments to them on termination or retirement at the salary rates then in effect. City employees receive from thirteen to twenty-eight days vacation each year. With permission, vacation can be accumulated for up to two years.

Full time City employees receive one working day of sick leave for each month of employment. Employees who terminate for reasons other than death, retirement or abolishment of position lose all accumulated sick leave. Upon death, retirement after the age of 50 and 5 years of service or abolishment of position the City is obligated to pay 50% of unused sick leave, up to 800 hours, at the salary rate then in effect. The value of vested sick leave liability for all employees qualified for retirement on June 30 of each year is accrued.

Liabilities for proprietary funds totaling \$345,560 are included on the balance sheets of the respective funds. Liabilities for governmental funds in the total amount of \$5,731,777 are included in the General Long-Term Obligations Account Group because they will not require the use of current available spendable resources for liquidation.

Changes in the Compensated Absences recorded in the General Long-Term Obligations Account Group for the fiscal year ended June 30, 2002, is as follows:

	<u>Compensated Absences</u>
Balance July 1, 2001	\$4,989,093
Additions	<u>742,684</u>
Balance June 30, 2002	<u><u>\$5,731,777</u></u>

M. CLAIMS AND JUDGMENTS

The City has recognized a liability for workers' compensation and general liability claims in the Self-Insurance Internal Service Fund. This liability reflects the costs of claims determined to be probable of assertion and measurable in amount.

N. PROPERTY TAX LEVY, COLLECTION, MAXIMUM RATES

Article 13 of the California State Constitution provides for a maximum general property tax rate statewide of \$1.00 per \$100 of assessed value, and may be adjusted by no more than two percent per year unless the property is sold or transferred, in which case it is then assessed at market value. Assessed value is calculated at 100% of market value as defined by the above referenced Article 13.

The State Legislature has determined the method of distribution of receipts from the \$1.00 tax levy among the county, cities, school districts and other districts. Counties, cities and school districts may levy such additional tax rate as is necessary to provide for voter approved debt service. San Mateo County assesses properties, bills for, and collects property taxes on the following schedule.

	<u>SECURED</u>	<u>UNSECURED</u>
Valuation dates	March 1	March 1
Lien/levy dates	January 1	January 1
Due Dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 April 10	August 31

The term "Unsecured" refers to taxes on property not secured by liens on real property. Property taxes levied are recorded as revenue and receivables, net of estimated uncollectible amounts, in the fiscal year of levy. Property taxes which cannot be recorded as current year revenues, in accordance with the modified accrual basis of accounting, have been recorded as deferred revenues.

O. RESERVATIONS AND DESIGNATIONS OF FUND EQUITY

The term "reserve" is used to indicate that a portion of reported fund equity is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The City Council or the City Manager will sometimes designate portions of unreserved fund equity based on tentative future spending plans. Such plans are subject to change, have not been legally authorized and may not result in expenditures. Unreserved undesignated portions of fund equity represent financial resources legally available for uses other than those tentatively planned.

The City has reserved fund equity as follows:

Reserved for Encumbrances - to reflect outstanding contractual obligations for which goods and services have not been received.

Reserved for Prepaids, Condemnation Deposits, Inventories, Notes Receivable, Long-term Interfund Receivables and Property Held for Development - to reflect that prepaid expenditures, inventories, long-term notes receivable and land held for investment do not constitute available spendable resources in the governmental funds.

Reserved for Capital Projects - to account for developer in-lieu fees and other monies restricted by statute to the development and maintenance of City capital projects.

Reserved for Restricted Purposes - the City receives grants and other revenues legally restricted for certain functions.

Reserved for Imprest Cash Funds - these amounts represent revolving petty cash funds maintained in various City departments to facilitate small, nonroutine, purchases of goods.

Reserved for Equipment Replacement - these monies are set aside according to the depreciation schedule for a specific piece of equipment. The reserve for equipment replacement increases in the same amount as depreciation charged in each of the internal service and enterprise funds and decreases when monies are used to buy replacement equipment.

Reserved for Fire Apparatus - these monies are set aside specifically for the replacement of fire equipment. Because fire equipment is a very expensive capital item, the City has chosen to reserve the amount determined by the depreciation schedule for fire equipment for future needs.

Reserved for Recycling - these monies are set aside to reduce the amount of refuse by encouraging recycling of reusable materials

Reserved for Possible Future Claims - the City has a self-insurance fund that is explained in Note 10. Monies have been set aside in this reserve in the event that the City will be found liable for future claims for personal injury or accident or other significant damage within the City.

Designated for Capital Projects - these funds represent amounts budgeted in the General Fund for the upcoming fiscal year which will be transferred to the Capital Projects Fund.

Designated for Operating Capital - these amounts represent estimates of the cash required for expenditures in various funds which are necessary to bridge the time period between year-end and the receipt of major revenues, such as property taxes and sewer service fees billed with property taxes.

P. "TOTALS (MEMORANDUM ONLY)" INFORMATION

Columns on the accompanying general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Note 2.

REPORTING ENTITY

The City's general purpose financial statements include the financial activities of the City, the Daly City Redevelopment Agency (Redevelopment Agency), the North San Mateo County Sanitation District, and the Daly City Public Facilities Financing Corporation. These entities are controlled by governing boards consisting of members of the City Council. Council members are financially accountable for these entities' operations and approve fees, debt issues and adopt budgets. Component unit reports for the Redevelopment Agency can be obtained from the City of Daly City, 333 - 90th Street, Daly City, California 94015-1895.

The Redevelopment Agency was established in 1971 for the purpose of developing certain portions of the City's older business areas, and is overseen by and dependent upon the City. While the Redevelopment Agency is a separate legal entity and technically an administrative arm of the State, exercising State powers, it is governed and effectively controlled by the City Council. The activities of the Redevelopment Agency are included with the Special Revenue Funds, General Fixed Asset Account Group and General Long-Term Obligations Account Group.

Effective July 1, 1985, the North San Mateo County Sanitation District became a subsidiary district of the City. The City set up an enterprise fund to account for the District's operations.

The activity of the Daly City Public Facilities Financing Corporation (the Corporation) is included in the general purpose financial statements within the North San Mateo County Sanitation District Enterprise Fund because the City Council sits as the Board for this entity. The City established the Corporation to facilitate the issuance of \$21,500,000 of Certificates of Participation to complete an expansion project for the North San Mateo County Sanitation District. The Corporation acts as a conduit for the leasing of the facilities of the Sanitation District (See Note 12).

Note 3.**COMMITMENTS AND CONTINGENCIES**

At June 30, 2002, the City had made commitments of approximately \$10.6 million for construction work, legal and consulting fees, and purchases of supplies and equipment.

Note 4.**FIXED ASSETS**

Changes in the General Fixed Assets Account Group for the fiscal year ended June 30, 2002 are as follows:

	<u>Balance July 1, 2001</u>	<u>Additions and Transfers</u>	<u>Deletions and Transfers</u>	<u>Balance June 30, 2002</u>
Land	\$15,664,512	\$931,766	(\$7,500)	\$16,588,778
Buildings	20,708,554	5,939,104	(16,500)	26,631,158
Equipment, Furniture & Fixtures	2,797,209	136,995	(4,735)	2,929,469
Construction in Progress	5,686,394	2,656,810	(4,443,456)	3,899,748
Total	<u>\$44,856,669</u>	<u>\$9,664,675</u>	<u>(\$4,472,191)</u>	<u>\$50,049,153</u>

A summary of proprietary fund type fixed assets at June 30, 2002 follows:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Land	\$2,879,013	\$333,343
Buildings	6,892,232	194,494
Leasehold Improvements	491,827	
Wells and Pump Stations	4,276,153	
Water Reservoirs	7,051,427	
Water Mains	9,478,775	
Sanitation Subsurface Lines	13,005,579	
Sewage Collection Facilities	1,924,942	
Sewage Treatment Facilities	40,268,809	
Sewage Disposal Facilities	3,606,385	
Equipment	5,700,537	13,730,396
Furniture and Fixtures	107,421	19,898
Construction in Progress	6,191,101	
Total	<u>101,874,201</u>	<u>14,278,131</u>
Less Accumulated Depreciation	<u>(34,371,822)</u>	<u>(8,045,042)</u>
Fixed Assets, net	<u>\$67,502,379</u>	<u>\$6,233,089</u>

Note 5**GENERAL LONG-TERM DEBT**

Changes in the General Long-Term Obligations Account Group for the fiscal year ended June 30, 2002, are as follows:

	Loans Payable from Redevelopment Agency	Line of Credit	Capital Lease Obligation	Total
Balance July 1, 2001	\$32,682,046	\$119,897		\$32,801,943
Additions	2,033,987		\$1,184,477	3,218,464
Payments	(1,088,064)		(144,326)	(1,232,390)
Balance June 30, 2002	<u>\$33,627,969</u>	<u>\$119,897</u>	<u>\$1,040,151</u>	<u>\$34,788,017</u>

Loans payable from the Redevelopment Agency to the General Fund have no scheduled repayment date. Loans bear interest at 6.172 percent. The 2002 additions to loans payable shown above represents interest as the terms of the agreement stipulate that any unpaid interest shall be added to the principal.

As of June 30, 2002 the City had a bank line of credit bearing interest at 5.70 percent. Monthly interest installments of \$570 are due until October 3, 2005 when the principal balance and any unpaid interest is due. The initial \$164,000 draw down on the line was used to finance improvements to office space used in the City's Small Business Incubator Program. Under this Program, the City, the Chamber of Commerce and a third party consultant assist startup companies by providing office space and secretarial and administrative services for a fee. Debt service is payable from rents collected from small businesses participating in the Program.

On August 13, 2001, the City entered into a capital lease agreement totaling \$1,184,477 to fund the Civic Center Energy Management Project to improve the lighting, heating and ventilation of the building. Principal and interest payments are due annually on August 13 until 2011.

Future installments which are payable from the Capital Projects Fund including interest of \$258,783 are as follow:

<u>Year ending June 30</u>	<u>Lease Payment</u>
2003	\$144,326
2004	144,326
2005	144,326
2006	144,326
2007	144,326
Thereafter	<u>577,304</u>
Total	<u>\$1,298,934</u>

Note 6.**SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The City maintains four Enterprise Funds which provide water, sanitary sewer, solid waste transfer station services and real property rental. Segment information for the fiscal year ended June 30, 2002 is as follows:

	<u>Water Utility</u>	<u>Civic Center</u>	<u>Transfer Station</u>	<u>Sanitation District</u>	<u>Total</u>
Operating Revenue	\$10,299,993	\$964,802	\$1,578,061	\$12,658,056	\$25,500,912
Depreciation	776,171	299,427	43,703	1,598,381	2,717,682
Operating Income	2,647,568	245,908	335,634	1,623,026	4,852,136
Nonoperating Revenues					
(Expenses)	190,530	(38,960)		823,025	974,595
Property Taxes				926,225	926,225
Operating Transfers In				774,650	774,650
Operating Transfers (Out)	(2,502,500)	(324,969)	(401,840)	(2,237,357)	(5,466,666)
Net Income (Loss)	335,598	(118,021)	(66,206)	983,344	1,134,715
Fixed Asset Additions - Net	832,631			3,487,092	4,319,723
Net Working Capital	5,789,172	343,219	477,003	14,089,040	20,698,434
Total Assets	25,494,697	6,610,739	1,647,846	58,556,535	92,309,817
Long-Term Obligations	34,468	948,968		11,005,248	11,988,684
Total Equity	24,865,244	5,561,772	1,297,923	45,480,755	77,205,694

Note 7.**INTERFUND BALANCES**

At June 30, 2002, the following Special Revenue Funds owed the General Fund a combined \$121,238: Doelger Senior Center Fund owed \$21,904, and the Community Block Grant Fund owed \$99,334, which are expected to be repaid within the next fiscal year from grants receivable.

The Sanitation Enterprise Fund loaned \$1.2 million, (\$948,968 at June 30, 2002), to the Civic Center Enterprise Fund to finance construction of Civic Center North remodeling costs. This long-term interfund advance bears interest at 5.119 percent and is due in monthly installments including interest commencing July 30, 1999 with a final payment due on June 30, 2009. The payments are being made from Civic Center operating revenues.

See Note 5 for a discussion of the Redevelopment Agency loan payable to the General Fund.

Note 8.

RETIREMENT PLAN

CALPERS Safety and Miscellaneous Employees Plans

Substantially all City employees are eligible to participate in pension plans offered by the California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit pension plan that acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under all Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full-time employment and final compensation as defined in each Plan. Benefits for Safety Plan members may not exceed 90% of final compensation. Funding contributions for these Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect at June 30, 2002, are summarized below:

	<u>Safety</u>	<u>Miscellaneous</u>	<u>Redevelopment Agency Miscellaneous</u>
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Benefits, as a % of annual salary for each credited service year	2% - 2.7%	1.426% - 2.418%	1.092% - 2.418%
Required employee contribution rates	9%	7%	7%
Required employer contribution rates	0%	0%	0%

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The City does not have a net pension obligation since it pays these actuarially required contributions monthly.

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 8.25% is assumed, including inflation at 3.50%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

The net assets of the City's Plans are commingled with the net assets of all CALPERS plans for investment purposes. The fair value of the net assets in the Plans changed as follows during the year ended June 30, 2000:

	<u>Safety</u>	<u>Miscellaneous</u>	<u>Redevelopment Agency Miscellaneous</u>
Beginning Balance 6/30/99	\$113,581,115	\$83,920,425	\$379,474
Contributions received	1,250,014	1,254,351	
Benefits, Refunds and Miscellaneous Adjustments	(3,684,400)	(2,489,693)	(579)
Expected Investment Earnings Credited	9,272,013	6,873,487	31,283
Expected Actuarial Value of Assets as of June 30, 2000	<u>\$120,418,742</u>	<u>\$89,558,570</u>	<u>\$410,178</u>
Fair Value of Assets as of June 30, 2000	<u>\$134,796,700</u>	<u>\$100,273,226</u>	<u>\$457,711</u>
Actuarial Value of Assets as of June 30, 2000	<u>\$125,211,395</u>	<u>\$93,130,122</u>	<u>\$426,022</u>

The NSMCSD Miscellaneous Plan merged with the City's Miscellaneous Plan effective with the June 30, 1997 and 1998 actuarial valuation. Accordingly, the assets of the NSMCSD Plan have been added to the City's Miscellaneous Plan.

Annual pension costs, representing the payment of contributions required by CALPERS, for the three fiscal years ended June 30, 2002, 2001 and 2000 amount to \$2,886,827, \$2,566,241 and \$2,463,153, respectively. The City made these contributions as required, together with certain immaterial amounts required as the result of the payment of overtime and other additional employee compensation.

The Plans' actuarial value (which differs from fair value) and funding progress over the most recent three years available is set forth below at their actuarial valuation date of June 30:

Safety Plan:

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
1999	\$93,356,891	\$113,581,115	(\$20,224,224)	121.7%	\$12,178,312	(166.1%)
2000	105,607,735	125,211,395	(19,603,660)	118.6%	12,539,105	(156.3%)
2001	116,439,374	134,302,277	(17,862,903)	115.3%	13,460,996	(132.7%)

Miscellaneous Plan:

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
1999	\$58,693,353	\$83,920,425	(\$25,227,072)	143.0%	\$17,282,333	(146.0%)
2000	64,649,749	93,130,122	(28,480,373)	144.1%	18,329,765	(155.4%)
2001	76,853,616	100,749,759	(23,896,143)	131.1%	19,873,926	(120.2%)

Miscellaneous (Redevelopment Agency) Plan:

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
1999	\$95,291	\$379,474	(\$284,183)	384.1%	-	N/A
2000	103,186	426,022	(322,836)	398.2%	-	N/A
2001	105,780	447,839	(342,059)	423.4%	-	N/A

Audited annual financial statements and ten year trend information are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Note 9.

DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

Note 10.

SELF-INSURANCE

The Self-Insurance Internal Service Fund was established as of January 1, 1979, to provide for payment of workers' compensation claims. At July 1, 1979, the Fund was expanded to consolidate essentially all of the City's risk management programs. Fund revenues consist of interest earnings, reimbursements of claims paid by the fund and charges to other funds. The latter is intended to match the charges for insurance premiums for coverage in excess of self-insured amounts, estimated payments resulting from self-insurance programs, operating expenses and the provision of reserves for pending and possible future claims.

The City has deductibles for the first \$250,000 for general and automobile liability claims and the first \$300,000 for workers' compensation claims. It maintains a \$25,000 deductible for property losses. Losses in excess of the deductible, up to \$25,000,000 on workers' compensation losses and up to \$19,750,000 on general and automobile liability are covered by purchased excess insurance. The City purchases combined property, boiler and machinery and automobile comprehensive insurance covering all but the deductible on to the full value of City property. The City charges to expense the incurred liabilities for claims in cases where such amounts are reasonably determinable and where the likelihood of liability exists. Included are estimates for incurred but not reported claims, which are calculated based on claims experience. In addition, the City has reserved remaining retained earnings (which provision is not charged to expense) for possible future claims. During the past year, the City has had to cope with an increasingly hard insurance market. Premiums are significantly higher, minimum workers' compensation self-insured retentions have been increased by insurers, and historical coverage limits are getting difficult to obtain.

The City's liability for uninsured claims including a provision for claims incurred but not reported was computed as follows based on claims experience for the years ended June 30, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Beginning balance of claims payable	\$1,300,931	\$1,098,063
Increase in estimated claims liability	1,410,246	776,209
Claims paid	<u>(1,017,291)</u>	<u>(573,341)</u>
Ending balance of claims payable	<u>\$1,693,886</u>	<u>\$1,300,931</u>

Note 11.

CAPITAL LEASE OBLIGATION - INTERNAL SERVICE FUND

In 1997, the Motor Vehicle Internal Service Fund entered into a long-term capital lease for two vacuum street sweepers. The cost of the street equipment was \$253,422. As of June 30, 2002, this equipment had a net book value of \$120,363. During fiscal 2001-2002, final payments were made totaling \$43,239 including interest of \$465 and the principal balance of \$42,774 was repaid.

Note 12.

LONG-TERM DEBT - PROPRIETARY FUNDS

Certificates of Participation in the amount of \$21,500,000 were issued in June 1987 (proceeds, net of issuance costs and underwriter's discount, \$21,166,082). The certificates were initially issued by the Daly City Public Facilities Financing Corporation (Corporation) which used the proceeds to fund expansion construction of the North San Mateo County Sanitation District's (District) sewage treatment system. The system is being leased to the City, which is subleasing it to the District. Both leases are long term capital lease agreements. At the conclusion of the lease the system will become property of the District. The District's obligation under the sublease and the City's obligation under the lease provide payments of principal and interest which are sufficient in amount and timing to meet debt service payments on the Certificates of Participation. As the Corporation and the District are component units of the City, the lease transactions have been eliminated and the liability for the certificates is shown as that of the District.

On August 19, 1992, the City issued \$20,980,000 of Refunding Certificates of Participation bearing interest at 5 percent to 5.375 percent to advance refund \$18,910,000 of outstanding 1987 Certificates of Participation bearing interest at 6.5 percent to 8.15 percent. As a result, the 1987 Certificates of Participation are considered legally defeased and, as of August 19, 1992, were no longer an obligation of the City.

Debt activity for fiscal year 2002 was as follows:

	<u>Principal</u>	<u>Unamortized Issuance Costs & Underwriter's Discount</u>
Balance July 1, 2001	\$12,125,000	\$276,089
Amortization of Issuance Costs & Underwriter's Discount		(30,395)
Payment	<u>(1,255,000)</u>	
Balance June 30, 2002	<u>\$10,870,000</u>	<u>\$245,694</u>

Debt service requirements of the 1992 Refunding Certificates of Participation, including interest of \$2,459,064, are as follow:

<u>Year ending June 30</u>	<u>Debt Service</u>
2003	\$1,904,263
2004	1,903,313
2005	1,903,600
2006	1,904,856
2007	1,906,813
Thereafter	<u>3,806,219</u>
Total	<u>\$13,329,064</u>

Principal is due annually on June 1. Interest is due semiannually on each June 1 and December 1, until June 1, 2009.

On September 24, 2002, the City issued, through a financing intermediary called the Daly City Public Facilities Financing Corporation, \$10,475,000 in Certificates of Participation bearing interest at 2 percent to 2.5 percent for the purpose of refunding the 1992 Refunding Certificates of Participation.

Note 13.**CHANGES IN CONTRIBUTED CAPITAL - ALL PROPRIETARY FUND TYPES**

A combined statement of changes in contributed capital for all proprietary fund types for the year ended June 30, 2002 is as follows:

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)	
			2002	2001
Depreciation on Fixed Assets acquired with contributed capital	(\$330,562)	(\$11,775)	(\$342,337)	(\$449,117)
Contributed Capital - July 1	10,977,963	88,737	11,066,700	11,515,817
Contributed Capital - June 30	<u>\$10,647,401</u>	<u>\$76,962</u>	<u>\$10,724,363</u>	<u>\$11,066,700</u>

Note 14.**CARTER/MARTIN SPECIAL ASSESSMENT DISTRICT**

In fiscal 1985 the City authorized assessments for improvements of streets and water facilities, forming the Carter/Martin Special Assessments District (the District). The District issued \$4,365,000 principal amount special assessment bonds in July 1985, and subsequently performed refinancing and reassessments of the District in July 1987 and again in December 1993. Principal amount of the December 1993 refunding improvement bonds, issued under the 1915 Improvement Act, was \$1,610,000 at June 30, 2002.

The City is not obligated in any manner for the special assessment debt, in that the bonds are not the general obligations of the City, nor is the credit or taxing power of the City pledged for payment of the bonds, and the City is under no obligation to advance funds in the event of default by a property owner. Therefore, the bonds are not included in the financial statements of the City. The City acts only as an agent for the District, receiving special assessments collected by the County and forwarding the funds to the District's bond paying agent, and this fiduciary responsibility is recorded in the City's Agency Fund.

Note 15.**LOANS AND NOTES RECEIVABLE**

The City administers a housing rehabilitation program using Housing and Community Development Block Grants which is accounted for in the Block Grant Special Revenue Fund. Under this program, individuals with incomes below a certain level are eligible to receive low interest loans, secured by deeds of trust, for construction work on their homes. Although these loans and notes are expected to be repaid in full, their balance has been offset by deferred revenue as they are not expected to be repaid during the next fiscal year.

During the year ended June 30, 2002, the City made loans to six participants under this program and shows the following activity:

Beginning Balance	\$1,240,845
New loans	141,691
Loan repayments	<u>(165,955)</u>
Ending Balance	<u><u>\$1,216,581</u></u>

The City has a note receivable (\$326,001 at June 30, 2002) due from the San Mateo Pre-Hospital Emergency Services Providers Group, a jointly governed organization established to provide paramedic services to constituents of member jurisdictions. The Group used proceeds of the loan to finance the acquisition and installation of communications equipment and has agreed to repay the note in monthly installments over a six-year term with the last installment due January 1, 2005. The balance outstanding on the note bears interest at the rate earned on the City's investments in the Local Agency Investment Fund for the prior year, plus one-half of one percent (6.755 percent at June 30, 2002). The interest rate is adjusted each July 1 based on the prior year LAIF rate. The Group has pledged all assets purchased with proceeds of the note as security.

Note 16.

DEVELOPMENT AGREEMENT

The Agency has a Disposition and Development Agreement with a developer under which the developer will construct a three phase, \$200 million project composed of a nine-story office and retail use building, an eight-story office building, a ten-story hotel, a three-story theater complex and an eight-story parking garage. The project will be constructed on a site composed of land owned by the Agency, a parcel sold by the City to the Agency in fiscal 1998-99, and parcels to be acquired from third parties. The Agency is required to purchase the parcels it does not own and sell them along with Agency-owned parcels to the developer for sales prices specified in the Agreement.

The developer has obtained a \$350,000 irrevocable letter of credit in favor of the Agency to act as the performance deposit required under the Agreement and paid the Agency \$150,000 to defray the costs of a final environmental impact report for the project.

As of June 30, 2002, the developer completed construction of the eight-story office building, three-story theater complex, and the eight-story parking garage. The remaining hotel Phase II parcels and Phase III parcels were still owned by the Agency.

Note 17.

FUND DEFICIT

The Building Maintenance Internal Service Fund had a deficit amounting to \$81,343 at June 30, 2002. The deficit will be eliminated with future revenues.

CITY OF DALY CITY

GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources traditionally associated with governments which are not required to be accounted for in a separate fund.

CITY OF DALY CITY
GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash and investments	\$10,316,473	\$9,846,648
Receivables - net	2,495,315	2,694,093
Due from other funds	121,238	176,717
Inventories	136,109	138,193
Prepays	255,912	405,116
Advances to others		194,951
Notes receivable	428,500	540,227
Advances to Redevelopment Agency	<u>33,627,969</u>	<u>32,682,046</u>
 Total Assets	 <u><u>\$47,381,516</u></u>	 <u><u>\$46,677,991</u></u>
LIABILITIES		
Accounts payable	\$522,141	\$656,170
Accrued payroll	718,980	637,556
Accrued liabilities	228,255	280,350
Deposits payable	19,180	26,676
Deferred revenue	<u>13,721,528</u>	<u>12,775,606</u>
 Total Liabilities	 <u><u>15,210,084</u></u>	 <u><u>14,376,358</u></u>
FUND BALANCE		
Reserved for:		
Encumbrances	74,456	139,150
Inventories	136,109	138,193
Prepays	255,912	405,116
Notes receivable	428,500	540,227
Advances to Redevelopment Agency	19,906,441	19,906,440
Imprest cash funds	4,730	4,680
Unreserved:		
Designated for:		
Capital projects	1,500,000	1,500,000
Operating capital	2,500,000	2,500,000
Undesignated	<u>7,365,284</u>	<u>7,167,827</u>
 Total Fund Balances	 <u><u>32,171,432</u></u>	 <u><u>32,301,633</u></u>
 Total Liabilities and Fund Balances	 <u><u>\$47,381,516</u></u>	 <u><u>\$46,677,991</u></u>

CITY OF DALY CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Property tax	\$10,132,121	\$10,676,295	\$544,174	\$9,518,623
Sales tax	8,396,280	7,738,493	(657,787)	8,281,981
Utility users tax	5,043,251	5,110,441	67,190	5,276,878
Franchise fees	2,174,511	2,231,220	56,709	2,067,508
Other taxes	7,480,571	7,826,039	345,468	7,233,304
Licenses and permits	1,553,800	1,550,157	(3,643)	1,717,826
Fines and forfeitures	2,072,904	1,919,172	(153,732)	1,952,893
Rents and interest	4,787,232	2,146,691	(2,640,541)	3,798,745
Receipts from other agencies	982,991	1,186,427	203,436	1,494,434
Charges and fees	6,178,776	6,351,003	172,227	5,892,406
Miscellaneous	189,600	767,292	577,692	304,550
Total Revenues	48,992,037	47,503,230	(1,488,807)	47,539,148
EXPENDITURES				
Current operations:				
General government	4,727,342	4,316,653	410,689	3,221,234
Public safety	26,196,246	26,129,206	67,040	24,126,623
Public works	4,739,485	4,713,125	26,360	4,329,719
Culture and recreation	9,013,897	9,011,420	2,477	8,030,422
Community development	2,560,005	2,476,718	83,287	2,205,214
Debt service:				
Interest and fiscal charges	24,644	6,566	18,078	53,675
Total Expenditures	47,261,619	46,653,688	607,931	41,966,887
EXCESS OF REVENUES OVER EXPENDITURES	1,730,418	849,542	(880,876)	5,572,261
OTHER FINANCING SOURCES (USES)				
Sale of property	6,500	191,412	184,912	
Operating transfers in	5,354,606	5,309,947	(44,659)	5,080,151
Operating transfers out	(9,445,448)	(6,481,102)	2,964,346	(7,655,848)
Total Other Financing Sources (Uses)	(4,084,342)	(979,743)	3,104,599	(2,575,697)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(2,353,924)	(130,201)	2,223,723	2,996,564
Fund balances at beginning of year	32,301,633	32,301,633		29,305,069
FUND BALANCES AT END OF YEAR	\$29,947,709	\$32,171,432	\$2,223,723	\$32,301,633

CITY OF DALY CITY
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	2002		Variance	2001
	Budget	Actual	Favorable (Unfavorable)	Actual
GENERAL GOVERNMENT				
Legislative:				
Personnel services	\$107,951	\$107,931	\$20	\$102,839
Other services	56,888	56,873	15	56,206
Other charges	8,850	8,816	34	12,746
Total Legislative	<u>173,689</u>	<u>173,620</u>	<u>69</u>	<u>171,791</u>
Legal:				
Personnel services	511,220	511,173	47	469,298
Other services	222,015	221,446	569	103,639
Capital outlay				920
Other charges	2,855	2,855		4,949
Total Legal	<u>736,090</u>	<u>735,474</u>	<u>616</u>	<u>578,806</u>
Executive:				
Personnel services	1,046,163	1,045,356	807	1,000,032
Other services	1,202,657	1,201,777	880	1,162,640
Capital outlay	859,800	859,538	262	27,060
Other charges	708,943	300,888	408,055	280,905
Total Executive	<u>3,817,563</u>	<u>3,407,559</u>	<u>410,004</u>	<u>2,470,637</u>
Total General Government	<u>4,727,342</u>	<u>4,316,653</u>	<u>410,689</u>	<u>3,221,234</u>
PUBLIC SAFETY				
Police:				
Personnel services	12,953,626	12,953,338	288	11,378,949
Other services	2,192,600	2,136,851	55,749	2,163,764
Capital outlay	87,816	80,221	7,595	69,967
Other charges	740,021	738,823	1,198	737,121
Total Police	<u>15,974,063</u>	<u>15,909,233</u>	<u>64,830</u>	<u>14,349,801</u>
Fire:				
Personnel services	8,033,235	8,032,562	673	7,640,100
Other services	856,789	856,378	411	835,600
Capital outlay	20,815	20,786	29	31,633
Other charges	59,932	59,734	198	58,539
Total Fire	<u>8,970,771</u>	<u>8,969,460</u>	<u>1,311</u>	<u>8,565,872</u>
Public Safety Communications:				
Personnel services	939,839	939,004	835	904,815
Other services	308,672	308,647	25	304,399
Capital outlay				900
Other charges	2,901	2,862	39	836
Total Public Safety Communications	<u>1,251,412</u>	<u>1,250,513</u>	<u>899</u>	<u>1,210,950</u>
Total Public Safety	<u>26,196,246</u>	<u>26,129,206</u>	<u>67,040</u>	<u>24,126,623</u>

CITY OF DALY CITY
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
PUBLIC WORKS				
Personnel services	3,457,481	3,456,766	715	3,234,361
Other services	1,199,242	1,179,141	20,101	1,080,051
Capital outlay	49,806	48,504	1,302	2,617
Other charges	32,956	28,714	4,242	12,690
Total Public Works	4,739,485	4,713,125	26,360	4,329,719
CULTURE AND RECREATION				
Library:				
Personnel services	1,521,297	1,520,469	828	1,329,606
Other services	777,184	777,126	58	744,151
Capital outlay	2,062	2,061	1	7,049
Other charges	6,585	6,373	212	5,594
Total Library	2,307,128	2,306,029	1,099	2,086,400
Parks and Recreation:				
Personnel services	3,917,800	3,917,228	572	3,434,035
Other services	2,758,746	2,758,378	368	2,473,226
Capital outlay	8,678	8,316	362	7,212
Other charges	21,545	21,469	76	29,549
Total Parks and Recreation	6,706,769	6,705,391	1,378	5,944,022
Total Culture and Recreation	9,013,897	9,011,420	2,477	8,030,422
COMMUNITY DEVELOPMENT				
Personnel services	1,625,756	1,624,795	961	1,462,944
Other services	901,599	821,920	79,679	698,994
Capital outlay	1,328	599	729	16,085
Other charges	31,322	29,404	1,918	27,191
Total Community Development	2,560,005	2,476,718	83,287	2,205,214
DEBT SERVICE				
Interest and fiscal charges	24,644	6,566	18,078	53,675
TOTAL EXPENDITURES	\$47,261,619	\$46,653,688	\$607,931	\$41,966,887



CITY OF DALY CITY

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes or for which separate accounting is required by administrative action.

The City's Special Revenue Funds are as follows:

- Doelger Senior Center - to account for the operations of the Doelger Senior Center program.
- Gas Tax - to account for gas tax monies allocated to the City for the streets and roads program.
- Community Block Grant - to account for monies received by the City as a participant in the federal Community Development Block Grant (CDBG) program.
- Linda Vista Benefit Assessment - to account for the charges and for the costs of maintenance of storm drains in the Linda Vista Subdivision.
- AB 1600 Public Facility Fees - to account for the revenues derived from developer fees required, under AB 1600, to be expended for infrastructure expansion caused by new development.
- Traffic Safety – to account for grant funds and vehicle impound fees authorized by State law specifically to provide traffic safety programs.
- Federal Grants - to account for miscellaneous federal grant monies, such as aircraft noise mitigation and rental property rehabilitation.
- Peninsula Partnership – to account for the combined efforts of the City, the County of San Mateo, and local school districts to provide a multifaceted after school program for pre-kindergartners through third grades.
- Mission/JS and Bayshore Redevelopment Agency Administration funds- to account for monies restricted for the purpose of eliminating blight in designated redevelopment project areas. The Redevelopment Agency was established in 1971 for the purpose of developing certain portions of the City's older business areas. While the Redevelopment Agency is technically an administrative arm of the State, exercising State powers, it is governed and effectively controlled by the City Council.
- Mission/JS and Bayshore Redevelopment Agency Tax Increment funds - to account for incremental revenues generated through the increased value of developed property.

CITY OF DALY CITY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2002
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

	Doelger Senior Center	Gas Tax	Community Block Grant	Linda Vista Benefit Assessment	AB 1600 Public Facility Fees	Traffic Safety
ASSETS						
Cash and investments	\$1,250	\$1,850,102		\$129,491	\$1,906,985	\$85,867
Accounts receivable	68,217	4,696,179	\$220,607		438	5,339
Prepays	750					
Notes receivable			1,216,581			
Condemnation deposits and other deposits						
Property held for development						
Total Assets	<u>\$70,217</u>	<u>\$6,546,281</u>	<u>\$1,437,188</u>	<u>\$129,491</u>	<u>\$1,907,423</u>	<u>\$91,206</u>
LIABILITIES						
Accounts payable	\$29,013	\$401,553	\$111,350	\$3,149		\$2,026
Accrued payroll	10,380		9,923			
Due to other funds	21,904		99,334			
Deposits payable						
Deferred revenue		4,665,427	1,216,581			
Total Liabilities	<u>61,297</u>	<u>5,066,980</u>	<u>1,437,188</u>	<u>3,149</u>		<u>2,026</u>
FUND BALANCES						
Reserved for:						
Encumbrances		847,398	111,305			
Property held for development						
Capital projects		3,819,752	376,779			
Prepays and condemnation deposits	750					
Restricted purposes				120,738	\$1,907,423	89,180
Imprest cash	1,250					
Unreserved:						
Undesignated	6,920	(3,187,849)	(488,084)	5,604		
Total Fund Balances	<u>8,920</u>	<u>1,479,301</u>		<u>126,342</u>	<u>1,907,423</u>	<u>89,180</u>
Total Liabilities and Fund Balances	<u>\$70,217</u>	<u>\$6,546,281</u>	<u>\$1,437,188</u>	<u>\$129,491</u>	<u>\$1,907,423</u>	<u>\$91,206</u>

Federal Grants	Peninsula Partnership	Mission/JS Redevelopment Agency Administration	Mission/JS Tax Increment	Bayshore Redevelopment Agency Administration	Bayshore Tax Increment	Total	
						2002	2001
\$4,498,401	\$285,095	\$2,309,534	\$564,602	\$363,844	\$269,548	\$12,264,719	\$11,713,026
86,334	68,836	2,051				5,148,001	5,189,946
						750	2,089
						1,216,581	1,240,845
		8,900,210	190,000	3,435,000		12,525,210	11,574,765
<u>\$4,584,735</u>	<u>\$353,931</u>	<u>\$11,211,795</u>	<u>\$754,602</u>	<u>\$3,798,844</u>	<u>\$269,548</u>	<u>\$31,155,261</u>	<u>\$29,820,671</u>
\$379,251	\$9,560	\$35,289		\$338	\$27,651	\$999,180	\$1,050,019
393	17,851	3,812				42,359	29,132
		175,850				121,238	176,717
4,062,221						175,850	71,100
						9,944,229	7,377,716
<u>4,441,865</u>	<u>27,411</u>	<u>214,951</u>		<u>338</u>	<u>27,651</u>	<u>11,282,856</u>	<u>8,704,684</u>
3,542,846		14,724		4,662		4,520,935	7,903,623
		8,900,210	\$190,000	3,435,000		12,525,210	11,574,765
						4,196,531	7,225,014
						750	102,089
			564,602		241,897	2,923,840	2,672,245
						1,250	1,250
<u>(3,399,976)</u>	<u>326,520</u>	<u>2,081,910</u>		<u>358,844</u>		<u>(4,296,111)</u>	<u>(8,362,999)</u>
142,870	326,520	10,996,844	754,602	3,798,506	241,897	19,872,405	21,115,987
<u>\$4,584,735</u>	<u>\$353,931</u>	<u>\$11,211,795</u>	<u>\$754,602</u>	<u>\$3,798,844</u>	<u>\$269,548</u>	<u>\$31,155,261</u>	<u>\$29,820,671</u>

CITY OF DALY CITY
SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Doelger Senior Center	Gas Tax	Community Block Grant	Linda Vista Benefit Assessment	AB 1600 Public Facility Fees	Traffic Safety
REVENUES						
Property tax						
Gas tax		\$2,057,127				
Sales tax		1,224,928				
Rents and interest		90,306		\$4,510	\$101,623	
Federal programs and grants	\$169,759	758,574	\$1,931,873			
Receipts from other agencies		2,264,988				
Charges and fees	262,938	33,827		24,459	1,021,740	\$31,535
Miscellaneous	131,428	14,828	200,795			17,170
Total Revenues	<u>564,125</u>	<u>6,444,578</u>	<u>2,132,668</u>	<u>28,969</u>	<u>1,123,363</u>	<u>48,705</u>
EXPENDITURES						
Public works				15,666		
Culture / Recreation	928,404					
Community development			2,128,291			
Public safety						17,588
Capital projects		7,443,885				
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	<u>928,404</u>	<u>7,443,885</u>	<u>2,128,291</u>	<u>15,666</u>		<u>17,588</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(364,279)</u>	<u>(999,307)</u>	<u>4,377</u>	<u>13,303</u>	<u>1,123,363</u>	<u>31,117</u>
OTHER FINANCING SOURCES (USES)						
Sale of property						
Operating transfers in	368,193					
Operating transfers out	(3,914)	(1,479,458)	(4,377)		(1,213,000)	
Proceeds from long-term debt and interfund advances						
Total Other Financing Sources (Uses)	<u>364,279</u>	<u>(1,479,458)</u>	<u>(4,377)</u>		<u>(1,213,000)</u>	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES		(2,478,765)		13,303	(89,637)	31,117
Fund Balances at beginning of the year	8,920	3,958,066		113,039	1,997,060	58,063
FUND BALANCES AT END OF THE YEAR	<u>\$8,920</u>	<u>\$1,479,301</u>		<u>\$126,342</u>	<u>\$1,907,423</u>	<u>\$89,180</u>

Federal Grants	Peninsula Partnership	Mission/JS Redevelopment Agency Administration	Mission/JS Tax Increment	Bayshore Redevelopment Agency Administration	Bayshore Tax Increment	TOTALS	
						2002	2001
			\$1,481,161		\$844,788	\$2,325,949	\$1,430,971
						2,057,127	2,049,448
						1,224,928	1,424,742
\$238,675		\$62,821	17,765		3,852	519,552	509,892
240,078	\$48,155					3,148,439	2,701,976
3,962,772	551,364					6,779,124	1,446,438
						1,374,499	1,619,752
8,565		6,140				378,926	447,692
<u>4,450,090</u>	<u>599,519</u>	<u>68,961</u>	<u>1,498,926</u>		<u>848,640</u>	<u>17,808,544</u>	<u>11,630,911</u>
						15,666	14,998
	543,650					1,472,054	1,168,501
4,198,578		580,186	17,000	\$38,897	193,264	7,156,216	3,507,102
98,048						115,636	351,112
						7,443,885	5,156,402
							527,813
		1,795,922		238,064		2,033,986	1,933,699
<u>4,296,626</u>	<u>543,650</u>	<u>2,376,108</u>	<u>17,000</u>	<u>276,961</u>	<u>193,264</u>	<u>18,237,443</u>	<u>12,659,627</u>
153,464	55,869	(2,307,147)	1,481,926	(276,961)	655,376	(428,899)	(1,028,716)
		678,241				678,241	4,020,780
25,000	69,614	1,171,329		483,978		2,118,114	1,949,385
(183,164)	(17,740)		(1,171,329)		(483,978)	(4,556,960)	(3,617,187)
		945,922				945,922	516,282
<u>(158,164)</u>	<u>51,874</u>	<u>2,795,492</u>	<u>(1,171,329)</u>	<u>483,978</u>	<u>(483,978)</u>	<u>(814,683)</u>	<u>2,869,260</u>
(4,700)	107,743	488,345	310,597	207,017	171,398	(1,243,582)	1,840,544
<u>147,570</u>	<u>218,777</u>	<u>10,508,499</u>	<u>444,005</u>	<u>3,591,489</u>	<u>70,499</u>	<u>21,115,987</u>	<u>19,275,443</u>
<u>\$142,870</u>	<u>\$326,520</u>	<u>\$10,996,844</u>	<u>\$754,602</u>	<u>\$3,798,506</u>	<u>\$241,897</u>	<u>\$19,872,405</u>	<u>\$21,115,987</u>

CITY OF DALY CITY
DOELGER SENIOR CENTER
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash and investments	\$1,250	\$1,250
Accounts receivable	68,217	62,115
Prepays	<u>750</u>	<u>2,089</u>
Total Assets	<u><u>\$70,217</u></u>	<u><u>\$65,454</u></u>
LIABILITIES		
Accounts payable	\$29,013	\$27,983
Accrued payroll	10,380	7,397
Due to other funds	<u>21,904</u>	<u>21,154</u>
Total Liabilities	<u>61,297</u>	<u>56,534</u>
FUND BALANCES		
Reserved for imprest cash	1,250	1,250
Reserved for prepaids	750	2,089
Unreserved, undesignated	<u>6,920</u>	<u>5,581</u>
Total Fund Balances	<u>8,920</u>	<u>8,920</u>
Total Liabilities and Fund Balances	<u><u>\$70,217</u></u>	<u><u>\$65,454</u></u>

CITY OF DALY CITY
DOELGER SENIOR CENTER SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Federal programs and grants	\$204,771	\$169,759	(\$35,012)	\$109,426
Charges and fees	303,032	262,938	(40,094)	221,922
Miscellaneous	128,500	131,428	2,928	126,486
Total Revenues	636,303	564,125	(72,178)	457,834
EXPENDITURES				
Culture / Recreation:				
Salaries and benefits	507,216	475,955	31,261	382,160
Services and supplies	447,626	437,906	9,720	436,726
Other charges	23,307	14,543	8,764	25,192
Total Expenditures	978,149	928,404	49,745	844,078
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(341,846)	(364,279)	(22,433)	(386,244)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	390,966	368,193	(22,773)	390,283
Operating transfers out	(3,914)	(3,914)		(4,039)
Total Other Financing Sources (Uses)	387,052	364,279	(22,773)	386,244
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	45,206		(45,206)	
Fund balances at beginning of year	8,920	8,920		8,920
FUND BALANCES AT END OF YEAR	\$54,126	\$8,920	(\$45,206)	\$8,920

CITY OF DALY CITY
GAS TAX
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash and investments	\$1,850,102	\$3,714,559
Accounts receivable	<u>4,696,179</u>	<u>4,705,079</u>
Total Assets	<u><u>\$6,546,281</u></u>	<u><u>\$8,419,638</u></u>
LIABILITIES		
Accounts payable	\$401,553	\$732,194
Deferred revenue	<u>4,665,427</u>	<u>3,729,378</u>
Total Liabilities	<u><u>5,066,980</u></u>	<u><u>4,461,572</u></u>
FUND BALANCES		
Reserved for encumbrances	847,398	3,034,103
Reserved for capital projects	3,819,752	6,386,363
Unreserved, undesignated	<u>(3,187,849)</u>	<u>(5,462,400)</u>
Total Fund Balances	<u><u>1,479,301</u></u>	<u><u>3,958,066</u></u>
Total Liabilities and Fund Balances	<u><u>\$6,546,281</u></u>	<u><u>\$8,419,638</u></u>

CITY OF DALY CITY
GAS TAX SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Gas tax	\$1,999,583	\$2,057,127	\$57,544	\$2,049,448
Sales tax	1,117,566	1,224,928	107,362	1,424,742
Interest	120,000	90,306	(29,694)	267,307
Federal programs and grants	5,632,840	758,574	(4,874,266)	223,187
Receipts from other agencies	1,483,430	2,264,988	781,558	579,019
Charges and fees		33,827	33,827	
Miscellaneous	14,828	14,828		67,242
Total Revenues	10,368,247	6,444,578	(3,923,669)	4,610,945
EXPENDITURES				
Capital projects	12,292,725	7,443,885	4,848,840	5,156,402
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(1,924,478)	(999,307)	925,171	(545,457)
OTHER FINANCING SOURCES (USES)				
Operating transfers in				380,000
Operating transfers out	(1,524,117)	(1,479,458)	44,659	(1,265,161)
Total other financing sources (uses)	(1,524,117)	(1,479,458)	44,659	(885,161)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES				
	(3,448,595)	(2,478,765)	969,830	(1,430,618)
Fund balances at beginning of year	3,958,066	3,958,066		5,388,684
FUND BALANCES AT END OF YEAR	\$509,471	\$1,479,301	\$969,830	\$3,958,066

CITY OF DALY CITY
COMMUNITY BLOCK GRANT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Accounts receivable	\$220,607	\$279,498
Notes receivable	1,216,581	1,240,845
Total Assets	\$1,437,188	\$1,520,343
LIABILITIES		
Accounts payable	\$111,350	\$113,695
Accrued payroll	9,923	10,240
Due to other funds	99,334	155,563
Deferred revenue	1,216,581	1,240,845
Total Liabilities	1,437,188	1,520,343
FUND BALANCES		
Reserved for encumbrances	111,305	735,462
Reserved for capital projects	376,779	838,651
Unreserved, undesignated	(488,084)	(1,574,113)
Total Fund Balances		
Total Liabilities and Fund Balances	\$1,437,188	\$1,520,343

CITY OF DALY CITY
COMMUNITY BLOCK GRANT SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Federal programs and grants	\$2,927,649	\$1,931,873	(\$995,776)	\$1,614,667
Miscellaneous	74,000	200,795	126,795	172,881
Total Revenues	3,001,649	2,132,668	(868,981)	1,787,548
EXPENDITURES				
Community Development:				
Salaries and benefits	589,692	524,658	65,034	519,894
Services and supplies	586,839	514,610	72,229	697,770
Capital outlay	1,392,830	953,090	439,740	411,777
Other charges	427,910	135,933	291,977	158,107
Total Expenditures	2,997,271	2,128,291	868,980	1,787,548
EXCESS OF REVENUES OVER EXPENDITURES	4,378	4,377	(1)	
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(4,377)	(4,377)		
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1		(1)	
Fund balances at beginning of year				
FUND BALANCES AT END OF YEAR	\$1		(\$1)	

CITY OF DALY CITY
LINDA VISTA BENEFIT ASSESSMENT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Cash and investments	\$129,491	\$113,852
LIABILITIES		
Accounts payable	\$3,149	\$813
FUND BALANCES		
Reserved for sinking fund	120,738	102,618
Unreserved, undesignated	5,604	10,421
Total Fund Balances	126,342	113,039
Total Liabilities and Fund Balances	\$129,491	\$113,852

CITY OF DALY CITY
LINDA VISTA BENEFIT ASSESSMENT SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Charges and fees	\$21,302	\$24,459	\$3,157	\$23,838
Rents and interest	5,014	4,510	(504)	5,210
Total Revenues	26,316	28,969	2,653	29,048
EXPENDITURES				
Public Works:				
Services and supplies	15,953	12,052	3,901	14,450
Capital outlay	3,437	3,437		401
Other charges	250	177	73	147
Total Expenditures	19,640	15,666	3,974	14,998
EXCESS OF REVENUES OVER EXPENDITURES	6,676	13,303	6,627	14,050
Fund balances at beginning of year	113,039	113,039		98,989
FUND BALANCES AT END OF YEAR	\$119,715	\$126,342	\$6,627	\$113,039

CITY OF DALY CITY
 AB 1600 PUBLIC FACILITY FEES
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash and investments	\$1,906,985	\$2,004,098
Accounts receivable	<u>438</u>	<u>437</u>
Total Assets	<u><u>\$1,907,423</u></u>	<u><u>\$2,004,535</u></u>
LIABILITIES		
Accounts payable	<u> </u>	<u>\$7,475</u>
FUND BALANCES		
Reserved for restricted purposes	<u>\$1,907,423</u>	<u>1,997,060</u>
Total Liabilities and Fund Balances	<u><u>\$1,907,423</u></u>	<u><u>\$2,004,535</u></u>

CITY OF DALY CITY
 AB 1600 PUBLIC FACILITY FEES SPECIAL REVENUE FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Interest		\$101,623	\$101,623	\$138,058
Charges and fees	\$1,313,502	1,021,740	(291,762)	1,337,372
Total Revenues	<u>1,313,502</u>	<u>1,123,363</u>	<u>(190,139)</u>	<u>1,475,430</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	<u>(1,485,000)</u>	<u>(1,213,000)</u>	<u>272,000</u>	<u>(1,228,177)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(171,498)	(89,637)	81,861	247,253
Fund balances at beginning of year	<u>1,997,060</u>	<u>1,997,060</u>		<u>1,749,807</u>
FUND BALANCES AT END OF YEAR	<u><u>\$1,825,562</u></u>	<u><u>\$1,907,423</u></u>	<u><u>\$81,861</u></u>	<u><u>\$1,997,060</u></u>

CITY OF DALY CITY
 TRAFFIC SAFETY
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash and investments	\$85,867	\$60,683
Accounts receivable	<u>5,339</u>	<u>1,000</u>
Total Assets	<u><u>\$91,206</u></u>	<u><u>\$61,683</u></u>
LIABILITIES		
Accounts payable	<u>\$2,026</u>	<u>\$3,620</u>
FUND BALANCES		
Reserved for restricted purposes	<u>89,180</u>	<u>58,063</u>
Total Liabilities and Fund Balances	<u><u>\$91,206</u></u>	<u><u>\$61,683</u></u>

CITY OF DALY CITY
 TRAFFIC SAFETY
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Receipts from other agencies				\$134
Charges and fees		\$31,535	\$31,535	36,620
Miscellaneous	\$15,520	17,170	1,650	14,455
Total Revenues	15,520	48,705	33,185	51,209
EXPENDITURES				
Public Safety:				
Salaries and benefits	31,315	4,624	26,691	
Services and supplies	38,525	12,964	25,561	28,211
Capital outlay	3,493		3,493	
Other charges	250		250	750
Total Expenditures	73,583	17,588	55,995	28,961
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(58,063)	31,117	89,180	22,248
Fund balances at beginning of year	58,063	58,063		35,815
FUND BALANCES AT END OF YEAR	\$89,180	\$89,180	\$89,180	\$58,063

CITY OF DALY CITY
 FEDERAL GRANTS
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Cash and investments	\$4,498,401	\$2,607,546
Accounts receivable	86,334	53,994
Total Assets	\$4,584,735	\$2,661,540
LIABILITIES		
Accounts payable	\$379,251	\$106,073
Accrued payroll	393	404
Deferred revenue	4,062,221	2,407,493
Total Liabilities	4,441,865	2,513,970
FUND BALANCES		
Reserved for encumbrances	3,542,846	4,095,726
Unreserved and undesignated	(3,399,976)	(3,948,156)
Total Fund Balances	142,870	147,570
Total Liabilities and Fund Balances	\$4,584,735	\$2,661,540

CITY OF DALY CITY
 FEDERAL GRANTS SPECIAL REVENUE FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Federal programs and grants	\$928,936	\$240,078	(\$688,858)	\$674,784
Rents and interest	84,000	238,675	154,675	76,329
Receipts from other agencies	15,644,993	3,962,772	(11,682,221)	636,515
Miscellaneous	4,800	8,565	3,765	1,800
Total Revenues	16,662,729	4,450,090	(12,212,639)	1,389,428
EXPENDITURES				
Community Development:				
Salaries and benefits	22,620	22,620		20,390
Services and supplies	2,010,046	716,753	1,293,293	670,252
Capital outlay	97,880	40,259	57,621	28,594
Other charges	14,280,594	3,418,946	10,861,648	158,385
Community development expenditures	16,411,140	4,198,578	12,212,562	877,621
Public Safety:				
Salaries and benefits	60,512	48,668	11,844	115,787
Services and supplies	42,009	30,672	11,337	19,442
Capital outlay	127,777	14,594	113,183	177,168
Other charges	6,750	4,114	2,636	9,754
Public safety expenditures	237,048	98,048	139,000	322,151
Total Expenditures	16,648,188	4,296,626	12,351,562	1,199,772
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,541	153,464	138,923	189,656
OTHER FINANCING SOURCES (USES)				
Operating transfers in	64,508	25,000	(39,508)	14,684
Operating transfers out	(238,498)	(183,164)	55,334	(52,341)
Total Other Financing Sources (Uses)	(173,990)	(158,164)	15,826	(37,657)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(159,449)	(4,700)	154,749	151,999
Fund balances at beginning of year	147,570	147,570		(4,429)
FUND BALANCES AT END OF YEAR	(\$11,879)	\$142,870	\$154,749	\$147,570

CITY OF DALY CITY
PENINSULA PARTNERSHIP
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash and investments	\$285,095	\$151,846
Accounts receivable	<u>68,836</u>	<u>87,783</u>
Total Assets	<u><u>353,931</u></u>	<u><u>239,629</u></u>
LIABILITIES		
Accounts payable	\$9,560	\$13,198
Accrued payroll	<u>17,851</u>	<u>7,654</u>
Total Liabilities	<u>27,411</u>	<u>20,852</u>
FUND BALANCES		
Unreserved and undesignated	<u>326,520</u>	<u>218,777</u>
Total Liabilities and Fund Balances	<u><u>\$353,931</u></u>	<u><u>\$239,629</u></u>

CITY OF DALY CITY
PENINSULA PARTNERSHIP SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Federal programs and grants		\$48,155	\$48,155	\$79,912
Receipts from other agencies	\$794,679	551,364	(243,315)	230,770
Miscellaneous				26,875
Total Revenues	794,679	599,519	(195,160)	337,557
EXPENDITURES				
Culture and Recreation:				
Salaries and benefits	587,081	432,758	154,323	153,395
Services and supplies	347,097	106,571	240,526	169,734
Capital outlay	30,194		30,194	
Other charges	14,140	4,321	9,819	1,294
Total Expenditures	978,512	543,650	434,862	324,423
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(183,833)	55,869	239,702	13,134
OTHER FINANCING SOURCES (USES)				
Operating transfers in	69,614	69,614		98,868
Operating transfers out	(17,740)	(17,740)		(1,919)
Total Other Financing Sources (Uses)	51,874	51,874		96,949
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(131,959)	107,743	239,702	110,083
Fund balances at beginning of year	218,777	218,777		108,694
FUND BALANCES AT END OF YEAR	\$86,818	\$326,520	\$239,702	\$218,777

CITY OF DALY CITY
MISSION/JS REDEVELOPMENT AGENCY ADMINISTRATION
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash and investments	\$2,309,534	\$2,387,861
Accounts receivable	2,051	40
Condemnation and other deposits		100,000
Property held for development	<u>8,900,210</u>	<u>8,139,765</u>
Total Assets	<u><u>\$11,211,795</u></u>	<u><u>\$10,627,666</u></u>
LIABILITIES		
Accounts payable	\$35,289	\$44,630
Accrued payroll	3,812	3,437
Deposits payable	<u>175,850</u>	<u>71,100</u>
Total Liabilities	<u>214,951</u>	<u>119,167</u>
FUND BALANCES		
Reserved for encumbrances	14,724	36,842
Reserved for property held for development	8,900,210	8,139,765
Reserved for condemnation deposits		100,000
Unreserved and undesignated	<u>2,081,910</u>	<u>2,231,892</u>
Total Fund Balances	<u>10,996,844</u>	<u>10,508,499</u>
Total Liabilities and Fund Balances	<u><u>\$11,211,795</u></u>	<u><u>\$10,627,666</u></u>

CITY OF DALY CITY
MISSION/JS REDEVELOPMENT AGENCY ADMINISTRATION
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Rents and interest	\$480	\$62,821	\$62,341	\$10,988
Miscellaneous	400	6,140	5,740	37,953
Total Revenues	880	68,961	68,081	48,941
EXPENDITURES				
Community Development:				
Salaries and benefits	226,574	197,073	29,501	183,014
Services and supplies	149,040	119,000	30,040	351,853
Other charges	44,722	17,895	26,827	148,415
Capital outlay	3,164,775	246,218	2,918,557	
Debt Service:				
Principal retirement				527,813
Interest and fiscal charges	4,750,000	1,795,922	2,954,078	1,722,187
Total Expenditures	8,335,111	2,376,108	5,959,003	2,933,282
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,334,231)	(2,307,147)	6,027,084	(2,884,341)
OTHER FINANCING SOURCES				
Sale of property	3,525,000	678,241	(2,846,759)	4,020,780
Operating transfers in	1,069,774	1,171,329	101,555	865,831
Proceeds from long-term interfund advances		945,922	945,922	304,770
Total Other Financing Sources	4,594,774	2,795,492	(1,799,282)	5,191,381
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(3,739,457)	488,345	4,227,802	2,307,040
Fund balances at beginning of year	10,508,499	10,508,499		8,201,459
FUND BALANCES AT END OF YEAR	\$6,769,042	\$10,996,844	\$4,227,802	\$10,508,499

CITY OF DALY CITY
MISSION/JS REDEVELOPMENT AGENCY TAX INCREMENT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Cash and investments	\$564,602	\$444,005
Property held for redevelopment	190,000	
Total Assets	\$754,602	\$444,005
FUND BALANCES		
Reserve for:		
Low and moderate income housing	\$564,602	\$444,005
Property held for redevelopment	190,000	
Total Fund Balances	754,602	444,005
Total Liabilities and Fund Balances	\$754,602	\$444,005

CITY OF DALY CITY
MISSION/JS REDEVELOPMENT AGENCY TAX INCREMENT SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Property taxes	\$1,087,526	\$1,481,161	\$393,635	\$1,073,042
Rents and interest		17,765	17,765	
Total Revenues	1,087,526	1,498,926	411,400	1,073,042
EXPENDITURES				
Community development:				
Other charges	17,751	17,000	751	15,710
EXCESS OF REVENUES OVER EXPENDITURES	1,069,775	1,481,926	412,151	1,057,332
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(1,069,774)	(1,171,329)	(101,555)	(865,831)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1	310,597	310,596	191,501
Fund balances at beginning of year	444,005	444,005		252,504
FUND BALANCES AT END OF YEAR	\$444,006	\$754,602	\$310,596	\$444,005

CITY OF DALY CITY
 BAYSHORE REDEVELOPMENT AGENCY ADMINISTRATION
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Cash and investments	\$363,844	\$156,827
Property held for development	3,435,000	3,435,000
Total Assets	\$3,798,844	\$3,591,827
LIABILITIES		
Accounts payable	\$338	\$338
FUND BALANCES		
Reserved for property held for development	3,435,000	3,435,000
Reserved for encumbrances	4,662	1,490
Unreserved and undesignated	358,844	154,999
Total Fund Balances	3,798,506	3,591,489
Total Liabilities and Fund Balances	\$3,798,844	\$3,591,827

CITY OF DALY CITY
 BAYSHORE REDEVELOPMENT AGENCY ADMINISTRATION
 SPECIAL REVENUE FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Rents and interest	\$12,000		(\$12,000)	\$12,000
EXPENDITURES				
Community Development:				
Services and supplies	60,446	\$38,268	22,178	55,230
Other charges	60,000	629	59,371	
Debt Service:				
Interest and fiscal charges	243,760	238,064	5,696	211,512
Total Expenditures	364,206	276,961	87,245	266,742
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(352,206)	(276,961)	75,245	(254,742)
OTHER FINANCING SOURCES				
Operating transfers in	488,030	483,978	(4,052)	199,719
Proceeds from interfund advances	162,686		(162,686)	211,512
Total Other Financing Sources	650,716	483,978	(166,738)	411,231
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	298,510	207,017	(91,493)	156,489
Fund balances at beginning of year	3,591,489	3,591,489		3,435,000
FUND BALANCES AT END OF YEAR	\$3,889,999	\$3,798,506	(\$91,493)	\$3,591,489

CITY OF DALY CITY
 BAYSHORE REDEVELOPMENT AGENCY TAX INCREMENT
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 2002

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash and Investments	<u>\$269,548</u>	<u>\$70,499</u>
LIABILITIES		
Accounts payable	<u>\$27,651</u>	<u> </u>
FUND BALANCES		
Reserve for:		
Low and moderate income housing	<u>241,897</u>	<u>\$70,499</u>
Total Liabilities and Fund Balances	<u>\$269,548</u>	<u>\$70,499</u>

CITY OF DALY CITY
 BAYSHORE REDEVELOPMENT AGENCY TAX INCREMENT SPECIAL REVENUE FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Property taxes	\$369,486	\$844,788	\$475,302	\$357,929
Rents and interest		3,852	3,852	
Total Revenues	369,486	848,640	479,154	357,929
EXPENDITURES				
Community development: Other charges	194,038	193,264	774	87,711
EXCESS OF REVENUES OVER EXPENDITURES	175,448	655,376	479,928	270,218
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(488,030)	(483,978)	4,052	(199,719)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(312,582)	171,398	483,980	70,499
Fund balances at beginning of year	70,499	70,499		
FUND BALANCES(DEFICIT) AT END OF YEAR	(\$242,083)	\$241,897	\$483,980	\$70,499



CITY OF DALY CITY

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

CITY OF DALY CITY
 CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Cash and investments	\$21,602,510	\$15,988,016
Receivables - Net	49,656	64,336
Total Assets	\$21,652,166	\$16,052,352
LIABILITIES		
Accounts payable	\$614,494	\$684,036
FUND BALANCES		
Reserved for encumbrances	3,331,184	1,398,804
Unreserved, designated for capital projects	17,706,488	13,969,512
Total Fund Balances	21,037,672	15,368,316
Total Liabilities and Fund Balances	\$21,652,166	\$16,052,352

CITY OF DALY CITY
 CAPITAL PROJECTS FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Rents and interest	\$300,000	\$757,070	\$457,070	\$930,703
Federal program grants	103,500		(103,500)	
Receipts from other agencies	2,979,541		(2,979,541)	99,508
Charges and fees	200,000	704,463	504,463	972,781
Miscellaneous	2,203,067	402,193	(1,800,874)	164,776
Total Revenues	5,786,108	1,863,726	(3,922,382)	2,167,768
EXPENDITURES				
Capital projects	23,177,450	4,626,689	18,550,761	6,444,275
Debt service:				
Principal	144,326	144,326		
Total Expenditures	23,321,776	4,771,015	18,550,761	6,444,275
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,535,668)	(2,907,289)	(14,628,379)	(4,276,507)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	2,550,000	1,184,477	(1,365,523)	
Operating transfers in	10,566,233	7,392,168	(3,174,065)	7,575,701
Operating transfers out	(8,000)		8,000	(62,277)
Total Other Financing Sources (Uses)	13,108,233	8,576,645	(4,531,588)	7,513,424
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(4,427,435)	5,669,356	10,096,791	3,236,917
Fund balances at beginning of year	15,368,316	15,368,316		12,131,399
FUND BALANCES AT END OF YEAR	\$10,940,881	\$21,037,672	\$10,096,791	\$15,368,316



CITY OF DALY CITY

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City maintains the following enterprise funds:

- Water Utility - to account for activity related to providing residents with water service and billing for service provided by Browning-Ferris Industries of California.
- Civic Center - to account for rental activity of real property owned by the City in the Civic Center area.
- Transfer Station - to account for the activity of the Mussel Rock garbage transfer station.
- Sanitation District - to account for the services of the collection, treatment and administration of the City's sanitary sewer system.

CITY OF DALY CITY
ENTERPRISE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2002
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

	Water Utility	Civic Center	Transfer Station
ASSETS			
Current Assets:			
Cash and investments	\$4,478,511	\$361,575	\$697,242
Cash with fiscal agent			
Accounts receivable	1,467,759	81,643	129,684
Inventories	437,887		
Prepays			
Total Current Assets	6,384,157	443,218	826,926
Long-Term Assets			
Advances to others			44,597
Long-term interfund receivable			
Total Long-Term Assets			44,597
Fixed Assets:			
Land	870,662	1,695,762	93,384
Buildings	502,661	5,568,727	1,184,278
Sewage facilities			
Wells and pump stations	4,276,153		
Water reservoirs	7,051,427		
Mains & subsurface lines	9,478,775		
Equipment	3,179,728		232,367
Furniture and fixtures	19,324	443,801	
Construction in progress	359,825		
Total Fixed Assets	25,738,555	7,708,290	1,510,029
Less Accumulated Depreciation	6,628,015	1,540,769	733,706
Net Fixed Assets	19,110,540	6,167,521	776,323
Total Assets	\$25,494,697	\$6,610,739	\$1,647,846
LIABILITIES			
Current Liabilities:			
Accounts payable	\$364,958	\$96,082	\$349,923
Retentions payable	463	3,917	
Accrued payroll	176,389		
Deposits payable	53,175		
Total Current Liabilities	594,985	99,999	349,923
Long-Term Liabilities:			
Compensated absences	34,468		
Long-term interfund payable		948,968	
Certificates of participation			
Total Long-Term Liabilities	34,468	948,968	
Total Liabilities	629,453	1,048,967	349,923
FUND EQUITY			
Contributed capital		3,902,506	
Retained earnings			
Reserved for:			
Equipment replacement	1,622,661	343,219	776,344
Recycling			22,906
Operating capital			
Capital Projects	2,885,497		
Unreserved	20,357,086	1,316,047	498,673
Total Retained Earnings	24,865,244	1,659,266	1,297,923
Total Fund Equity	24,865,244	5,561,772	1,297,923
Total Liabilities and Fund Equity	\$25,494,697	\$6,610,739	\$1,647,846

Sanitation District	Totals	
	2002	2001
\$12,050,176	\$17,587,504	\$20,111,200
1,923,114	1,923,114	1,932,389
827,083	2,506,169	2,761,329
1,113,505	1,551,392	1,493,387
245,694	245,694	276,089
<u>16,159,572</u>	<u>23,813,873</u>	<u>26,574,394</u>
	44,597	44,597
948,968	948,968	1,058,907
<u>948,968</u>	<u>993,565</u>	<u>1,103,504</u>
219,205	2,879,013	2,879,013
128,393	7,384,059	7,384,059
45,800,136	45,800,136	46,673,753
	4,276,153	3,721,192
	7,051,427	7,051,427
13,005,579	22,484,354	18,137,576
1,844,641	5,256,736	5,352,350
88,097	551,222	99,506
5,831,276	6,191,101	6,255,602
66,917,327	101,874,201	97,554,478
<u>25,469,332</u>	<u>34,371,822</u>	<u>32,735,482</u>
<u>41,447,995</u>	<u>67,502,379</u>	<u>64,818,996</u>
<u>\$58,556,535</u>	<u>\$92,309,817</u>	<u>\$92,496,894</u>
\$1,519,160	\$2,330,123	\$2,497,225
191,270	195,650	82,664
360,102	536,491	458,369
	53,175	59,415
<u>2,070,532</u>	<u>3,115,439</u>	<u>3,097,673</u>
135,248	169,716	144,335
	948,968	1,058,907
10,870,000	10,870,000	12,125,000
<u>11,005,248</u>	<u>11,988,684</u>	<u>13,328,242</u>
<u>13,075,780</u>	<u>15,104,123</u>	<u>16,425,915</u>
<u>6,744,895</u>	<u>10,647,401</u>	<u>10,977,963</u>
437,394	3,179,618	6,545,845
	22,906	63,387
4,500,000	4,500,000	4,500,000
5,869,332	8,754,829	12,352,421
27,929,134	50,100,940	41,631,363
<u>38,735,860</u>	<u>66,558,293</u>	<u>65,093,016</u>
<u>45,480,755</u>	<u>77,205,694</u>	<u>76,070,979</u>
<u>\$58,556,535</u>	<u>\$92,309,817</u>	<u>\$92,496,894</u>

CITY OF DALY CITY
ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Water Utility	Civic Center	Transfer Station
OPERATING REVENUES			
Water sales	\$10,120,712		
Sewer service charges			
Connection charges	35,631		
Rental income		\$844,988	
Lease revenue			\$375,000
Recycling revenue			1,147,923
Other revenues	143,650	119,814	55,138
Total Operating Revenues	10,299,993	964,802	1,578,061
OPERATING EXPENSES			
Salaries and benefits	1,594,467		
Services and supplies	1,159,059	198,723	
Water purchases	2,241,561		
Transfer station charges			1,188,405
Utilities	1,049,126	120,985	
Insurance	95,978	10,537	3,278
Depreciation	776,171	299,427	43,703
Other charges	736,063	89,222	7,041
Total Operating Expenses	7,652,425	718,894	1,242,427
Operating Income	2,647,568	245,908	335,634
NONOPERATING REVENUES (EXPENSES)			
Property taxes			
Gain (loss) on sale of fixed assets	1,131		
Interest income	189,399	12,690	
Interest expense		(51,650)	
Net Nonoperating Revenues (Expenses)	190,530	(38,960)	
Income Before Operating Transfers	2,838,098	206,948	335,634
OPERATING TRANSFERS			
Operating transfers in			
Operating transfers out	(2,502,500)	(324,969)	(401,840)
Net Income (Loss)	335,598	(118,021)	(66,206)
ITEM AFFECTING CONTRIBUTED CAPITAL			
Depreciation of contributed assets		73,740	
Increase (Decrease) in retained earnings	335,598	(44,281)	(66,206)
Retained earnings at beginning of year	24,529,646	1,703,547	1,364,129
RETAINED EARNINGS AT END OF YEAR	\$24,865,244	\$1,659,266	\$1,297,923

Sanitation District	Totals	
	2002	2001
	\$10,120,712	\$10,096,097
\$12,163,876	12,163,876	11,454,580
196,435	232,066	216,226
	844,988	784,232
	375,000	375,000
	1,147,923	1,100,034
297,745	616,347	515,535
<u>12,658,056</u>	<u>25,500,912</u>	<u>24,541,704</u>
3,587,150	5,181,617	4,781,765
3,659,148	5,016,930	5,289,494
	2,241,561	1,990,834
	1,188,405	1,142,932
767,196	1,937,307	1,703,765
231,532	341,325	334,631
1,598,381	2,717,682	2,522,875
1,191,623	2,023,949	2,746,211
<u>11,035,030</u>	<u>20,648,776</u>	<u>20,512,507</u>
<u>1,623,026</u>	<u>4,852,136</u>	<u>4,029,197</u>
926,225	926,225	831,017
(54,636)	(53,505)	269,770
632,609	834,698	1,489,485
(681,173)	(732,823)	(801,368)
<u>823,025</u>	<u>974,595</u>	<u>1,788,904</u>
2,446,051	5,826,731	5,818,101
774,650	774,650	1,000,270
(2,237,357)	(5,466,666)	(5,084,312)
983,344	1,134,715	1,734,059
<u>256,822</u>	<u>330,562</u>	<u>330,560</u>
1,240,166	1,465,277	2,064,619
<u>37,495,694</u>	<u>65,093,016</u>	<u>63,028,397</u>
<u>\$38,735,860</u>	<u>\$66,558,293</u>	<u>\$65,093,016</u>



CITY OF DALY CITY
 ALL ENTERPRISE FUNDS
 COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Civic Center	Sanitation District	Totals	
			2002	2001
Depreciation on Fixed Assets acquired with Contributed Capital	(\$73,740)	(\$256,822)	(\$330,562)	(\$330,560)
Contributed Capital at beginning of the year	<u>3,976,246</u>	<u>7,001,717</u>	<u>10,977,963</u>	<u>11,308,523</u>
Contributed Capital at end of the year	<u><u>\$3,902,506</u></u>	<u><u>\$6,744,895</u></u>	<u><u>\$10,647,401</u></u>	<u><u>\$10,977,963</u></u>

CITY OF DALY CITY
ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Water Utility	Civic Center	Transfer Station
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$2,647,568	\$245,908	\$335,634
Adjustments to reconcile operating income to cash flows from operating activities:			
Depreciation	776,171	299,427	43,703
Net effect of changes in:			
Receivables	431,629	(33,515)	(461)
Inventories	(17,377)		
Prepays			
Accounts payable and other liabilities	(482,945)	62,438	(20,864)
Cash Flows from Operating Activities	<u>3,355,046</u>	<u>574,258</u>	<u>358,012</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	<u>189,399</u>	<u>12,690</u>	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interest expense		(51,650)	
Operating transfers in			
Operating transfers out	(2,502,500)	(324,969)	(401,840)
Receipt from long-term interfund receivable			
Disbursement of long-term inter-fund payable		(109,939)	
Property taxes			
Cash Flows from Noncapital Financing Activities	<u>(2,502,500)</u>	<u>(486,558)</u>	<u>(401,840)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of fixed assets	1,131		
Principal paid on debt			
Interest paid on debt			
Acquisition and construction of capital assets	(854,293)		
Cash Flows from Capital and Related Financing Activities	<u>(853,162)</u>		
NET CASH FLOWS	188,783	100,390	(43,828)
Cash and cash equivalents at beginning of year	<u>4,289,728</u>	<u>261,185</u>	<u>741,070</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$4,478,511</u></u>	<u><u>\$361,575</u></u>	<u><u>\$697,242</u></u>

Sanitation District	Totals	
	2002	2001
\$1,623,026	\$4,852,136	\$4,029,197
1,598,381	2,717,682	2,522,875
(142,493)	255,160	(566,380)
(40,628)	(58,005)	1,763
30,395	30,395	30,395
484,518	43,147	1,017,808
<u>3,553,199</u>	<u>7,840,515</u>	<u>7,035,658</u>
632,609	834,698	1,489,485
	(51,650)	(57,125)
774,650	774,650	1,000,270
(2,237,357)	(5,466,666)	(5,084,312)
109,939	109,939	104,464
	(109,939)	(104,464)
926,225	926,225	831,017
<u>(426,543)</u>	<u>(3,817,441)</u>	<u>(3,310,150)</u>
18,203	19,334	269,770
(1,255,000)	(1,255,000)	(1,190,000)
(681,173)	(681,173)	(744,243)
<u>(4,619,611)</u>	<u>(5,473,904)</u>	<u>(3,777,512)</u>
<u>(6,537,581)</u>	<u>(7,390,743)</u>	<u>(5,441,985)</u>
(2,778,316)	(2,532,971)	(226,992)
16,751,606	22,043,589	22,270,581
<u>\$13,973,290</u>	<u>\$19,510,618</u>	<u>\$22,043,589</u>

CITY OF DALY CITY
WATER UTILITY ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Current Assets:		
Cash and investments	\$4,478,511	\$4,289,728
Accounts receivable:		
Water billings	621,932	1,060,848
Unbilled water accounts	843,128	839,953
Miscellaneous	4,699	587
Estimated uncollectibles	(2,000)	(2,000)
Total accounts receivable	1,467,759	1,899,388
Inventories	437,887	420,510
Total Current Assets	6,384,157	6,609,626
Fixed Assets:		
Land	870,662	870,662
Buildings	502,661	502,661
Wells and pump stations	4,276,153	3,721,192
Water reservoirs	7,051,427	7,051,427
Mains	9,478,775	6,846,640
Equipment	3,179,728	3,111,579
Furniture and fixtures	19,324	19,324
Construction in progress	359,825	2,782,439
Total Fixed Assets	25,738,555	24,905,924
Less: Accumulated Depreciation	6,628,015	5,873,506
Net Fixed Assets	19,110,540	19,032,418
Total Assets	\$25,494,697	\$25,642,044
LIABILITIES		
Current Liabilities:		
Accounts payable	\$364,958	\$834,348
Retentions payable	463	37,295
Accrued payroll	176,389	156,368
Deposits payable	53,175	59,415
Total Current Liabilities	594,985	1,087,426
Long-Term Liabilities:		
Compensated absences	34,468	24,972
Total Liabilities	629,453	1,112,398
FUND EQUITY		
Retained earnings:		
Reserved for:		
Equipment replacement	1,622,661	984,967
Capital projects	2,885,497	3,006,999
Unreserved	20,357,086	20,537,680
Total Fund Equity	24,865,244	24,529,646
Total Liabilities and Fund Equity	\$25,494,697	\$25,642,044

CITY OF DALY CITY
WATER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES		
Water sales	\$10,120,712	\$10,096,097
Connection charges	35,631	35,786
Other revenues	<u>143,650</u>	<u>164,306</u>
 Total Operating Revenues	 <u>10,299,993</u>	 <u>10,296,189</u>
 OPERATING EXPENSES		
Salaries and benefits	1,594,467	1,529,476
Services and supplies	1,159,059	1,151,698
Water purchases	2,241,561	1,990,834
Utilities	1,049,126	1,130,824
Insurance	95,978	94,097
Depreciation	776,171	661,259
Other charges	<u>736,063</u>	<u>1,789,982</u>
 Total Operating Expenses	 <u>7,652,425</u>	 <u>8,348,170</u>
 Operating Income	 2,647,568	 1,948,019
 NONOPERATING REVENUES		
Gain on sale of fixed assets	1,131	269,770
Interest income	<u>189,399</u>	<u>322,868</u>
 Income Before Operating Transfers	 2,838,098	 2,540,657
 OPERATING TRANSFERS		
Operating transfers out	<u>(2,502,500)</u>	<u>(2,390,038)</u>
 NET INCOME	 335,598	 150,619
 Retained earnings at beginning of year	 <u>24,529,646</u>	 <u>24,379,027</u>
 RETAINED EARNINGS AT END OF YEAR	 <u><u>\$24,865,244</u></u>	 <u><u>\$24,529,646</u></u>

CITY OF DALY CITY
WATER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$2,647,568	\$1,948,019
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation	776,171	661,259
Net effect of changes in:		
Receivables	431,629	(340,382)
Inventories	(17,377)	57,431
Accounts payable and other liabilities	<u>(482,945)</u>	<u>431,720</u>
Net cash provided by (used for) operating activities	<u>3,355,046</u>	<u>2,758,047</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>189,399</u>	<u>322,868</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers out	<u>(2,502,500)</u>	<u>(2,390,038)</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of fixed assets	1,131	269,770
Acquisition and construction of capital assets	<u>(854,293)</u>	<u>(1,759,785)</u>
 NET CASH FLOWS	 188,783	 (799,138)
Cash and cash equivalents at beginning of year	<u>4,289,728</u>	<u>5,088,866</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$4,478,511</u>	 <u>\$4,289,728</u>

CITY OF DALY CITY
CIVIC CENTER ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Current Assets:		
Cash and investments	\$361,575	\$261,185
Accounts receivable	<u>81,643</u>	<u>48,128</u>
Total Current Assets	<u>443,218</u>	<u>309,313</u>
Fixed Assets:		
Land	1,695,762	1,695,762
Furnitures and Fixtures	443,801	443,801
Buildings	<u>5,568,727</u>	<u>5,568,727</u>
Total Fixed Assets	7,708,290	7,708,290
Less Accumulated Depreciation	<u>1,540,769</u>	<u>1,241,342</u>
Net Fixed Assets	<u>6,167,521</u>	<u>6,466,948</u>
Total Assets	<u><u>\$6,610,739</u></u>	<u><u>\$6,776,261</u></u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$96,082	\$37,561
Retention payable	<u>3,917</u>	<u> </u>
Total Current Liabilities	<u>99,999</u>	<u>37,561</u>
Long-term Liability:		
Interfund payable	<u>948,968</u>	<u>1,058,907</u>
Total Liabilities	<u>1,048,967</u>	<u>1,096,468</u>
FUND EQUITY		
Contributed capital	<u>3,902,506</u>	<u>3,976,246</u>
Retained earnings:		
Reserved for:		
Equipment replacement	343,219	271,752
Unreserved	<u>1,316,047</u>	<u>1,431,795</u>
Total Retained Earnings	<u>1,659,266</u>	<u>1,703,547</u>
Total Fund Equity	<u>5,561,772</u>	<u>5,679,793</u>
Total Liabilities and Fund Equity	<u><u>\$6,610,739</u></u>	<u><u>\$6,776,261</u></u>

CITY OF DALY CITY
 CIVIC CENTER ENTERPRISE FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES		
Rental income	\$844,988	\$784,232
Other revenues	<u>119,814</u>	<u>77,837</u>
Total Operating Revenues	<u>964,802</u>	<u>862,069</u>
OPERATING EXPENSES		
Services and supplies	198,723	208,229
Utilities	120,985	101,155
Insurance	10,537	10,329
Depreciation	299,427	305,642
Other charges	<u>89,222</u>	<u>22,195</u>
Total Operating Expenses	<u>718,894</u>	<u>647,550</u>
Operating Income	<u>245,908</u>	<u>214,519</u>
NONOPERATING REVENUES (EXPENSES)		
Interest expense	(51,650)	(57,125)
Interest income	<u>12,690</u>	<u>15,348</u>
Net Nonoperating Revenues (Expenses)	<u>(38,960)</u>	<u>(41,777)</u>
Income Before Operating Transfers	<u>206,948</u>	<u>172,742</u>
OPERATING TRANSFERS		
Operating transfers out	<u>(324,969)</u>	<u>(307,517)</u>
NET LOSS	(118,021)	(134,775)
ITEM AFFECTING CONTRIBUTED CAPITAL		
Depreciation of contributed assets	<u>73,740</u>	<u>73,740</u>
Decrease in retained earnings	(44,281)	(61,035)
Retained earnings at beginning of year	<u>1,703,547</u>	<u>1,764,582</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$1,659,266</u></u>	<u><u>\$1,703,547</u></u>

CITY OF DALY CITY
 CIVIC CENTER ENTERPRISE FUND
 COMPARATIVE STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$245,908	\$214,519
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation	299,427	305,642
Net effect of changes in:		
Receivables	(33,515)	(26,296)
Accounts payable and other liabilities	<u>62,438</u>	<u>27,991</u>
Net cash provided by operating activities	<u>574,258</u>	<u>521,856</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>12,690</u>	<u>15,348</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest expense	(51,650)	(57,125)
Interfund payable	(109,939)	(104,464)
Operating transfer out	<u>(324,969)</u>	<u>(307,517)</u>
Cash flow from noncapital financing activities	<u>(486,558)</u>	<u>(469,106)</u>
NET CASH FLOWS	100,390	68,098
Cash and cash equivalents at beginning of year	<u>261,185</u>	<u>193,087</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$361,575</u></u>	<u><u>\$261,185</u></u>

CITY OF DALY CITY
TRANSFER STATION ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Current Assets:		
Cash and investments	\$697,242	\$741,070
Accounts receivable	<u>129,684</u>	<u>129,223</u>
Total Current Assets	<u>826,926</u>	<u>870,293</u>
Long-Term Assets:		
Advances to others	<u>44,597</u>	<u>44,597</u>
Fixed Assets:		
Land	93,384	93,384
Buildings	1,184,278	1,184,278
Equipment	<u>232,367</u>	<u>232,367</u>
Total Fixed Assets	1,510,029	1,510,029
Less Accumulated Depreciation	<u>733,706</u>	<u>690,003</u>
Net Fixed Assets	<u>776,323</u>	<u>820,026</u>
Total Assets	<u><u>\$1,647,846</u></u>	<u><u>\$1,734,916</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	<u>\$349,923</u>	<u>\$370,787</u>
FUND EQUITY		
Retained earnings:		
Reserved for:		
Equipment replacement	776,344	732,640
Recycling	22,906	63,387
Unreserved	<u>498,673</u>	<u>568,102</u>
Total Fund Equity	<u>1,297,923</u>	<u>1,364,129</u>
Total Liabilities and Fund Equity	<u><u>\$1,647,846</u></u>	<u><u>\$1,734,916</u></u>

CITY OF DALY CITY
TRANSFER STATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES		
Lease revenue	\$375,000	\$375,000
Recycling revenue	1,147,923	1,100,034
Other revenues	<u>55,138</u>	<u>45,931</u>
Total Operating Revenues	<u>1,578,061</u>	<u>1,520,965</u>
OPERATING EXPENSES		
Recycling charges	1,188,405	1,142,932
Insurance	3,278	3,213
Depreciation	43,703	43,703
Other charges	<u>7,041</u>	<u>3,430</u>
Total Operating Expenses	<u>1,242,427</u>	<u>1,193,278</u>
Operating Income	335,634	327,687
OPERATING TRANSFERS		
Operating transfers out	<u>(401,840)</u>	<u>(393,486)</u>
NET LOSS	(66,206)	(65,799)
Retained earnings at beginning of year	<u>1,364,129</u>	<u>1,429,928</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$1,297,923</u></u>	<u><u>\$1,364,129</u></u>

CITY OF DALY CITY
TRANSFER STATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$335,634	\$327,687
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation	43,703	43,703
Net effect of changes in:		
Receivables	(461)	(39,755)
Accounts payable and other liabilities	<u>(20,864)</u>	<u>103,051</u>
Net cash provided by operating activities	<u>358,012</u>	<u>434,686</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers out	<u>(401,840)</u>	<u>(393,486)</u>
 NET CASH FLOWS	 (43,828)	 41,200
 Cash and cash equivalents at beginning of year	 <u>741,070</u>	 <u>699,870</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u><u>\$697,242</u></u>	 <u><u>\$741,070</u></u>

CITY OF DALY CITY
SANITATION DISTRICT ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Current Assets:		
Cash and investments	\$12,050,176	\$14,819,217
Cash with fiscal agent	1,923,114	1,932,389
Accounts receivable	827,083	684,590
Inventories	1,113,505	1,072,877
Prepays	245,694	276,089
Total Current Assets	16,159,572	18,785,162
Long-Term Assets:		
Long-term interfund receivable	948,968	1,058,907
Fixed Assets:		
Land	219,205	219,205
Buildings	128,393	128,393
Sewage facilities	45,800,136	46,673,753
Subsurface treatment lines	13,005,579	11,290,936
Equipment	1,844,641	1,564,603
Furniture and fixtures	88,097	80,182
Construction in progress	5,831,276	3,473,163
Total Fixed Assets	66,917,327	63,430,235
Less Accumulated Depreciation	25,469,332	24,930,631
Net Fixed Assets	41,447,995	38,499,604
Total Assets	\$58,556,535	\$58,343,673
LIABILITIES		
Current Liabilities:		
Accounts payable	\$1,519,160	\$1,254,529
Retentions payable	191,270	45,369
Accrued payroll	360,102	302,001
Total Current Liabilities	2,070,532	1,601,899
Long-Term Liabilities:		
Compensated absences	135,248	119,363
Certificates of Participation	10,870,000	12,125,000
Total Long-Term Liabilities	11,005,248	12,244,363
Total Liabilities	13,075,780	13,846,262
FUND EQUITY		
Contributed capital	6,744,895	7,001,717
Retained earnings:		
Reserved for:		
Equipment replacement	437,394	4,556,486
Operating capital	4,500,000	4,500,000
Capital projects	5,869,332	9,345,422
Unreserved	27,929,134	19,093,786
Total Retained Earnings	38,735,860	37,495,694
Total Fund Equity	45,480,755	44,497,411
Total Liabilities and Fund Equity	\$58,556,535	\$58,343,673

CITY OF DALY CITY
SANITATION DISTRICT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES		
Sewer service charges	\$12,163,876	\$11,454,580
Connection charges	196,435	180,440
Other revenues	<u>297,745</u>	<u>227,461</u>
 Total Operating Revenues	 <u>12,658,056</u>	 <u>11,862,481</u>
 OPERATING EXPENSES		
Salaries and benefits	3,587,150	3,252,289
Services and supplies	3,659,148	3,929,567
Utilities	767,196	471,786
Insurance	231,532	226,992
Depreciation	1,598,381	1,512,271
Other charges	<u>1,191,623</u>	<u>930,604</u>
 Total Operating Expenses	 <u>11,035,030</u>	 <u>10,323,509</u>
 Operating Income	 <u>1,623,026</u>	 <u>1,538,972</u>
 NONOPERATING REVENUES (EXPENSES)		
Property taxes	926,225	831,017
Interest income	632,609	1,151,269
Interest expense	(681,173)	(744,243)
Loss on sale of fixed assets	<u>(54,636)</u>	<u></u>
 Net Nonoperating Revenues (Expenses)	 <u>823,025</u>	 <u>1,238,043</u>
 Income Before Operating Transfers	 2,446,051	 2,777,015
 OPERATING TRANSFERS		
Operating transfers in	774,650	1,000,270
Operating transfers out	<u>(2,237,357)</u>	<u>(1,993,271)</u>
 NET INCOME	 983,344	 1,784,014
 ITEM AFFECTING CONTRIBUTED CAPITAL		
Depreciation of contributed assets	<u>256,822</u>	<u>256,820</u>
 Increase in retained earnings	 1,240,166	 2,040,834
Retained earnings at beginning of year	<u>37,495,694</u>	<u>35,454,860</u>
 RETAINED EARNINGS AT END OF YEAR	 <u>\$38,735,860</u>	 <u>\$37,495,694</u>

CITY OF DALY CITY
SANITATION DISTRICT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$1,623,026	\$1,538,972
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation	1,598,381	1,512,271
Net effect of changes in:		
Receivables	(142,493)	(159,947)
Inventories	(40,628)	(55,668)
Prepays	30,395	30,395
Accounts payable and other liabilities	484,518	455,046
	<u>3,553,199</u>	<u>3,321,069</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>632,609</u>	<u>1,151,269</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Long-term interfund receivable	109,939	104,464
Operating transfers in	774,650	1,000,270
Operating transfers out	(2,237,357)	(1,993,271)
Property taxes	926,225	831,017
	<u>(426,543)</u>	<u>(57,520)</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on debt	(1,255,000)	(1,190,000)
Interest paid on debt	(681,173)	(744,243)
Proceeds from sale of fixed assets	18,203	
Acquisition and construction of capital assets	(4,619,611)	(2,017,727)
	<u>(6,537,581)</u>	<u>(3,951,970)</u>
 NET CASH FLOWS	 (2,778,316)	 462,848
Cash and cash equivalents at beginning of year	<u>16,751,606</u>	<u>16,288,758</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u><u>\$13,973,290</u></u>	 <u><u>\$16,751,606</u></u>



CITY OF DALY CITY

INTERNAL SERVICE FUNDS

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

The City's Internal Service Funds are:

- Motor Vehicles - to account for the purchase and maintenance of all motor vehicles provided as a service to City departments.
- Central Services - to account for and allocate costs related to purchasing and maintaining supplies inventory and providing printing services for City departments.
- PBX - to account for services provided for the operation and maintenance of the City's telecommunication system.
- Building Maintenance - to account for services provided for the maintenance of City facilities.
- Information Services - to account for the distribution of computer operating costs to various City departments.
- Self-Insurance - to account for the payment of workers compensation, automotive, and general liability claims against the City.

CITY OF DALY CITY
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2002

WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

ASSETS	Motor Vehicles	Central Services	PBX	Building Maintenance
Cash and investments	\$2,271,054	\$198,284	\$250,475	\$225,786
Accounts receivable	8,677	1,494	11	15,441
Prepays				
Inventories	70,671	47,625		26,636
Total Current Assets	2,350,402	247,403	250,486	267,863
Fixed Assets				
Land				
Equipment	9,373,071	356,348	432,404	52,968
Furniture and fixtures				6,093
Buildings	14,494			
Total Fixed Assets	9,387,565	356,348	432,404	59,061
Less Accumulated Depreciation	5,659,826	273,395	110,746	42,898
Fixed Assets - Net	3,727,739	82,953	321,658	16,163
Total Assets	\$6,078,141	\$330,356	\$572,144	\$284,026
LIABILITIES				
Current Liabilities:				
Accounts payable	\$73,795	\$27,873	\$55,344	\$35,849
Accrued payroll	89,867	29,948		238,300
Accrued liabilities				
Deposits payable				
Accrued claims payable				
Total Current Liabilities	163,662	57,821	55,344	274,149
Long-Term Liabilities:				
Compensated absences	45,139	23,389		91,220
Capital lease				
Total Long-Term Liabilities	45,139	23,389		91,220
Total Liabilities	208,801	81,210	55,344	365,369
FUND EQUITY				
Contributed Capital	76,962			
Retained Earnings				
Reserved for:				
Equipment replacement	1,800,144	141,957	195,141	
Fire apparatus	15,858			
Possible future claims				
Capital Projects	300,069			
Unreserved	3,676,307	107,189	321,659	(81,343)
Total Retained Earnings (Deficit)	5,792,378	249,146	516,800	(81,343)
Total Fund Equity	5,869,340	249,146	516,800	(81,343)
Total Liabilities and Fund Equity	\$6,078,141	\$330,356	\$572,144	\$284,026

Information Services	Self - Insurance	Total	
		2002	2001
\$1,977,514	\$5,740,481	\$10,663,594	\$7,534,733
190	15,710	41,523	159,720
	47,826	47,826	
		144,932	135,702
<u>1,977,704</u>	<u>5,804,017</u>	<u>10,897,875</u>	<u>7,830,155</u>
	333,343	333,343	333,343
3,515,605		13,730,396	12,567,059
13,805		19,898	17,695
	180,000	194,494	194,494
<u>3,529,410</u>	<u>513,343</u>	<u>14,278,131</u>	<u>13,112,591</u>
<u>1,939,427</u>	<u>18,750</u>	<u>8,045,042</u>	<u>7,497,595</u>
<u>1,589,983</u>	<u>494,593</u>	<u>6,233,089</u>	<u>5,614,996</u>
<u>\$3,567,687</u>	<u>\$6,298,610</u>	<u>\$17,130,964</u>	<u>\$13,445,151</u>
\$141,800	\$171,184	\$505,845	\$303,747
47,930		406,045	340,315
	4,300	4,300	974
	15,357	15,357	15,357
	1,693,886	1,693,886	1,300,931
<u>189,730</u>	<u>1,884,727</u>	<u>2,625,433</u>	<u>1,961,324</u>
16,096		175,844	149,675
			42,774
<u>16,096</u>		<u>175,844</u>	<u>192,449</u>
<u>205,826</u>	<u>1,884,727</u>	<u>2,801,277</u>	<u>2,153,773</u>
		76,962	88,737
1,491,240		3,628,482	2,354,437
		15,858	319,739
	4,413,883	4,413,883	2,461,744
296,734		596,803	1,012,543
1,573,887		5,597,699	5,054,178
<u>3,361,861</u>	<u>4,413,883</u>	<u>14,252,725</u>	<u>11,202,641</u>
<u>3,361,861</u>	<u>4,413,883</u>	<u>14,329,687</u>	<u>11,291,378</u>
<u>\$3,567,687</u>	<u>\$6,298,610</u>	<u>\$17,130,964</u>	<u>\$13,445,151</u>

CITY OF DALY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Motor Vehicles	Central Services	PBX	Building Maintenance
OPERATING REVENUES				
Charges to City departments	\$2,525,053	\$438,945	\$319,575	\$1,968,497
Other revenues	117,247	120,178	11	273,522
Total Operating Revenues	2,642,300	559,123	319,586	2,242,019
OPERATING EXPENSES				
Salaries and benefits	732,676	203,663		1,615,175
Services and supplies	687,675	260,630	3,060	482,667
Utilities	27,067	1,559	193,519	251,933
Insurance	309,779	680		2,876
Claims / settlements				
Depreciation	777,353	38,167	35,235	4,436
Other charges	35,237	1,724	7,348	1,329
Total Operating Expenses	2,569,787	506,423	239,162	2,358,416
Operating Income (Loss)	72,513	52,700	80,424	(116,397)
NONOPERATING REVENUES (EXPENSES)				
Interest income	87,606	6,309	13,230	6,442
Interest expense	(465)			
Gain on sale of fixed assets	48,964	2,616		
Grant reimbursement				
Storm damage repair expenses				
Net Nonoperating Revenues (Expenses)	136,105	8,925	13,230	6,442
Income (Loss) Before Operating Transfers	208,618	61,625	93,654	(109,955)
OPERATING TRANSFERS				
Operating transfers in	169,695			144,569
Operating transfers out	(150,000)			(65,198)
NET INCOME (LOSS)	228,313	61,625	93,654	(30,584)
ITEM AFFECTING CONTRIBUTED CAPITAL				
Depreciation of contributed assets	11,775			
Increase (decrease) in retained earnings	240,088	61,625	93,654	(30,584)
Retained Earnings (Deficit) at Beginning of Year	5,552,290	187,521	423,146	(50,759)
RETAINED EARNINGS (DEFICIT) AT END OF YEAR	\$5,792,378	\$249,146	\$516,800	(\$81,343)

Information Services	Self - Insurance	Total	
		2002	2001
\$1,435,753	\$1,967,945	\$8,655,768	\$8,316,792
12,818	60,327	584,103	556,419
<u>1,448,571</u>	<u>2,028,272</u>	<u>9,239,871</u>	<u>8,873,211</u>
685,498	82,291	3,319,303	2,881,162
215,000	840,160	2,489,192	2,209,512
27,850	853	502,781	456,580
1,769	571,556	886,660	819,761
	1,426,469	1,426,469	573,341
452,082	9,000	1,316,273	1,178,535
214,323	6,129	266,090	279,553
<u>1,596,522</u>	<u>2,936,458</u>	<u>10,206,768</u>	<u>8,398,444</u>
<u>(147,951)</u>	<u>(908,186)</u>	<u>(966,897)</u>	<u>474,767</u>
69,128	202,652	385,367	454,343
		(465)	(4,423)
579		52,159	
	3,115,453	3,115,453	2,870,688
	(457,157)	(457,157)	(3,866,243)
<u>69,707</u>	<u>2,860,948</u>	<u>3,095,357</u>	<u>(545,635)</u>
<u>(78,244)</u>	<u>1,952,762</u>	<u>2,128,460</u>	<u>(70,868)</u>
811,406		1,125,670	815,534
	(623)	(215,821)	(1,417)
733,162	1,952,139	3,038,309	743,249
		11,775	118,557
733,162	1,952,139	3,050,084	861,806
2,628,699	2,461,744	11,202,641	10,340,835
<u>\$3,361,861</u>	<u>\$4,413,883</u>	<u>\$14,252,725</u>	<u>\$11,202,641</u>



CITY OF DALY CITY
 ALL INTERNAL SERVICE FUNDS
 COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Motor Vehicle Fund 2002	Total 2001
	<u> </u>	<u> </u>
Depreciation on Fixed Assets		
Assets acquired with		
Contributed Capital	(\$11,775)	(\$118,557)
Contributed Capital		
at beginning of the year	<u>88,737</u>	<u>207,294</u>
Contributed Capital		
at end of the year	<u><u>\$76,962</u></u>	<u><u>\$88,737</u></u>

CITY OF DALY CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>Motor Vehicles</u>	<u>Central Services</u>	<u>PBX</u>	<u>Building Maintenance</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$72,513	\$52,700	\$80,424	(\$116,397)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	777,353	38,167	35,235	4,436
Net effect of changes in:				
Receivables	7,814	(1,418)	(11)	
Prepays				
Inventories	(10,456)	(8,864)		10,090
Accounts payable and other liabilities	51,393	(28,003)	41,154	21,951
Cash Flows from Operating Activities	<u>898,617</u>	<u>52,582</u>	<u>156,802</u>	<u>(79,920)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>87,606</u>	<u>6,309</u>	<u>13,230</u>	<u>6,442</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers in	169,695			144,569
Operating transfers out	(150,000)			(65,198)
Grant proceeds				
Storm damage repair expenses				
Cash Flows from Noncapital Financing Activities	<u>19,695</u>			<u>79,371</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on debt	(42,774)			
Interest paid on debt	(465)			
Proceeds from sale of fixed assets	48,964	2,616		
Acquisition and construction of capital assets	(581,593)	(26,876)	(329,725)	(14,679)
Cash Flows from Capital and Related Financing Activities	<u>(575,868)</u>	<u>(24,260)</u>	<u>(329,725)</u>	<u>(14,679)</u>
NET CASH FLOWS	430,050	34,631	(159,693)	(8,786)
Cash and cash equivalents at beginning of year	<u>1,841,004</u>	<u>163,653</u>	<u>410,168</u>	<u>234,572</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$2,271,054</u></u>	<u><u>\$198,284</u></u>	<u><u>\$250,475</u></u>	<u><u>\$225,786</u></u>

Information Services	Self - Insurance	Totals	
		2002	2001
(\$147,951)	(\$908,186)	(\$966,897)	\$474,767
452,082	9,000	1,316,273	1,178,535
1,660	110,152 (47,826)	118,197 (47,826)	(105,183)
78,608	525,175	(9,230) 690,278	9,597 235,709
<u>384,399</u>	<u>(311,685)</u>	<u>1,100,795</u>	<u>1,793,425</u>
<u>69,128</u>	<u>202,652</u>	<u>385,367</u>	<u>454,343</u>
811,406	(623)	1,125,670 (215,821)	815,534 (1,417)
	3,115,453 (457,157)	3,115,453 (457,157)	2,870,688 (3,866,243)
<u>811,406</u>	<u>2,657,673</u>	<u>3,568,145</u>	<u>(181,438)</u>
		(42,774)	(54,257)
		(465)	(4,423)
579		52,159	
<u>(981,493)</u>		<u>(1,934,366)</u>	<u>(1,604,559)</u>
<u>(980,914)</u>		<u>(1,925,446)</u>	<u>(1,663,239)</u>
284,019	2,548,640	3,128,861	403,091
<u>1,693,495</u>	<u>3,191,841</u>	<u>7,534,733</u>	<u>7,131,642</u>
<u>\$1,977,514</u>	<u>\$5,740,481</u>	<u>\$10,663,594</u>	<u>\$7,534,733</u>

CITY OF DALY CITY
MOTOR VEHICLES INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Current Assets:		
Cash and investments	\$2,271,054	\$1,841,004
Accounts receivable	8,677	16,491
Inventories	70,671	60,215
Total Current Assets	2,350,402	1,917,710
Fixed Assets:		
Equipment	9,373,071	9,126,315
Buildings	14,494	14,494
Total Fixed Assets	9,387,565	9,140,809
Less Accumulated Depreciation	5,659,826	5,217,310
Fixed Assets - Net	3,727,739	3,923,499
Total Assets	\$6,078,141	\$5,841,209
LIABILITIES		
Current Liabilities:		
Accounts payable	\$73,795	\$44,580
Accrued payroll	89,867	73,005
Total Current Liabilities	163,662	117,585
Long-term Liabilities:		
Capital lease		42,774
Compensated absences	45,139	39,823
Total Long-term Liabilities	45,139	82,597
Total Liabilities	208,801	200,182
FUND EQUITY		
Contributed capital	76,962	88,737
Retained earnings:		
Reserved for:		
Equipment replacement	1,800,144	1,120,395
Fire apparatus	15,858	319,739
Capital projects	300,069	299,775
Unreserved	3,676,307	3,812,381
Total Retained Earnings	5,792,378	5,552,290
Total Fund Equity	5,869,340	5,641,027
Total Liabilities and Fund Equity	\$6,078,141	\$5,841,209

CITY OF DALY CITY
MOTOR VEHICLES INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES		
Charges to City departments	\$2,525,053	\$2,371,207
Other revenues	117,247	125,088
	<u>2,642,300</u>	<u>2,496,295</u>
OPERATING EXPENSES		
Salaries and benefits	732,676	652,508
Services and supplies	687,675	758,487
Utilities	27,067	21,581
Insurance	309,779	303,706
Depreciation	777,353	728,469
Other charges	35,237	39,972
	<u>2,569,787</u>	<u>2,504,723</u>
Total Operating Expenses	<u>2,569,787</u>	<u>2,504,723</u>
Operating income (loss)	<u>72,513</u>	<u>(8,428)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	87,606	151,384
Gain on sale of fixed assets	48,964	
Interest expense	(465)	(4,423)
	<u>136,105</u>	<u>146,961</u>
Total Nonoperating Revenues (Expenses)	<u>136,105</u>	<u>146,961</u>
Income Before Operating Transfers	208,618	138,533
OPERATING TRANSFERS		
Operating transfers in	169,695	331,785
Operating transfers out	(150,000)	
	<u>228,313</u>	<u>470,318</u>
Net Income	<u>228,313</u>	<u>470,318</u>
ITEM AFFECTING CONTRIBUTED CAPITAL		
Depreciation of contributed assets	11,775	13,520
	<u>11,775</u>	<u>13,520</u>
Increase in retained earnings	240,088	483,838
Retained earnings at beginning of year	<u>5,552,290</u>	<u>5,068,452</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$5,792,378</u></u>	<u><u>\$5,552,290</u></u>

CITY OF DALY CITY
MOTOR VEHICLES INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$72,513	(\$8,428)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:		
Depreciation	777,353	728,469
Net effect of changes in:		
Receivables	7,814	(16,184)
Inventories	(10,456)	15,979
Accounts payable and other liabilities	51,393	23,931
	898,617	743,767
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	87,606	151,384
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in	169,695	331,785
Operating transfers out	(150,000)	
	19,695	331,785
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest paid on debt	(465)	(4,423)
Principal paid on debt	(42,774)	(54,257)
Proceeds from sale of fixed assets	48,964	
Acquisition and construction of capital assets	(581,593)	(1,237,809)
	(575,868)	(1,296,489)
NET CASH FLOWS	430,050	(69,553)
Cash and cash equivalents at beginning of year	1,841,004	1,910,557
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$2,271,054	\$1,841,004

CITY OF DALY CITY
CENTRAL SERVICES INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Current Assets:		
Cash and investments	\$198,284	\$163,653
Accounts receivable	1,494	76
Inventories	<u>47,625</u>	<u>38,761</u>
Total Current Assets	<u>247,403</u>	<u>202,490</u>
Fixed Assets:		
Equipment	356,348	329,472
Less Accumulated Depreciation	<u>273,395</u>	<u>235,228</u>
Fixed Assets - Net	<u>82,953</u>	<u>94,244</u>
Total Assets	<u><u>\$330,356</u></u>	<u><u>\$296,734</u></u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$27,873	\$59,620
Accrued payroll	<u>29,948</u>	<u>28,640</u>
Total Current Liabilities	<u>57,821</u>	<u>88,260</u>
Long-term Liabilities:		
Compensated absences	<u>23,389</u>	<u>20,953</u>
Total Liabilities	<u>81,210</u>	<u>109,213</u>
FUND EQUITY		
Retained earnings:		
Reserved for:		
Equipment replacement	141,957	75,469
Unreserved	<u>107,189</u>	<u>112,052</u>
Total Fund Equity	<u>249,146</u>	<u>187,521</u>
Total Liabilities and Fund Equity	<u><u>\$330,356</u></u>	<u><u>\$296,734</u></u>

CITY OF DALY CITY
CENTRAL SERVICES INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
OPERATING REVENUES		
Charges to City departments	\$438,945	\$436,914
Other revenues	120,178	116,091
Total Operating Revenues	559,123	553,005
OPERATING EXPENSES		
Salaries and benefits	203,663	191,312
Services and supplies	260,630	267,040
Utilities	1,559	1,501
Insurance	680	667
Depreciation	38,167	35,516
Other charges	1,724	50,760
Total Operating Expenses	506,423	546,796
Operating Income	52,700	6,209
NONOPERATING REVENUES		
Interest income	6,309	8,875
Gain on sale of fixed assets	2,616	
Total Nonoperating Revenues	8,925	8,875
Income Before Operating Transfers	61,625	15,084
OPERATING TRANSFERS		
Operating transfers in		1,510
Net Income	61,625	16,594
Retained earnings at beginning of year	187,521	170,927
RETAINED EARNINGS AT END OF YEAR	\$249,146	\$187,521

CITY OF DALY CITY
CENTRAL SERVICES INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$52,700	\$6,209
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation	38,167	35,516
Net effect of changes in:		
Receivables	(1,418)	(76)
Inventories	(8,864)	917
Accounts payable and other liabilities	<u>(28,003)</u>	<u>(831)</u>
Net cash provided by (used for) operating activities	<u>52,582</u>	<u>41,735</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	<u>6,309</u>	<u>8,875</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in		<u>1,510</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of fixed assets	2,616	
Acquisition and construction of capital assets	<u>(26,876)</u>	<u>(35,765)</u>
Net cash provided by (used for) capital and related financing activities	<u>(24,260)</u>	<u>(35,765)</u>
NET CASH FLOWS	34,631	16,355
Cash and cash equivalents at beginning of year	<u>163,653</u>	<u>147,298</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$198,284</u></u>	<u><u>\$163,653</u></u>

CITY OF DALY CITY
PBX INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Current Assets:		
Cash and investments	\$250,475	\$410,168
Accounts receivable	11	
Total Current Assets	250,486	410,168
Fixed Assets:		
Equipment	432,404	406,030
Less Accumulated Depreciation	110,746	378,862
Fixed Assets - Net	321,658	27,168
Total Assets	\$572,144	\$437,336
LIABILITIES		
Current Liabilities:		
Accounts payable	\$55,344	\$14,190
FUND EQUITY		
Retained earnings:		
Reserved for:		
Equipment replacement	195,141	289,522
Unreserved	321,659	133,624
Total Fund Equity	516,800	423,146
Total Liabilities and Fund Equity	\$572,144	\$437,336

CITY OF DALY CITY
PBX INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
OPERATING REVENUES		
Charges to City departments	\$319,575	\$296,271
Other revenues	11	692
	<u>319,586</u>	<u>296,963</u>
OPERATING EXPENSES		
Salaries and benefits		12,392
Services and supplies	3,060	17,410
Utilities	193,519	186,206
Depreciation	35,235	8,150
Other charges	7,348	11,127
	<u>239,162</u>	<u>235,285</u>
Total Operating Expenses		
	<u>239,162</u>	<u>235,285</u>
Operating Income	80,424	61,678
NONOPERATING REVENUES (EXPENSES)		
Interest income	13,230	25,565
	<u>13,230</u>	<u>25,565</u>
Net Income	93,654	87,243
ITEMS AFFECTING CONTRIBUTED CAPITAL		
Depreciation of contributed assets		90,778
Retained earnings at beginning of year	423,146	245,125
	<u>423,146</u>	<u>245,125</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$516,800</u>	<u>\$423,146</u>

CITY OF DALY CITY
 PBX INTERNAL SERVICE FUND
 COMPARATIVE STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$80,424	\$61,678
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation	35,235	8,150
Net effect of changes in:		
Receivables	(11)	78
Accounts payable and other liabilities	41,154	(151)
Net cash provided by operating activities	156,802	69,755
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	13,230	25,565
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(329,725)	
NET CASH FLOWS	(159,693)	95,320
Cash and cash equivalents at beginning of year	410,168	314,848
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$250,475	\$410,168

CITY OF DALY CITY
 BUILDING MAINTENANCE INTERNAL SERVICE FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Current Assets:		
Cash and investments	\$225,786	\$234,572
Accounts receivable	15,441	15,441
Inventories	26,636	36,726
Total Current Assets	267,863	286,739
Fixed Assets		
Equipment	52,968	38,289
Furniture & fixtures	6,093	6,093
Total Fixed Assets	59,061	44,382
Less Accumulated Depreciation	42,898	38,462
Fixed Assets - Net	16,163	5,920
Total Assets	\$284,026	\$292,659
LIABILITIES		
Current Liabilities:		
Accounts payable	\$35,849	\$57,263
Accrued payroll	238,300	210,949
Total Current Liabilities	274,149	268,212
Long-term Liabilities:		
Compensated absences	91,220	75,206
Total Liabilities	365,369	343,418
FUND EQUITY		
Retained earnings (Deficit):		
Unreserved	(81,343)	(50,759)
Total Liabilities and Fund Equity	\$284,026	\$292,659

CITY OF DALY CITY
BUILDING MAINTENANCE INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
OPERATING REVENUES		
Charges to City departments	\$1,968,497	\$1,935,001
Other revenues	<u>273,522</u>	<u>254,160</u>
Total Operating Revenues	<u>2,242,019</u>	<u>2,189,161</u>
OPERATING EXPENSES		
Salaries and benefits	1,615,175	1,508,139
Services and supplies	482,667	475,194
Utilities	251,933	221,137
Insurance	2,876	2,820
Depreciation	4,436	4,846
Other charges	<u>1,329</u>	<u>17,690</u>
Total Operating Expenses	<u>2,358,416</u>	<u>2,229,826</u>
Operating Loss	(116,397)	(40,665)
NONOPERATING REVENUES		
Interest income	<u>6,442</u>	<u>10,575</u>
Loss Before Operating Transfers	(109,955)	(30,090)
OPERATING TRANSFERS		
Operating transfers in	144,569	57,517
Operating transfers out	<u>(65,198)</u>	<u>(1,417)</u>
Net Income (Loss)	(30,584)	26,010
Accumulated deficit at beginning of year	<u>(50,759)</u>	<u>(76,769)</u>
ACCUMULATED DEFICIT AT END OF YEAR	<u><u>(\$81,343)</u></u>	<u><u>(\$50,759)</u></u>

CITY OF DALY CITY
 BUILDING MAINTENANCE INTERNAL SERVICE FUND
 COMPARATIVE STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	(\$116,397)	(\$40,665)
Adjustments to reconcile operating loss to cash flows from operating activities:		
Depreciation	4,436	4,846
Net effect of changes in:		
Receivables		9,745
Inventories	10,090	(7,299)
Accounts payable and other liabilities	21,951	86,241
	(79,920)	52,868
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	6,442	10,575
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in	144,569	57,517
Operating transfers out	(65,198)	(1,417)
	79,371	56,100
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(14,679)	692
NET CASH FLOWS	(8,786)	120,235
Cash and cash equivalents at beginning of year	234,572	114,337
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$225,786	\$234,572

CITY OF DALY CITY
 INFORMATION SERVICES INTERNAL SERVICE FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Current Assets:		
Cash and investments	\$1,977,514	\$1,693,495
Accounts receivable	190	1,850
Total Current Assets	1,977,704	1,695,345
Fixed Assets:		
Equipment	3,515,605	2,666,953
Furniture & fixtures	13,805	11,602
Total Fixed Assets	3,529,410	2,678,555
Less Accumulated Depreciation	1,939,427	1,617,983
Fixed Assets - Net	1,589,983	1,060,572
Total Assets	\$3,567,687	\$2,755,917
LIABILITIES		
Current Liabilities:		
Accounts payable	\$141,800	\$86,424
Accrued payroll	47,930	27,101
Total Current Liabilities	189,730	113,525
Long-term Liabilities:		
Compensated absences	16,096	13,693
Total Liabilities	205,826	127,218
FUND EQUITY		
Retained earnings:		
Reserved for:		
Equipment replacement	1,491,240	869,051
Capital projects	296,734	712,768
Unreserved	1,573,887	1,046,880
Total Fund Equity	3,361,861	2,628,699
Total Liabilities and Fund Equity	\$3,567,687	\$2,755,917

CITY OF DALY CITY
 INFORMATION SERVICES INTERNAL SERVICE FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
OPERATING REVENUES		
Charges to City departments	\$1,435,753	\$1,414,708
Other revenues	12,818	1,800
	1,448,571	1,416,508
OPERATING EXPENSES		
Salaries and benefits	685,498	442,595
Services and supplies	215,000	250,724
Utilities	27,850	25,451
Insurance	1,769	1,734
Depreciation	452,082	391,804
Other charges	214,323	157,730
	1,596,522	1,270,038
Total Operating Expenses	1,596,522	1,270,038
Operating Income (Loss)	(147,951)	146,470
NONOPERATING REVENUES		
Interest income	69,128	91,682
Gain on sale of fixed assets	579	
	69,707	91,682
Total Nonoperating Revenues	69,707	91,682
Income (Loss) Before Operating Transfers	(78,244)	238,152
OPERATING TRANSFERS		
Operating transfers in	811,406	424,722
Net Income	733,162	662,874
ITEM AFFECTING CONTRIBUTED CAPITAL		
Depreciation of contributed assets		14,259
Increase in Retained Earnings	733,162	677,133
Retained earnings at beginning of year	2,628,699	1,951,566
RETAINED EARNINGS AT END OF YEAR	\$3,361,861	\$2,628,699

CITY OF DALY CITY
 INFORMATION SERVICES INTERNAL SERVICE FUND
 COMPARATIVE STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (loss)	(\$147,951)	\$146,470
Adjustments to reconcile operating income (loss) to cash flows from operating activities:		
Depreciation	452,082	391,804
Net effect of changes in:		
Receivables	1,660	(1,850)
Accounts payable and other liabilities	<u>78,608</u>	<u>(57,055)</u>
Net cash provided by operating activities	<u>384,399</u>	<u>479,369</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>69,128</u>	<u>91,682</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in	<u>811,406</u>	<u>424,722</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of fixed assets	579	
Acquisition and construction of capital assets	<u>(981,493)</u>	<u>(331,677)</u>
Net cash used for capital and related financing activities	<u>(980,914)</u>	<u>(331,677)</u>
NET CASH FLOWS	284,019	664,096
Cash and cash equivalents at beginning of year	<u>1,693,495</u>	<u>1,029,399</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$1,977,514</u></u>	<u><u>\$1,693,495</u></u>

CITY OF DALY CITY
 SELF-INSURANCE INTERNAL SERVICE FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 2002 AND 2001

	2002	2001
ASSETS		
Current Assets:		
Cash and investments	\$5,740,481	\$3,191,841
Accounts receivable	15,710	125,862
Prepays	47,826	
Total Current Assets	5,804,017	3,317,703
Fixed Assets		
Land	333,343	333,343
Building	180,000	180,000
Total Fixed Assets	513,343	513,343
Less Accumulated Depreciation	18,750	9,750
Fixed Assets - Net	494,593	503,593
Total Assets	\$6,298,610	\$3,821,296
LIABILITIES		
Current Liabilities:		
Accounts payable	\$171,184	\$41,670
Accrued payroll		620
Accrued liabilities	4,300	974
Deposits payable	15,357	15,357
Accrued claims payable	1,693,886	1,300,931
Total Liabilities	1,884,727	1,359,552
FUND EQUITY		
Retained earnings:		
Reserved for:		
Possible future claims	4,413,883	2,461,744
Total Liabilities and Fund Equity	\$6,298,610	\$3,821,296

CITY OF DALY CITY
 SELF-INSURANCE INTERNAL SERVICE FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
OPERATING REVENUES		
Charges to City departments	\$1,967,945	\$1,862,691
Other revenues	60,327	58,588
Total Operating Revenues	2,028,272	1,921,279
OPERATING EXPENSES		
Salaries and benefits	82,291	74,216
Services and supplies	840,160	440,657
Utilities	853	704
Insurance	571,556	510,834
Claims/settlements	1,426,469	573,341
Depreciation	9,000	9,750
Other charges	6,129	2,274
Total Operating Expenses	2,936,458	1,611,776
Operating Income (Loss)	(908,186)	309,503
NONOPERATING REVENUES		
Interest income	202,652	166,262
Grant reimbursement	3,115,453	2,870,688
Storm damage repair expenses	(457,157)	(3,866,243)
Total Nonoperating Revenues (Expenses)	2,860,948	(829,293)
Income (Loss) Before Operating Transfers	1,952,762	(519,790)
OPERATING TRANSFERS		
Operating transfers out	(623)	
Net Income (Loss)	1,952,139	(519,790)
Retained earnings at beginning of year	2,461,744	2,981,534
RETAINED EARNINGS AT END OF YEAR	\$4,413,883	\$2,461,744

CITY OF DALY CITY
 SELF-INSURANCE INTERNAL SERVICE FUND
 COMPARATIVE STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (Loss)	(\$908,186)	\$309,503
Adjustments to reconcile operating income (loss) to cash flows from operating activities:		
Depreciation	9,000	9,750
Net effect of changes in:		
Receivables	110,152	(96,896)
Prepays	(47,826)	
Accounts payable and other liabilities	<u>525,175</u>	<u>183,574</u>
Net cash provided by (used for) operating activities	<u>(311,685)</u>	<u>405,931</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>202,652</u>	<u>166,262</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers out	(623)	
Grant proceeds	3,115,453	2,870,688
Storm damage repair expenses	<u>(457,157)</u>	<u>(3,866,243)</u>
Net cash provided by (used for) noncapital financing activities	<u>2,657,673</u>	<u>(995,555)</u>
 NET CASH FLOWS	 2,548,640	 (423,362)
Cash and cash equivalents at beginning of year	<u>3,191,841</u>	<u>3,615,203</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u><u>\$5,740,481</u></u>	 <u><u>\$3,191,841</u></u>



CITY OF DALY CITY

FIDUCIARY FUND TYPE

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

The City accounts for the following agency funds:

Special Deposits - an agency fund to account for deposits made for maintenance or use of City facilities and services, and for contributions received for designated purposes.

Peninsula Traffic Congestion Relief Alliance (PTCRA) - an agency fund to reflect cash held by the City in its role as Fiscal Agent for this agency. The PTCRA works with San Mateo County Cities to encourage use of public transportation.

San Mateo Pre-Hospital Emergency Services Group (SMPHESG) - an agency fund to reflect cash held by the City in its role as Fiscal Agent for this agency. SMPHESG was established to provide paramedic first responder service as part of fire agencies response to medical calls.

Carter Martin Debt Service - an agency fund to account for the retirement of debt on assessment bonds for the widening and extension of Carter and Martin Streets.

Supporters of Senior Center – an agency fund to reflect cash held by the City in its role as Fiscal Agent for the Supporters of Doelger Senior Center, a private nonprofit organization benefiting seniors in Daly City.

CITY OF DALY CITY
 AGENCY FUNDS
 COMBINING BALANCE SHEETS
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS AS OF JUNE 30, 2001

	Special Deposits	PTCRA	SMPHESG	Carter Martin	Supporters of Senior Center	TOTALS	
						2002	2001
ASSETS							
Cash and investments	\$1,480,402	\$74,585	\$367,075	\$1,125,308	\$51,844	\$3,099,214	\$2,493,055
Receivables	678,406					678,406	832,118
Total Assets	\$2,158,808	\$74,585	\$367,075	\$1,125,308	\$51,844	\$3,777,620	\$3,325,173
LIABILITIES							
Accounts payable	\$10,342	\$74,585	\$367,075		\$51,844	\$503,846	\$97,091
Due to bondholders				\$1,125,308		1,125,308	1,010,397
Deposits payable	2,148,466					2,148,466	2,217,685
Total Liabilities	\$2,158,808	\$74,585	\$367,075	\$1,125,308	\$51,844	\$3,777,620	\$3,325,173

CITY OF DALY CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Balance June 30, 2001	Additions	Deductions	Balance June 30, 2002
<u>Special Deposits</u>				
<u>Assets</u>				
Cash and investments	\$1,393,421	\$861,402	\$774,421	\$1,480,402
Receivables	832,118	678,406	832,118	678,406
Total Assets	<u>\$2,225,539</u>	<u>\$1,539,808</u>	<u>\$1,606,539</u>	<u>\$2,158,808</u>
<u>Liabilities</u>				
Accounts payable	\$7,854	\$10,342	\$7,854	\$10,342
Deposits payable	2,217,685	1,529,466	1,598,685	2,148,466
Total Liabilities	<u>\$2,225,539</u>	<u>\$1,539,808</u>	<u>\$1,606,539</u>	<u>\$2,158,808</u>
<u>PTCRA</u>				
<u>Assets</u>				
Cash and investments		\$786,323	\$711,738	\$74,585
<u>Liabilities</u>				
Accounts payable		\$786,323	\$711,738	\$74,585
<u>SMPHESG</u>				
<u>Assets</u>				
Cash and investments	\$89,237	\$3,955,153	\$3,677,315	\$367,075
<u>Liabilities</u>				
Accounts payable	\$89,237	\$3,955,153	\$3,677,315	\$367,075
<u>Carter/Martin</u>				
<u>Assets</u>				
Cash and investments	\$1,010,397	\$573,351	\$458,440	\$1,125,308
<u>Liabilities</u>				
Due to bondholders	\$1,010,397	\$573,351	\$458,440	\$1,125,308
<u>Supporters of Senior Center</u>				
<u>Assets</u>				
Cash and investments		\$341,048	\$289,204	\$51,844
<u>Liabilities</u>				
Accounts payable		\$341,048	\$289,204	\$51,844
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$2,493,055	\$6,517,277	\$5,911,118	\$3,099,214
Receivables	832,118	678,406	832,118	678,406
Total Assets	<u>\$3,325,173</u>	<u>\$7,195,683</u>	<u>\$6,743,236</u>	<u>\$3,777,620</u>
<u>Liabilities</u>				
Accounts payable	\$97,091	\$5,092,866	\$4,686,111	\$503,846
Deposits payable	2,217,685	1,529,466	1,598,685	2,148,466
Due to bondholders	1,010,397	573,351	458,440	1,125,308
Total Liabilities	<u>\$3,325,173</u>	<u>\$7,195,683</u>	<u>\$6,743,236</u>	<u>\$3,777,620</u>



CITY OF DALY CITY
 SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
 JUNE 30, 2002

GENERAL FIXED ASSETS:

Land and Land Improvements	\$16,588,778
Buildings	26,631,158
Equipment, Furniture and Fixtures	2,929,469
Construction in Progress	<u>3,899,748</u>
TOTAL GENERAL FIXED ASSETS	<u><u>\$50,049,153</u></u>

INVESTMENT IN GENERAL FIXED ASSETS FROM:

Investment in Assets Acquired Prior to July 1, 1974	\$11,337,916
Investment in Assets Acquired After July 1, 1974:	
Current Revenues	35,453,460
Federal and State Grants	2,197,297
Donations from Nongovernmental Sources	<u>1,060,480</u>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u><u>\$50,049,153</u></u>

CITY OF DALY CITY
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 2002

	<u>Land</u>	<u>Buildings and Structures</u>	<u>Furniture, Fixtures & Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
FUNCTION AND ACTIVITY					
General Government					
City Council			\$66,692		\$66,692
City Manager			63,881		63,881
City Treasurer			1,510		1,510
Finance			32,202	\$1,012	33,214
City Clerk			9,911		9,911
City Attorney			908		908
Planning and Zoning			85,998		85,998
Personnel Administration			8,641		8,641
General Government Buildings	\$3,186,735	\$15,148,620	728,473	15,142	19,078,970
Total General Government	<u>3,186,735</u>	<u>15,148,620</u>	<u>998,216</u>	<u>16,154</u>	<u>19,349,725</u>
Public Safety					
Police Protection			876,027		876,027
Fire Protection	1,185,720	3,108,102	409,891	298,264	5,001,977
Total Public Safety	<u>1,185,720</u>	<u>3,108,102</u>	<u>1,285,918</u>	<u>298,264</u>	<u>5,878,004</u>
Other					
Community Service Center	1,392,602	312,120	1,507		1,706,229
Libraries	158,818	3,295,252	178,218	87,426	3,719,714
Parks & Recreation	9,648,847	4,444,014	221,077	3,497,904	17,811,842
Public Works	1,016,056	323,050	244,533		1,583,639
Total Other	<u>12,216,323</u>	<u>8,374,436</u>	<u>645,335</u>	<u>3,585,330</u>	<u>24,821,424</u>
Total General Fixed Assets	<u>\$16,588,778</u>	<u>\$26,631,158</u>	<u>\$2,929,469</u>	<u>\$3,899,748</u>	<u>\$50,049,153</u>

CITY OF DALY CITY
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Balance</u> <u>June 30, 2001</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2002</u>
FUNCTION AND ACTIVITY				
General Government				
City Council	\$66,692			\$66,692
City Manager	52,080	\$11,801		63,881
City Treasurer	1,510			1,510
Finance	29,295	3,919		33,214
City Clerk	8,401	1,510		9,911
City Attorney	908			908
Planning and Zoning	85,998			85,998
Personnel Administration	8,641			8,641
General Government Buildings	<u>13,724,074</u>	<u>5,354,896</u>		<u>19,078,970</u>
Total General Government	<u>13,977,599</u>	<u>5,372,126</u>		<u>19,349,725</u>
Public Safety				
Police Protection	854,726	26,036	\$4,735	876,027
Fire Protection	<u>3,915,825</u>	<u>1,086,152</u>		<u>5,001,977</u>
Total Public Safety	<u>4,770,551</u>	<u>1,112,188</u>	<u>4,735</u>	<u>5,878,004</u>
Other				
Community Service Center	1,706,229			1,706,229
Libraries	3,630,338	89,376		3,719,714
Parks & Recreation	15,245,131	3,034,432	467,721	17,811,842
Public Works	<u>5,526,821</u>	<u>56,553</u>	<u>3,999,735</u>	<u>1,583,639</u>
Total Other	<u>26,108,519</u>	<u>3,180,361</u>	<u>4,467,456</u>	<u>24,821,424</u>
Total General Fixed Assets	<u>\$44,856,669</u>	<u>\$9,664,675</u>	<u>\$4,472,191</u>	<u>\$50,049,153</u>



CITY OF DALY CITY
 COMBINED SCHEDULE OF CASH AND INVESTMENTS
 JUNE 30, 2002

CASH:	
Cash in Bank	\$1,067,419
Change and Imprest Funds	6,880
	1,074,299
INVESTMENTS:	
Local Agency Investment Fund	34,837,856
County of San Mateo Investment Pool	30,134,040
Certificates of Deposit	6,588,000
Government National Mortgage Association	2,899,819
	74,459,715
Investments held by others:	
Fiscal Agents:	
Mutual Funds	1,923,114
	1,923,114
TOTAL CASH & INVESTMENTS:	\$77,457,128
DISTRIBUTION BY TYPE OF FUND	
General	\$10,316,473
Special Revenue	12,264,719
Capital Projects	21,602,510
Enterprise	19,510,618
Internal Service	10,663,594
Trust and Agency	3,099,214
	\$77,457,128
TOTAL CASH & INVESTMENTS:	\$77,457,128

CITY OF DALY CITY
 COMBINED SCHEDULE OF FIXED ASSETS
 ALL PROPRIETARY FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Balance June 30, 2001	Additions	Deductions	Transfers	Balance June 30, 2002
ENTERPRISE FUNDS					
Water Utility					
Land	\$870,662				\$870,662
Buildings	502,661				502,661
Wells & Pump Stations	3,721,192			\$554,961	4,276,153
Water Reservoirs	7,051,427				7,051,427
Water Mains	6,846,640			2,632,135	9,478,775
Equipment	3,111,579	\$30,767	\$24,068	61,450	3,179,728
Furniture & Fixtures	19,324				19,324
Construction in Progress	2,782,439	825,932		(3,248,546)	359,825
	<u>24,905,924</u>	<u>856,699</u>	<u>24,068</u>		<u>25,738,555</u>
Civic Center					
Land	1,695,762				1,695,762
Building	5,076,900				5,076,900
Leasehold Improvements	491,827				491,827
Furniture & Fixtures	443,801				443,801
	<u>7,708,290</u>				<u>7,708,290</u>
Transfer Station					
Land	93,384				93,384
Building	1,184,278				1,184,278
Equipment	232,367				232,367
	<u>1,510,029</u>				<u>1,510,029</u>
Sanitation District					
Land	219,205				219,205
Building	128,393				128,393
Sewage Collection Facilities	1,924,942				1,924,942
Sewage Treatment Facilities	41,142,426	306,511	1,180,128		40,268,809
Sewage Disposal Facilities	3,606,385				3,606,385
Subsurface Lines	11,290,936			1,714,643	13,005,579
Equipment	1,564,603	280,038			1,844,641
Furniture & Fixtures	80,182	7,915			88,097
Construction in Progress	3,473,163	4,072,756		(1,714,643)	5,831,276
	<u>63,430,235</u>	<u>4,667,220</u>	<u>1,180,128</u>		<u>66,917,327</u>
TOTAL ENTERPRISE FUNDS	<u>\$97,554,478</u>	<u>\$5,523,919</u>	<u>\$1,204,196</u>		<u>\$101,874,201</u>

<u>Balance</u> <u>June 30, 2001</u>	<u>Accumulated Depreciation</u>		<u>Balance</u> <u>June 30, 2002</u>
	<u>Current</u> <u>Depreciation</u>	<u>Retirements</u>	
\$139,109	\$16,415		\$155,524
1,456,724	138,634		1,595,358
2,062,404	177,565		2,239,969
791,203	189,710		980,913
1,418,200	250,937	\$21,662	1,647,475
5,866	2,910		8,776
<u>5,873,506</u>	<u>776,171</u>	<u>21,662</u>	<u>6,628,015</u>
682,149	185,076		867,225
460,749	31,077		491,826
98,444	83,274		181,718
<u>1,241,342</u>	<u>299,427</u>		<u>1,540,769</u>
653,819	29,606		683,425
36,184	14,097		50,281
<u>690,003</u>	<u>43,703</u>		<u>733,706</u>
6,955	6,420		13,375
822,379	33,643		856,022
19,349,307	1,089,040	1,059,680	19,378,667
1,666,955	68,169		1,735,124
2,517,117	273,969		2,791,086
499,663	121,083		620,746
68,255	6,057		74,312
<u>24,930,631</u>	<u>1,598,381</u>	<u>1,059,680</u>	<u>25,469,332</u>
<u>\$32,735,482</u>	<u>\$2,717,682</u>	<u>\$1,081,342</u>	<u>\$34,371,822</u>

(Continued)

CITY OF DALY CITY
 COMBINED SCHEDULE OF FIXED ASSETS
 ALL PROPRIETARY FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Balance</u> <u>June 30, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2002</u>
INTERNAL SERVICE FUND TYPES				
Motor Vehicles				
Vehicles	\$8,598,967	\$545,273	\$337,479	\$8,806,761
Equipment	420,721	38,962		459,683
Communications Equipment	106,627			106,627
Building	14,494			14,494
	<u>9,140,809</u>	<u>584,235</u>	<u>337,479</u>	<u>9,387,565</u>
Central Services				
Tools & Equipment	329,472	26,876		356,348
PBX				
Communications Equipment	406,030	329,725	303,351	432,404
Building Maintenance				
Equipment	38,289	14,679		52,968
Furniture & Fixtures	6,093			6,093
	<u>44,382</u>	<u>14,679</u>		<u>59,061</u>
Information Services				
Equipment	17,880			17,880
Computer hardware and software	2,649,073	1,002,347	153,695	3,497,725
Furniture & Fixtures	11,602	2,203		13,805
	<u>2,678,555</u>	<u>1,004,550</u>	<u>153,695</u>	<u>3,529,410</u>
Self-Insurance				
Land	333,343			333,343
Building	180,000			180,000
	<u>513,343</u>			<u>513,343</u>
TOTAL INTERNAL SERVICE FUNDS	<u>\$13,112,591</u>	<u>\$1,960,065</u>	<u>\$794,525</u>	<u>\$14,278,131</u>

Accumulated Depreciation

<u>Balance June 30, 2001</u>	<u>Current Depreciation</u>	<u>Retirements</u>	<u>Balance June 30, 2002</u>
\$4,858,862	\$749,682	\$334,837	\$5,273,707
251,161	23,470		274,631
96,048	3,893		99,941
11,239	308		11,547
<u>5,217,310</u>	<u>777,353</u>	<u>334,837</u>	<u>5,659,826</u>
<u>235,228</u>	<u>38,167</u>		<u>273,395</u>
<u>378,862</u>	<u>35,235</u>	<u>303,351</u>	<u>110,746</u>
32,368	4,436		36,804
6,094			6,094
<u>38,462</u>	<u>4,436</u>		<u>42,898</u>
7,177	3,576		10,753
1,608,394	445,833	130,638	1,923,589
2,412	2,673		5,085
<u>1,617,983</u>	<u>452,082</u>	<u>130,638</u>	<u>1,939,427</u>
<u>9,750</u>	<u>9,000</u>		<u>18,750</u>
<u>9,750</u>	<u>9,000</u>		<u>18,750</u>
<u>\$7,497,595</u>	<u>\$1,316,273</u>	<u>\$768,826</u>	<u>\$8,045,042</u>

CITY OF DALY CITY
 SCHEDULE OF CHANGES IN AGENCY SPECIAL DEPOSITS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Balance</u> <u>June 30, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2002</u>
Emergency Housing Assistance - Peninsula Community Foundation Grant	\$3,654			\$3,654
Emergency Family Needs	25,456	\$10,864	\$4,752	31,568
Anti-Graffiti Program	1,658			1,658
Library Copier	<u>27,591</u>	<u>8,077</u>	<u>513</u>	<u>35,155</u>
TOTALS	<u><u>\$58,359</u></u>	<u><u>\$18,941</u></u>	<u><u>\$5,265</u></u>	<u><u>\$72,035</u></u>

CITY OF DALY CITY
SCHEDULE OF MEASURE A FUNDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
COMPARATIVE BALANCE SHEETS		
Assets - Cash	<u>\$2,437,167</u>	<u>\$2,786,760</u>
Fund Balance - Reserved for Restricted Purposes	<u>\$2,437,167</u>	<u>\$2,786,760</u>
SCHEDULE OF CHANGES IN FUND BALANCE		
Fund Balance - July 1	<u>\$2,786,760</u>	<u>\$1,672,947</u>
Revenues	<u>1,224,928</u>	<u>1,424,742</u>
Expenditures:		
Street Resurfacing	424,617	
Street Slurry Seal	300,107	439
Serramonte Boulevard Resurfacing		101,754
John Daly Boulevard Resurfacing	306,392	18,736
John Daly/Dorchester Improvements		190,000
Junipero Serra Boulevard Resurfacing	141,879	
Geneva Streetscape Masterplan	140,859	
Junipero Serra Median Landscape	28,812	
Junipero Serra Traffic Signals	150,649	
Skyline Drive Sewer Reroute	12,972	
Westlake District Exit Landscape	<u>68,234</u>	
Total Expenditures	<u>1,574,521</u>	<u>310,929</u>
Fund Balance - June 30	<u>\$2,437,167</u>	<u>\$2,786,760</u>

City of Daly City
 Schedule of Expenditures of Federal Financial Awards
 For the Fiscal Year Ended June 30, 2002

Federal Department/ Program Name	Catalog of Federal Assistance Number	Program Expenditures
Institute of Museum & Library Services Library Services & Technology Act (Passed through the State of California)	45.310	2,112
U. S. Department of Health & Human Services Special Program for the Aging (Passed through the County of San Mateo)	93.044	97,933
Peninsula Partnership for Children, Youth and Families (PSSF) (Passed through the County of San Mateo)	93.556	47,981
Peninsula Partnership for Children, Youth and Families (TANF) (Passed through the County of San Mateo)	93.558	18,088
U. S. Department of Agriculture California Nutrition Network for Healthy Active Families Grant (Passed through the State of California)	10.570	70,390
Summer Food Program	10.558	11,172
U. S. Department of Justice Bulletproof Vest Partnership	16.607	12,994
Local Law Enforcement Block Grant	16.592	171,757
COPS More	16.710	35,491
COPS in School (2000-SH-WX-0535)	16.710	40,000
CA Business, Transportation, & Housing Agency Office of Traffic Safety - DUICE/STOP Program		28,483
U. S. Department of Transportation - ISTEA J Daly/I-280 Bridge Widening (634)	20.205	1,162,726
Geneva Ave Signal Improvements		285,791
John Daly Blvd Resurfacing (682)		627,645
Junipero Serra Blvd Resurfacing (689)		678,882
Junipero Serra Pedestrian Improvements (691)		282,407
Comprehensive Traffic Safety	20.600	34,297
U. S. Department of Housing & Urban Development Community Development Block Grant Loan Program	14.218	1,931,874
Home Program (Passed Through County of San Mateo)	14.239	30,110
Total Expenditures of Federal Financial Awards		<u>\$ 6,786,713</u>

CITY OF DALY CITY

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

For the Last Ten Fiscal Years

(Dollars in thousands)

<u>Year Ended June 30</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Community Development</u>	<u>Public Works</u>	<u>Culture/ Recreation</u>	<u>Total</u>
1993	\$3,772	\$16,021	\$3,166	\$3,128	\$5,784	\$31,871
1994	3,755	16,428	3,435	3,278	6,228	33,124
1995	4,077	17,370	4,949	3,333	6,209	35,938
1996	4,303	17,905	6,806	3,585	6,462	39,061
1997	4,212	19,049	12,805	3,625	7,049	46,740
1998	4,383	19,944	11,936	3,822	7,417	47,502
1999	4,693	21,291	8,222	3,636	7,906	45,748
2000	3,454	22,536	12,707	3,968	8,351	51,016
2001	3,221	24,478	5,712	4,345	9,199	46,955
2002	4,317	26,245	9,633	4,729	10,483	55,407

Note: The figures above combine the General and Special Revenue Funds expenditures, excluding capital outlay, debt service, and interfund transfers.

Source: Department of Finance

CITY OF DALY CITY

GENERAL GOVERNMENTAL REVENUES BY SOURCE

For the Last Ten Fiscal Years

(Dollars in thousands)

<u>Year Ended June 30</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Gas Tax</u>	<u>Utility Users Tax</u>	<u>Franchise Fees</u>	<u>Other Taxes</u>
1993	\$8,287	\$6,282	\$1,695	\$3,403	\$1,239	\$4,707
1994	8,094	6,652	1,827	3,640	1,260	4,859
1995	7,802	6,812	1,840	3,792	1,342	4,816
1996	8,050	7,393	1,857	4,079	1,581	5,017
1997	8,390	7,852	2,018	4,303	1,671	5,411
1998	8,535	8,302	1,955	4,288	1,723	5,828
1999	8,908	8,472	2,019	4,452	1,825	6,238
2000	9,684	8,767	2,006	4,385	1,953	6,809
2001	10,834	9,707	2,049	5,277	2,068	7,348
2002	13,002	8,964	2,057	5,110	2,231	7,826

The figures above include all General and Special Revenue Funds revenues, excluding all interfund transfers.

Source: Department of Finance

CITY OF DALY CITY

<u>Licenses & Permits</u>	<u>Fines & Forfeitures</u>	<u>Rents & Interests</u>	<u>Inter- Governmental</u>	<u>Charges & Fees</u>	<u>Miscellaneous</u>	<u>Total</u>
\$718	\$659	\$833	\$5,114	\$2,884	\$3,359	\$39,180
1,033	610	1,077	1,997	4,334	2,544	37,927
1,072	696	1,288	3,551	4,379	1,304	38,694
1,166	859	1,563	6,334	4,228	1,375	43,502
1,206	1,093	1,388	13,525	5,309	795	52,961
1,022	1,077	2,004	11,898	5,622	918	53,172
1,237	1,361	1,245	10,587	5,628	1,915	53,887
1,261	1,743	3,821	6,166	6,744	5,936	59,275
1,718	1,953	4,309	5,742	7,512	752	59,170
1,550	1,919	2,666	11,114	7,726	1,146	65,311

CITY OF DALY CITY

PROPERTY TAX ASSESSED VALUES,
LEVIES AND COLLECTIONS

For the Last Ten Fiscal Years

(Dollars in thousands)

Year Ended June 30	Assessed Value (1)	Tax Rate Per \$100 (2)	Total Tax Levy (3)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (4)	Total Tax Collection	
							Amount	Percent of Levy
1993	\$ 3,261,755	.255	\$ 7,578	\$7,516	100.8	\$192	\$7,708	101.7
1994	3,384,463	.255	6,918	7,070	102.2	428	7,498	108.4
1995	3,536,752	.255	7,182	7,182 (4)	100.0		7,182	100.0
1996	3,577,880	.255	7,406	7,406 (4)	100.0		7,406	100.0
1997	3,707,944	.255	7,697	7,697 (4)	100.0		7,697	100.0
1998	3,819,223	.255	7,861	7,861 (4)	100.0		7,861	100.0
1999	3,979,648	.255	8,206	8,206 (4)	100.0		8,206	100.0
2000	4,203,781	.255	8,756	8,756 (4)	100.0		8,756	100.0
2001	4,526,329	.255	9,387	9,387 (4)	100.0		9,387	100.0
2002	4,918,573	.255	10,524	10,524 (4)	100.0		10,524	100.0

- (1) Assessed valuation represents "full market value" in accordance with the adoption of State Proposition 13 for secured and unsecured property, but does not include Redevelopment Agency tax increment and Homeowners Property Tax Exemptions. Beginning in fiscal 1989 assessed valuations exclude "unitary property", now assessed by the State in total.
- (2) As apportioned by the County in accordance with State law.
- (3) For 1993 forward, tax levies are adjusted for ERAF shifts to the State.
- (4) Beginning in 1995, San Mateo County changed to the "Teeter Plan", whereby the County remits the full amount of assessments to local agencies and is responsible for actual collections. The County, in turn, receives all penalties and interest.

Source: Office of the County Assessor

CITY OF DALY CITY

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

For the Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Basic Levy (1)</u>	<u>All School Districts (2)</u>	<u>Total</u>
1993	\$1.00	\$0.0896	\$1.0896
1994	1.00	0.0658	1.0658
1995	1.00	0.0631	1.0631
1996	1.00	0.0698	1.0698
1997	1.00	0.0701	1.0701
1998	1.00	0.0854	1.0854
1999	1.00	0.0825	1.0825
2000	1.00	0.0851	1.0851
2001	1.00	0.0977	1.0977
2002	1.00	0.0770	1.0770

- (1) In 1979, State Proposition 13 amended the constitution to provide that the general tax rate be limited to one percent of market value, distributed among all tax agencies. Assessed valuation is set at 100 percent of market value at transfer of title and the tax rate is \$1 per \$100 of assessed value.
- (2) The City of Daly City has 41 tax code areas, many with different rates because of differing school district boundaries. The highest tax rate is shown here.

Source: San Mateo County Controller, Annual Publication: "Tax Rates and Valuation of Taxable Property".

CITY OF DALY CITY

DEMOGRAPHIC STATISTICS

For the Last Ten Fiscal Years

Year	City Size Square Miles (1)	City Population (2)	Change in Population	Population Change in Percent	Population per Household (2)	Unemployment Rate (3)
1993	7.50	98,316	1,663	1.72	3.292	6.7
1994	7.50	99,179	863	.88	3.309	6.7
1995	7.50	99,803	624	.63	3.307	5.5
1996	7.50	99,530	(273)	(.28)	3.268	4.8
1997	7.50	101,349	1,819	1.83	3.298	3.7
1998	7.50	103,374	2,025	2.00	3.348	3.4
1999	7.60	104,186	812	0.79	3.221	2.4
2000	7.60	104,571	385	0.36	3.373	2.0
2001	7.60	105,400	829	0.79	3.420	1.6
2002	7.60	104,407	(993)	(0.94)	3.355	3.6

Sources:

- (1) Daly City Department of Public Works
- (2) Bureau of the Census and State Department of Finance
- (3) State Employment Development Office

CITY OF DALY CITY

CONSTRUCTION ACTIVITY & BANK DEPOSITS

Last Ten Fiscal Years

CONSTRUCTION ACTIVITY (1)

Year	New Industrial		New Commercial and Office		New Residential		All Other**		Bank Deposits
	Permits	Value	Permits	Value	Permits	Value	Permits	Value	06/30 (2)
1993	-	-	-	-	16	\$3,799,143	3,023	\$20,302,801	N/A
1994	-	-	3	\$120,531	72	15,337,419	4,448	16,300,035	\$1,057,395
1995	-	-	2	2,161,975	144	24,740,123	5,921	16,777,568	1,078,263
1996	-	-	4	1,009,153	104	19,864,419	5,903	21,739,443	1,040,158
1997	-	-	6	8,677,398	89	24,679,521	5,890	29,665,400	1,115,489
1998	-	-	7	6,559,147	71	14,325,522	5,543	26,899,626	1,161,914
1999	-	-	6	4,826,098	10	2,796,112	5,180	40,287,574	1,214,178
2000	-	-	3	33,408	36	8,354,742	4,753	34,957,270	1,266,192
2001	1	\$610,240	6	62,136,658	93	22,208,488	5,437	50,043,327	1,406,591
2002	-	-	3	8,151,619	106	25,812,367	6,205	34,262,826	N/A

Note: See schedule of Property Tax Assessed Values, Levies and Collections for property value information.

** Includes electrical, mechanical, plumbing, demolition, alterations of residential and commercial, roofing, homesafe, sanitation, and mobile homes.

Source: (1) Daly City Department of Economic and Community Development

(2) FDIC

CITY OF DALY CITY

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2002
(Dollars in thousands)

TOTAL ASSESSED VALUATION	<u>\$4,918,573</u>
Debt Limit - 15 percent of Total Assessed Value	<u>\$737,786</u>
Amount of Debt Applicable to Limit	<u> </u>
Legal Debt Margin	<u>\$737,786</u>

Sources: San Mateo County Controller Report of Assessed Valuation,
Daly City Department of Finance

CITY OF DALY CITY

SCHEDULE OF DIRECT AND OVERLAPPING
BONDED DEBT

JUNE 30, 2002

2001-02 Assessed Valuation:	\$5,165,734,494
Redevelopment Incremental Valuation:	182,381,926
Adjusted Assessed Valuation:	<u>\$4,983,352,568</u>

<u>OVERLAPPING TAX & ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/30/02</u>
Jefferson Union High School District	50.298	\$13,359,149
South San Francisco Unified School District	11.686	4,311,696
Jefferson School District	85.185	12,777,750
City of Daly City 1915 Act Bonds	100.000	<u>1,610,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$32,058,595</u>
 <u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>		
San Mateo County General Fund Obligations	6.029	\$16,808,574
San Mateo County Board of Education Certificates of Participation	6.029	309,891
San Mateo County Flood Control District Certificates of Participation	32.356	4,910,023
South San Francisco Unified School District Certificates of Participation	11.686	317,275
City of Daly City Certificates of Participation	100.000	<u>10,870,000</u>
TOTAL DIRECT & OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>\$33,215,763</u>
 COMBINED TOTAL DEBT	 (1)	 <u>\$65,274,358</u>

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

Ratios to 2001-02 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 0.62%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$10,870,000) 0.22%

Combined Total Debt 1.31%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/02: \$0

Source: California Municipal Statistics, Inc.

CITY OF DALY CITY

PRINCIPAL PROPERTY TAXPAYERS

June 30, 2002

TAXPAYER	TYPE OF PROPERTY	ASSESSED VALUATION (LAND + IMPROV)	PERCENT OF TOTAL ASSESSED VALUATION
Seton Medical Center	Medical Facility	\$164,392,700	3.3%
Daly City Serramonte Center LLC	Commercial	114,524,193	2.3
John Daly Blvd Associates LP	Apartments	37,708,985	0.8
Serramonte Plaza	Commercial	33,112,260	0.7
Skyline Heights Apartments	Apartments	33,016,273	0.7
Lavaca Portfolio Investors	Apartments	28,537,013	0.6
Daly City Partners	Commercial	26,998,744	0.5
HPMC Pacific Plaza LLC	Commercial	20,994,999	0.4
Westlake Development Co. Inc.	Commercial	18,067,312	0.4
Bay Apartment Communities Inc.	Apartments	14,706,217	0.3
Serramonte Medical Lessee	Medical Office	14,565,600	0.3
JS Group LLC (2171 Junipero Serra)	Commercial	13,350,000	0.3
Daly City Land (Serramonte Plaza)	Commercial	12,734,700	0.3
American Stores Properties, Inc. (Albertson's - Mission Street)	Commercial	12,484,800	0.3
Mercy Housing California	Apartments	12,455,491	0.3
TOTAL DALY CITY ASSESSED VALUATION		\$4,918,573,108	

Source: Metroscan, Department of Economic & Community Development

CITY OF DALY CITY

PRINCIPAL EMPLOYERS

2002

	FULL TIME EMPLOYEES	PART TIME EMPLOYEES	TOTAL EMPLOYEES
Seton Medial Center	917	593	1,510
City of Daly City	580	230*	810
Jefferson Elementary School District	211	474	685
Jefferson High School District	249	401	650
U.S. Postal Service – Int'l Mail Facility	NA	NA	611
St. Francis Convalescent Pavilion/Heights	139	216	355
Cow Palace*	301	27	328
Macy's*	160	163	323
Digidesign	NA	NA	300
McDonald's (4 stores)	144	96	240
California State Automobile Association	217	3	220
Albertson's/Save-On Drugs (2 stores)	85	115	200
Mervyn's*	40	155	195
Safeway	100	55	155
Walgreen's (3 stores)	17	130	147
Pacific Gas & Electric	135	0	135
Daly City Post Office	23	111	134
Joe's of Westlake	69	49	118
Starbucks Coffee (5 stores)	92	5	97
Westlake Village Apartments	90	6	96

* Subject to seasonal fluctuations.

Source: Department of Economic & Community Development

CITY OF DALY CITY

INSURANCE IN FORCE

June 30, 2002

Types and Details of Coverage	Coverage Limits
1. MUNICIPAL (GENERAL) AND AUTOMOBILE LIABILITY	
a. Self-insured bodily injury, property damage, errors & omissions	\$250,000
b. Liability excess bodily injury, property damage, errors and omissions, excess of \$100,000 self-insured retention	19,750,000
2. AUTO PHYSICAL DAMAGE	
Comprehensive coverage \$5,000 deductible per occurrence.	Fleet
Loss Limit Total Insured Values	Replacement Value
3. PROPERTY COVERAGE	
Blanket coverage on all owned buildings and contents at replacement cost for all risks including fire, lightning, windstorm, theft, riot, vandalism, etc. Also includes boiler & machinery coverage. Total Insured Values	110,769,786
Loss of rental income	5,000,000
Valuable Papers	1,000,000
4. PUBLIC OFFICIAL BONDS	
Surety bonds for:	
City Clerk	50,000
City Treasurer	200,000
Finance Director	100,000
5. WORKERS' COMPENSATION	
a. Self-insured retention on-the-job injuries (prior to 1/1/97)	300,000
b. Workers' compensation excess on-the-job injuries (after 12/31/99)	25,000,000
6. OTHER	
a. Employees dishonesty and faithful performance coverage per loss	1,000,000
b. Travel accident bodily injuries of Class I employees traveling	100,000/500,000
c. Special events general liability for tenants and permittees	1,000,000
d. Volunteer worker coverage	
Accidental death/Dismemberment/ Medical	25,000

Source: City of Daly City Risk Management

CITY OF DALY CITY

MISCELLANEOUS STATISTICAL INFORMATION

As of June 30, 2002

City Type	General Law, founded March 22, 1911
Form of Government	Council - Manager
Population	104,407 as of January 1, 2002 per State Department of Finance
Land Area	7.50 Square Miles
Municipal Water System	11 Reservoirs with 23,000,000 Gallons Storage Capacity 7,300,000 Gallons Daily Average Distribution 205 Miles of Mains 23,200 Service Connections
Sanitary Sewer System	1 Treatment Plant 187 Miles of Mains 24,900 Service Connections
Police Protection	1 Station 120 Officers 20 Crossing Guards 33 Patrol Vehicles
Fire Protection	5 Stations 77 Firefighters 12 Fire Apparatus 1,475 Fire Hydrants
Assessed Valuation	\$4,918,573 as of January 1, 2002
Parks and Recreation	5 Community Centers 6 Clubhouses 2 Gymnasiums 14 Parks 2 Pools (with School District) 11 Tot Lots 25 Tennis Courts 80+ Acres of Parklands 1 Senior Center

Source: City of Daly City

