

City of Healdsburg

California



Fountain in the Plaza

Comprehensive Annual Financial Report For the Year Ended June 30, 2002

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

Prepared by the Finance Department

CITY OF HEALDSBURG
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2002

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December 1, 2002

To the Citizens of the
City of Healdsburg

The document that follows is the Comprehensive Annual Financial Report of the City of Healdsburg 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 that the data is fairly presented in all material aspects, that it is presented in a manner designed to fairly set forth the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes this transmittal letter, the government's organizational chart, the 2001 GFOA Certificate of Achievement for Excellence in Financial Reporting, the 2001 CSMFO Certificate of Achievement and a list of principal officials. The Financial Section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditors' report on the financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all of the funds and account groups of the City including separate political entities under the control and direction of the City Council. Separate entities shown in the City's general purpose financial statements include: the Community Redevelopment Agency of the City of Healdsburg (CRA), the Healdsburg Public Improvement Corporation (HPIC), the Healdsburg Financing Authority (HFA), the Industrial Development Authority (IDA), and the Downtown Business District (DBD). Financial statements for the Redwood Empire Municipal Insurance Fund (REMIF), the Public Employees Retirement System, the Sonoma County Home Finance Authority, as well as the Northern California Power Agency and its subsidiary corporations are not included in this report as they are administered by Boards separate from the Healdsburg City Council. While the City is a participant, these entities determine their own budgets, enter into contracts, acquire and dispose of property, and produce their own financial statements.

The City provides the full range of municipal services and activities, which may be summarized as follows:

General Government Activities

Police and fire protection
Maintenance of streets and roads
Parks and recreation, including a
municipal golf course and pool
Non-Enterprise capital projects

Enterprise Activities

Water Utility, including production and
distribution
Sewer Utility, including collection and treatment
of sanitary and storm drain waste water
Electric Utility
Planning and Building operations
Transit operations
Airport operations
Meeting Center Enterprise (Villa) and
School Services

Redevelopment Activities

Economic development and
business expansion
Commercial promotion
Preservation of low and moderate
income housing and neighborhoods
Assistance toward development of
affordable housing
Downtown revitalization and
business retention
Project Area drainage, water and
street projects
Historic preservation

Other Activities

Residential rehabilitation financing
Electrical generation & transmission (1)

(1) Undertaken through Joint Powers
Authorities

ECONOMIC OUTLOOK

Healdsburg, located in the center of California's north coast premium wine growing region, continues to show strength as a region retail and service center and tourist destination. The economy over the past several years has continued to grow, although at a slower rate following the overall direction of the regional, state and national economy.

The growth in the local economy is reflected in:

- An increase in retail sales from \$262.2 million in 2001 to \$269.3 million in 2002.
- An increase in assessment valuation from \$776,511,143 in 2001 to \$896,750,774 in 2002.
- City utility sales increased from \$12.490 million to \$13.976 million.

It is expected that the economy will continue to have slower growth in the 2002-2003 fiscal year.

The City's fiscal status measured in fixed assets and cash reserves reflects strength. Cash and investments totaled \$59.9 million including the unexpended portion of water, sewer and Redevelopment bond sale proceeds and material reserves for capacity expansion and replacement of our utility systems.

MAJOR INITIATIVES

The City and its Redevelopment Agency, in conjunction with the Healdsburg Area Chamber of Commerce continued a major business retention project through a joint Economic Development Office. A variety of direct support and services were provided including efforts to retain and attract jobs to the community.

The City's budget for FY 2001-2002 provided funding for a continued maintenance of service levels with the exception of public works which received increased funding to address improvements to the water treatment system.

The Redevelopment Agency continued its multi-year economic development program, which showed continuing improvements in retail sales in several sectors coupled with below average regional vacancy factors. During the year the Agency issued over \$15 million in new debt for various improvement projects. Additional efforts were focused on a retention of existing affordable housing stock through the 13th year of the Agency's Neighborhood Improvement Program, which has assisted over 1,000 homes. Further efforts were directed to the creation of new affordable housing projects.

FINANCIAL INFORMATION

City management 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 ensure that adequate accounting data are compiled 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: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls - The City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with provisions embodied in the annual appropriated budget approved by the government's governing body. A multi-year Capital Plan is updated and approved for all capital projects and outlays. Appropriations for the CRA are separately reflected in the Agency's budget which is affirmed by the City.

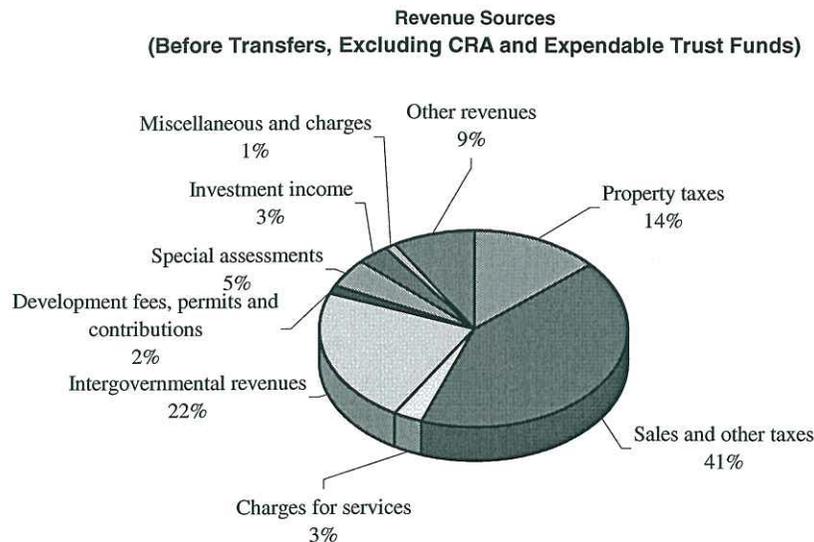
The level of budgetary control is that of fund level. Expenditures may not exceed that amount without the approval of the City Manager. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Except where otherwise statutorily required, appropriations are considered management targets against which performance is measured. The City does not modify year end appropriations to equal actual expenditures.

Budgetary responsibility is vested with the department head responsible for an operating program or capital project.

As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management.

OPERATING RESULTS FOR 2001-2002

Governmental Revenues, Expenditures and Other Financing Sources

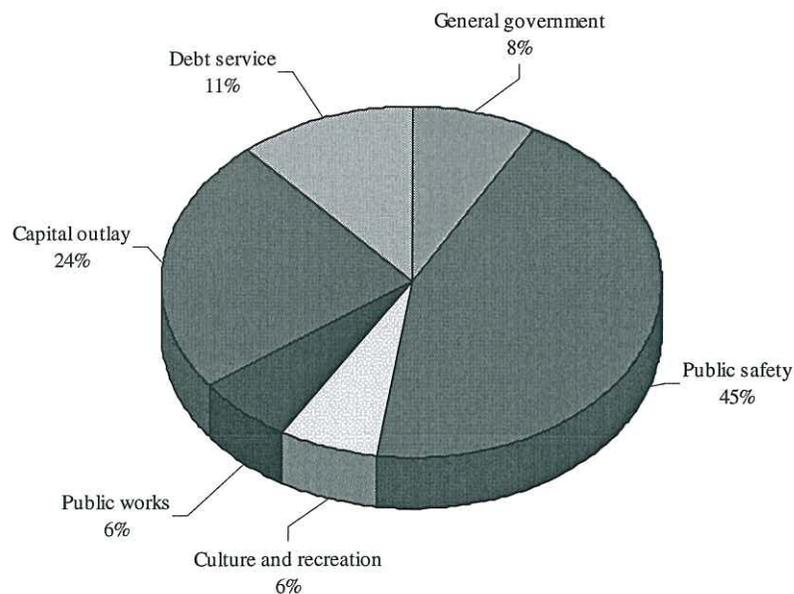


Sales taxes continued to be the largest General Government Revenue Source

Governmental revenues are recorded under the following sources and entities:

<u>Revenue Source</u>	<u>Governmental Funds (Excluding CRA)</u>	<u>CRA Funds</u>	<u>Expendable Trust Funds</u>	<u>Combined</u>
Property taxes	\$ 1,270,617	\$ 4,725,371	\$ -	\$ 5,995,988
Sales and other taxes	3,915,318	-	-	3,915,318
Charges for services	270,913	20,000	4,602	295,515
Intergovernmental revenues	2,073,657	-	-	2,073,657
Dev. fees, permits, and contributions	142,675	29,050	-	171,725
Special assessments	424,321	-	-	424,321
Investment income	316,559	315,641	22,450	654,650
Miscellaneous and charges	103,098	-	-	103,098
Proceeds from sale of property	-	57,142	-	57,142
Other revenues	802,175	195,757	-	997,932
Subtotal	<u>\$ 9,319,333</u>	<u>\$ 5,342,961</u>	<u>\$ 27,052</u>	<u>\$ 14,689,346</u>
Bond proceeds	-	19,644,455	-	19,644,455
Other	11,004,711	14,410,887	50,000	25,465,598
Total	<u><u>\$ 20,324,044</u></u>	<u><u>\$ 39,398,303</u></u>	<u><u>\$ 77,052</u></u>	<u><u>\$ 59,799,399</u></u>

Governmental Expenditures
(Before Transfers, Excluding CRA and Expendable Trust Funds)



Public Safety expenditures continued to be the largest component of General Government expenditures

Governmental Expenditures are recorded with the following functions and entities:

<u>Function</u>	Governmental Funds (Excluding CRA)	CRA Funds	Expendable Trust Funds	Combined
General government	\$ 733,522	\$ 22,024	\$ -	\$ 755,546
Public safety	4,058,757	-	-	4,058,757
Culture and recreation	576,737	-	-	576,737
Community development	5,180	2,191,320	49,419	2,245,919
Public works	584,390	-	-	584,390
Miscellaneous	-	-	-	-
Capital outlay	2,172,396	-	-	2,172,396
Debt service	1,040,942	1,450,973	-	2,491,915
Subtotal	\$ 9,171,924	\$ 3,664,317	\$ 49,419	\$ 12,885,660
Other	25,124,474	3,890,387	-	29,014,861
Total	\$ 34,296,398	\$ 7,554,704	\$ 49,419	\$ 41,900,520

All governmental funds of the City are included in the Governmental Funds column except those related to the CRA. The Community CRA Funds column includes the UDAG Loan and the Community Redevelopment Agency Housing Bond Special Revenue Funds, the CRA Debt Service Fund, the Low Moderate Income and Commercial/Industrial Capital Projects Funds and the Downtown Business District Expendable Trust Fund. Expendable Trust Funds include the Senior Center Trust Fund, Industrial Development Authority Fund, and the Community Benefit Trust Fund.

Governmental Revenues and Debt Financing (Excluding CRA)

Revenues for governmental functions before bond proceeds and other transfers totaled \$9,319,333 in fiscal year 2001-2002, an increase of 2.7%, primarily due to increases in taxes. A comparison of revenues and debt financing with last fiscal year follows:

<u>Revenue Source</u>	2001-2002 Amount	Percent Of Total	Percentage Increase <Decrease>	Increase <Decrease> in Amount
Property taxes	\$ 1,270,617	6.3%	16.1%	\$ 176,128
Sales and other taxes	3,915,318	19.3%	5.1%	190,712
Charges for services	270,913	1.3%	2.3%	6,162
Intergovernmental revenues	2,073,657	10.2%	32.1%	503,537
Development fees and permits	142,675	0.7%	-74.7%	(421,438)
Special assessments	424,321	2.1%	10.2%	39,169
Investment income	316,559	1.6%	-60.4%	(482,264)
Miscellaneous and charges	103,098	0.5%	0.3%	302
Other revenues	802,175	3.7%	34.5%	205,868
Subtotal	\$ 9,319,333	45.7%	2.4%	245,176
Bond proceeds	-	0.0%	0.0%	-
Other	11,004,711	54.3%	93.4%	5,314,958
Total	\$ 20,324,044	100.0%	37.4%	5,533,134

Development fees decreased by 74.7%, reflecting decreased development activity in the North Area of the City. Property taxes increased 16.1% reflecting an increase in assessed values due to new construction and an increase in property value.

Current secured tax collections were 100% of the tax levy, based on the methodology of the Teeter Plan. Allocations of property tax levy are governed by Proposition 13 (Article XIII of the State Constitution) and for all governments combined are limited to 1% of assessed valuation, excluding debt service levels.

Governmental Expenditures and Debt Financing (Excluding CRA)

Expenditures for governmental purposes before transfers out totaled \$9,171,924 an increase of 8.4% from fiscal year 2000-2001. Changes in levels of expenditures for major functions of the City from the preceding year are shown in the following comparison:

<u>Function</u>	<u>2001-2002 Amount</u>	<u>Percent of Total</u>	<u>Percentage Increase <Decrease></u>	<u>Increase <Decrease> in Amount</u>
General government	\$ 733,522	2.1%	\$ 57.5%	\$ 267,724
Public safety	4,058,757	11.8%	5.9%	226,160
Culture and recreation	576,737	1.7%	7.9%	42,447
Community development	5,180	0.0%	-41.8%	(3,713)
Public works	584,390	1.7%	5.9%	32,673
Miscellaneous	-	0.0%	0.0%	-
Capital outlay	2,172,396	6.3%	1.9%	39,892
Debt service	1,040,942	2.9%	11.0%	103,503
Subtotal	\$ 9,171,924	\$ 26.6%	8.4%	\$ 708,686
Other	25,124,474	73.4%	552.8%	21,275,950
Total	\$ 34,296,398	100.0%	178.6%	\$ 21,984,636

Debt service increased by 11.0% reflecting the cost of debt financing for Capital Projects. Culture and recreation increased 7.9% reflecting increase in park maintenance costs.

Governmental Fund revenues before transfers exceeded expenditures before transfers by \$147,409.

CRA Activities

Revenues, before Bond Proceeds and transfers, for the CRA totaled \$5,342,961 in fiscal year 2001-2002, an increase of 6.4% from fiscal year 2000-2001. Revenues from various services and their changes from prior year amounts are as follows:

<u>Revenue Source</u>	<u>2001-2002 Amount</u>	<u>Percent of Total</u>	<u>Percentage Increase <Decrease></u>	<u>Increase <Decrease> in Amount</u>
Property taxes (increment)	\$ 4,725,371	12.0%	\$ 9.3%	\$ 402,961
Intergovernmental revenues	-	0.0%	0.0%	-
Investment income and other revenues	617,590	1.6%	-11.6%	(81,184)
Subtotal	5,342,961	13.6%	6.4%	321,777
Bond proceeds	19,644,455	49.8%	100.0%	19,644,455
Other	14,410,887	36.6%	992.2%	13,091,460
Total	\$ 39,398,303	100.0%	521.4%	\$ 33,057,692

Redevelopment tax increment increased 9.3% as a result of increased assessed valuation within the project area.

Expenditures for redevelopment purposes, including capital transfers, totaled \$7,554,704 an increase of 11.2% from fiscal year 2000-2001. Changes in levels of expenditures for major functions of the CRA from the preceding year are shown in the following comparison:

<u>Function</u>	<u>2001-2002 Amount</u>	<u>Percent of Total</u>	<u>Percentage Increase <Decrease></u>	<u>Increase <Decrease> in Amount</u>
Community development	\$ 2,213,344	29.3%	-13.4%	\$ (341,093)
Debt service	1,450,973	19.2%	20.6%	248,054
Subtotal	3,664,317	48.5%	-2.5%	(93,039)
Other	3,890,387	51.5%	28.2%	854,900
Total	<u>\$ 7,554,704</u>	<u>100.0%</u>	11.2%	<u>\$ 761,861</u>

Other expenditures reflect intra fund transfers.

CRA revenues exceeded expenditures by \$31,737,408 reflecting the issuance of bonds for future year capital projects.

Enterprise Operations

The City's enterprise operations are comprised of eight separate and distinct activities: the water, sewer and electric utilities; the transit system, planning and building, the airport, a City-owned meeting center, and school services. The City's water and sewer utilities encompass all functions of those utilities, including water production, treatment, storage, and distribution as well as sewerage collection and treatment. The electric utility distributes electricity acquired from others, primarily the Northern California Power Agency and the Western Area Power Administration.

Enterprise Activities

Fiscal year 2001-2002 revenues excluding development fees for enterprise activities totaled \$15,300,675 an increase of 4.2% from fiscal year 2000-2001. Revenues from various sources and the change from last fiscal year are as follows:

<u>Revenue Source</u>	<u>2001-2002 Amount</u>	<u>Percent Of Total</u>	<u>Percentage Increase <Decrease></u>	<u>Increase <Decrease> in Amount</u>
Charges for services	\$ 14,154,469	92.5%	\$ 11.6%	\$ 1,469,990
Rental income	269,194	1.8%	0.6%	1,556
Intergovernmental grants	69,500	0.5%	0.0%	69,500
Investment income	668,456	4.4%	-59.5%	(979,202)
Other revenues	139,056	0.8%	59.3%	51,737
Total	<u>\$ 15,300,675</u>	<u>100.0%</u>	4.2%	<u>\$ 613,581</u>

Charges for services increased 11.6% and reflected increases in water, sewer and electric rates.

Expenses for enterprise activities totaled \$17,009,892, an increase of 14.1% from fiscal year 2000-2001. Changes in levels of expenses for major functions of the City's enterprises from the preceding year are shown in the following comparison:

<u>Function</u>	<u>2001-2002 Amount</u>	<u>Percent Of Total</u>	<u>Percentage Increase <Decrease></u>	<u>Increase <Decrease> in Amount</u>
Electrical procurement	\$ 8,597,303	50.5%	\$ 51.2%	\$ 2,912,653
Operations	3,995,167	23.5%	-10.7%	(480,710)
Loss on disposal	-	0.0%	-100.0%	(558,576)
General and administrative	2,607,335	15.3%	5.7%	140,971
Depreciation	1,134,106	6.7%	6.0%	64,126
Interest expense	675,981	4.0%	4.3%	28,578
Total	<u>\$ 17,009,892</u>	<u>100.0%</u>	14.1%	<u>\$ 2,107,042</u>

The largest factor for the increase in expenditures is electric procurement costs, which reflect forward purchase contract activity. Loss on disposal reflects a change in the capitalization policy in the prior year.

Internal Service Funds

Activities include building maintenance, vehicle, special equipment, computer hardware and software operations, communications equipment, replacement and augmentation on a pay as you go basis. Additionally, included is all City insurance and benefits. The City fully funds all accrued benefits including vacation as well as insurance and self-insurance liabilities with the exception of sick leave, which is utilized on an actuarial basis.

Fiscal Year 2001-2002 revenues for service fund activities totaled \$4,561,621 a decrease of .2% from fiscal year 2000-2001. Revenues from various sources and the change from last fiscal year are as follows:

<u>Revenue Source</u>	<u>2001-2002 Amount</u>	<u>Percent of Total</u>	<u>Percentage Increase <Decrease></u>	<u>Increase <Decrease> in Amount</u>
Charges for services	\$ 3,766,088	82.6%	\$ 6.2%	\$ 218,491
Vehicle and equipment replacement fees	504,762	11.1%	4.2%	20,194
Intergovernmental grant	-	0.0%	-100.0%	(51,579)
Investment income	138,821	3.0%	-55.1%	(170,339)
Other revenues	151,950	3.3%	-13.9%	(24,584)
Total	<u>\$ 4,561,621</u>	<u>100.0%</u>	-0.2%	<u>\$ (7,817)</u>

Charges for services increased by 6.2% reflecting additional building maintenance and vehicle repair costs.

Expenses for service fund operations totaled \$4,847,759 a decrease of 1.8% from fiscal year 2000-2001. Changes in levels of expenses for major functions of service fund operations from the preceding year are shown in the following comparison:

<u>Function</u>	<u>2001-2002 Amount</u>	<u>Percent of Total</u>	<u>Percentage Increase <Decrease></u>	<u>Increase <Decrease> in Amount</u>
Vehicle and equipment operations	\$ 1,577,698	32.5%	\$ 7.7%	\$ 112,629
Loss on disposal	-	0.0%	-100.0%	(167,556)
Other expenses	-	0.0%	0.0%	-
General and administrative	77,520	1.6%	6.6%	4,793
Depreciation	421,579	8.7%	30.1%	97,653
Benefits and insurance	2,770,962	57.2%	-4.7%	(136,017)
Total	\$ 4,847,759	100.0%	-1.8%	\$ (88,498)

Expenses exceeded revenues by \$286,138, reflecting purchases of vehicles.

Changed insurance and benefit costs reflect a combination of significant increases and decreases including:

	<u>Percentage Increase (Decrease)</u>		<u>Percentage Increase (Decrease)</u>
State PERS	(17.6)%	Medicare	6.0 %
REMIF workman's compensation	22.2 %	Long-term disability	9.0 %
REMIF health, dental, life	12.9 %	Unemployment	(6.4)%
Sick leave	(9.3)%		

The PERS decrease reflects lower rates charged due to prior year investment returns by PERS. Health Insurance premium increases reflect the trends in the industry for rising costs.

FIDUCIARY FUND OPERATIONS

The City maintains expendable and non-expendable Trust Funds and Agency Funds.

Expendable Trust Funds account for and administer funds for Industrial Development Authority Trust Fund, Community Redevelopment Agency Downtown Business District Fund, Senior Center Trust Fund, and the Community Benefit Trust Fund.

Non-Expendable Trust Fund accounts for and administers funds in the Cultural Trust Fund.

DEBT ADMINISTRATION

The ratio of net bonded debt as well as lease purchase and other debt to assessed valuation and per capita are useful indicators of the City's debt position for municipal management, citizens, and investors.

	June 30, 2002 Amount	Percent of Total	Percentage Increase <Decrease>	Increase <Decrease> in Amount
General obligation bonds	\$ 5,945,000	18.4%	-3.1%	\$ (190,000)
REFA certificates of participation	420,000	1.3%	-87.5%	(2,930,000)
CRA tax allocation bonds	23,475,000	72.7%	548.5%	19,855,000
Special assessment bonds	2,460,000	7.6%	-10.7%	(295,000)
Total	<u>\$ 32,300,000</u>	<u>100.0%</u>	103.7%	<u>\$ 16,440,000</u>
Ratio of debt to assessed valuation		3.6%	1.7%	
Debt per capita	\$ 2,859.92		103.6%	\$ 1,380.72

The combined level of debt for the City and the Agency remain low both in terms of total dollars and per capital debt.

The City's general obligation bonds are the only net tax supported debt of the City.

Among subsidiary agency bonds, the Healdsburg Public Improvement Corporation and the Redevelopment Agency carry an A rating and Redevelopment Agency bonds, along with Redwood Empire Finance Authority certificates of participation carry an AAA rating with credit enhancements.

CASH MANAGEMENT

The City continues to maintain a conservative investment program. Earnings totaled \$1,460,882 in fiscal year 2001-2002. Cash, temporarily idle during the year, was invested in commercial paper with maturities of less than 180 days in intermediate term U.S. Treasury and Agency Notes and Corporate Bonds rated A or better with maturities of 5 years or less. Other idle funds were also kept in temporary deposit with the State Treasurer's Local Agency Investment Fund (LAIF) and the Sonoma County Pooled Investment Fund. The City's investment policy prohibits the acquisition of reverse repurchase agreements or other leveraged derivative investments.

The City, in a prior fiscal year, invested the proceeds of an Urban Development Action Grant (UDAG) in a loan to a private developer which will be repaid with interest along with an equity participation share of rental income over the period of its repayment. The Redevelopment Agency utilizes this funding source for short-term loans primarily to facilitate development of projects that improve the local economy.

Cash and investments, including cash with fiscal agents, totaled \$59,912,593 an increase of 21.3% from fiscal year 2000-2001, as follows:

	<u>June 30, 2002</u> Amount	<u>Percent</u> of Total	<u>Percentage</u> Increase <Decrease>	<u>Increase</u> <Decrease> in Amount
Cash and cash equivalent	\$ 2,127,419	3.6%	-36.6%	\$ (1,226,101)
Investments	53,888,178	89.9%	43.2%	16,261,106
Restricted cash and investments	3,896,996	6.5%	-53.7%	(4,519,853)
Total	\$ 59,912,593	100.0%	21.3%	\$ 10,515,152

The primary cause for the increase in cash and investments were funds carried over for construction projects in FY 2000-2001 and proceeds from a bond sale by the Redevelopment Agency.

Investment income from all sources including investment of idle funds, interest on loans, as well as income derived from funds with fiscal agents totaled \$1,461,927, as follows:

	<u>June 30, 2001</u> Amount	<u>June 30, 2002</u> Amount	<u>Percentage</u> Decrease	<u>Decrease</u> in Amount
Investment income	\$ 3,239,496	\$ 1,461,927	(54.9)%	\$ 1,777,569

The investment program continues to produce revenues that offset the need for increased service charges or taxes. Investment income reflects changes in market rates available for investments and the amount of funds available to invest. Market interest rates during 2001-2002 fell to forty-year lows.

RISK MANAGEMENT

The majority of Risk Management Services for the City are provided by the Redwood Empire Municipal Insurance Fund. The City maintains a risk transfer policy for all contracted construction and outside services as well as all outside use of its property or facilities. Day to day operations of the City are subject to on-going evaluation and risk control. Claims against the City are evaluated by a committee consisting of the City Manager, Assistant City Manager, and City Attorney, concurrent with referral to REMIF specialists. A similar review of all worker's compensation claims is undertaken. The City believes a comprehensive risk management strategy is critical to its own self-insurance and pooled self-insurance.

INDEPENDENT AUDIT

The City Code requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with and the independent auditors' report has been included in this report.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report. The certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The City of Healdsburg received a Certificate of Achievement for year ending June 30, 2001. We believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

The City also received an award for the CAFR for the year ending June 30, 2001 from the California Society of Municipal Finance Officers (CSMFO).

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to other members of the City staff who assisted and contributed to its preparation. We would also like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Chet Wysteppek
City Manager



Greg Rogers
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Healdsburg,
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.



Thomas A. Crave
President

Jeffrey L. Esser
Executive Director

California Society of Municipal Finance Officers

Certificate of Award

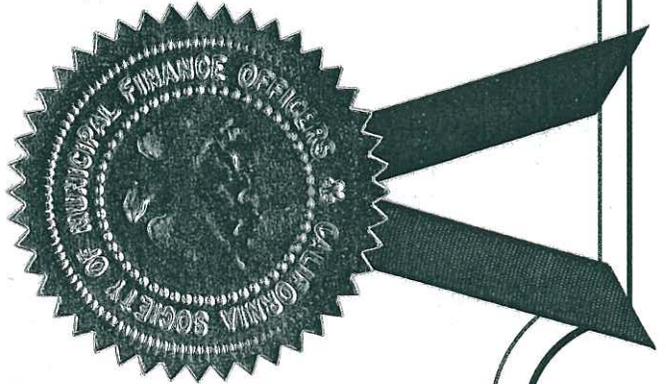
Outstanding Financial Reporting 2000-2001

Presented to the

City of Healdsburg

*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



Gene Roberts

Chair, Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management

CITY OF HEALDSBURG

JUNE 30, 2002

Elected Officials

Mark Gleason
Mayor

Leah Gold
Vice Mayor

Kent Mitchell
Council Member

Jason Liles
Council Member

Lisa W. Schaffner
Council Member

Appointed Officials

Chet J. Wystepok
City Manager

Kenneth A. Wilson
City Attorney

Barbara Jason-White
Assistant City Manager

Greg Rogers
Finance Director

Robin Goodman
Community Services Director

Maria Curiel
City Clerk

Bill Duarte
Electric Utility Director

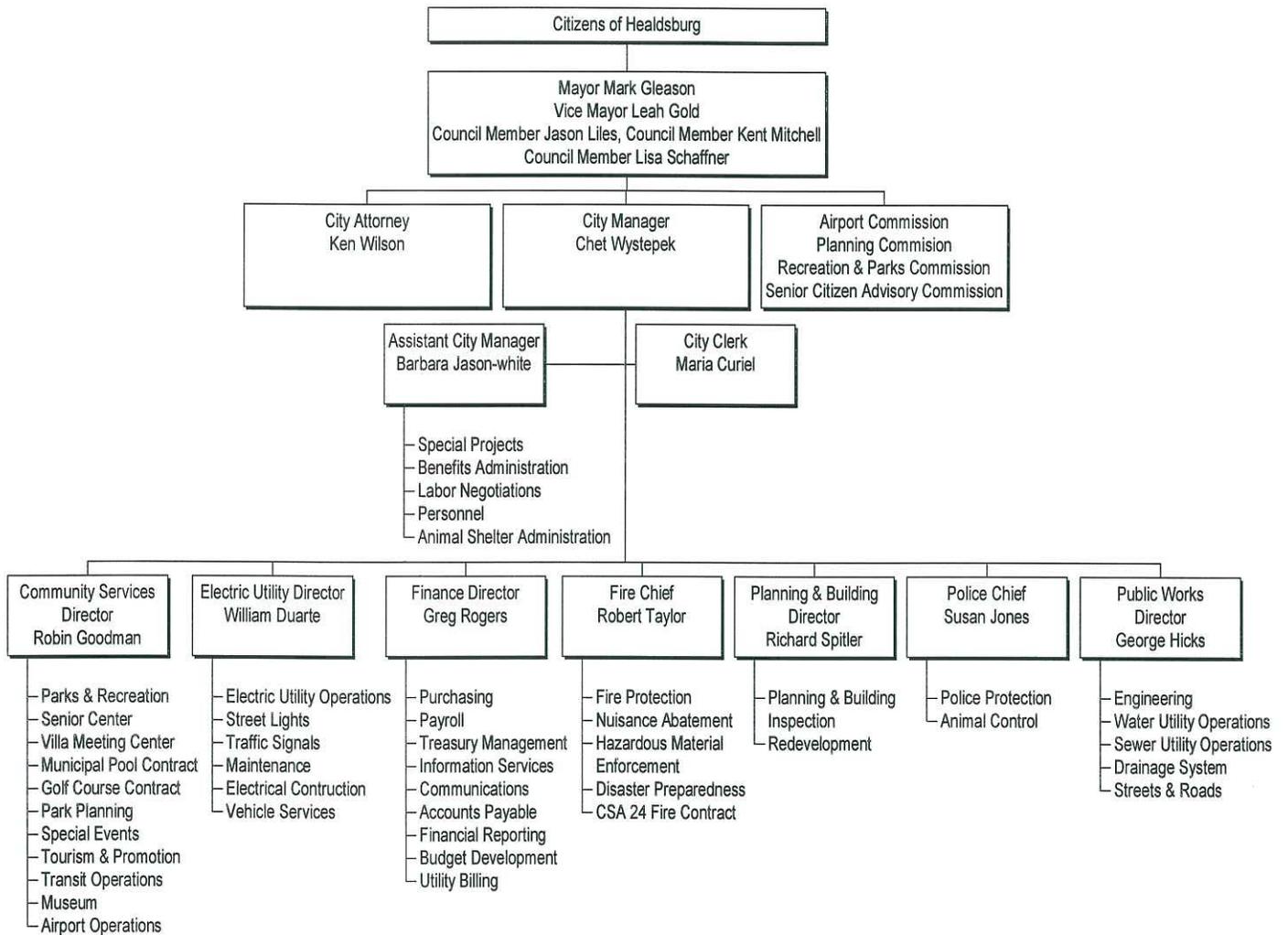
George Hicks
Public Works Director

Susan Jones
Police Chief

Robert Taylor
Fire Chief

Richard Spitler
Planning and Building Director

City of Healdsburg Organization Chart



October 11, 2002

The Honorable City Council of
the City of Healdsburg, California

Independent Auditors' Report

We have audited the accompanying general purpose financial statements of the City of Healdsburg, California as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Healdsburg management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Healdsburg as of June 30, 2002, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 11, 2002 on our consideration of the City of Healdsburg's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Healdsburg taken as a whole. The accompanying combining, individual fund and account group financial statements and schedules listed as supplemental information in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. The 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 information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

Moreland & Associates, Inc.
1

GENERAL PURPOSE FINANCIAL STATEMENTS

These statements provide an overview of the financial position and the operating results of all fund types and account groups. Separate columns are used for each fund type and account group.

CITY OF HEALDSBURG
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>ASSETS AND OTHER DEBITS</u>				
ASSETS:				
Cash and cash equivalents (Note 2)	\$ 130,378	\$ 314,342	\$ 441,375	\$ 107,092
Investments (Note 2)	2,345,091	4,950,000	-	7,995,398
Receivables:				
Accounts	13,739	123,340	-	830,754
Taxes	794,828	36,247	68,530	89,406
Loans (Note 3)	-	1,427,325	-	-
Interest	10,652	30,579	900	34,880
Special assessments (Note 5e)	-	-	2,460,000	-
Due from other governments	23,521	-	-	-
Due from other funds (Note 8)	95,397	-	-	123,000
Deferred debt issuance cost	-	-	-	-
Inventory	2,886	-	-	-
Prepaid costs	100	-	-	296
Restricted cash and cash equivalents (Note 2)	-	-	2,499,350	15,230,496
Fixed assets (proprietary funds are net of accumulated depreciation of \$17,997,261)(Note 4)	-	-	-	-
OTHER DEBITS:				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 3,416,592</u>	<u>\$ 6,881,833</u>	<u>\$ 5,470,155</u>	<u>\$ 24,411,322</u>

See Independent Auditors' Report and Notes to Financial Statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	2002	2001
\$ 661,559	\$ 154,566	\$ 318,107	\$ -	\$ -	\$ 2,127,419	\$ 3,353,520
17,920,575	4,843,167	603,451	-	-	38,657,682	37,627,072
2,392,350	9,114	-	-	-	3,369,297	3,134,696
-	-	-	-	-	989,011	1,050,916
53,408	46,710	-	-	-	1,527,443	1,654,855
82,618	20,462	3,793	-	-	183,884	723,442
-	-	-	-	-	2,460,000	2,755,000
-	-	-	-	-	23,521	44,099
119,335	-	-	-	-	337,732	2,636,627
826,045	-	-	-	-	826,045	837,019
1,220,978	14,404	-	-	-	1,238,268	1,308,432
79,149	20,035	-	-	-	99,580	51,627
1,397,646	-	-	-	-	19,127,492	8,416,849
48,586,362	2,525,429	-	44,685,069	-	95,796,860	87,255,630
-	-	-	-	3,010,155	3,010,155	1,898,177
-	-	-	-	29,289,845	29,289,845	13,961,823
<u>\$ 73,340,025</u>	<u>\$ 7,633,887</u>	<u>\$ 925,351</u>	<u>\$ 44,685,069</u>	<u>\$ 32,300,000</u>	<u>\$ 199,064,234</u>	<u>\$ 166,709,784</u>

CITY OF HEALDSBURG
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 20,323	\$ 16,264	\$ -	\$ 127,645
Accrued liabilities	-	-	-	-
Deposits	68,170	101,167	-	253
Due to other funds (Note 8)	-	101,227	-	123,000
Tax anticipation note payable (Note 10)	-	-	-	-
Deferred revenue	-	100,786	-	816,124
Deferred special assessment revenue (Note 5e)	-	-	2,460,000	-
Accrued compensated absences	-	-	-	-
Long-term debt (Notes 5 and 6)	-	-	-	-
TOTAL LIABILITIES	<u>88,493</u>	<u>319,444</u>	<u>2,460,000</u>	<u>1,067,022</u>
<u>EQUITY AND OTHER CREDITS:</u>				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings (Note 9):				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund Balances (Note 9):				
Reserved	1,166,989	2,657,423	3,010,155	23,408,861
Unreserved:				
Designated	2,161,110	3,991,814	-	17,170
Undesignated (deficit)	-	(86,848)	-	(81,731)
TOTAL EQUITY AND OTHER CREDITS	<u>3,328,099</u>	<u>6,562,389</u>	<u>3,010,155</u>	<u>23,344,300</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 3,416,592</u>	<u>\$ 6,881,833</u>	<u>\$ 5,470,155</u>	<u>\$ 24,411,322</u>

See Independent Auditors' Report and Notes to Financial Statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	2002	2001
\$ 625,345	\$ 391,177	\$ 161	\$ -	\$ -	\$ 1,180,915	\$ 1,451,938
-	161,004	-	-	-	161,004	123,562
542,719	-	2,206	-	-	714,515	1,365,974
113,505	-	-	-	-	337,732	2,636,627
-	-	-	-	-	-	2,950,000
-	-	-	-	-	916,910	428,610
-	-	-	-	-	2,460,000	2,755,000
-	1,285,823	-	-	-	1,285,823	1,214,276
13,529,368	-	-	-	32,300,000	45,829,368	29,697,495
14,810,937	1,838,004	2,367	-	32,300,000	52,886,267	42,623,482
33,368,600	1,449,569	-	-	-	34,818,169	34,818,169
-	-	-	44,685,069	-	44,685,069	41,345,355
22,449,405	3,671,038	-	-	-	26,120,443	26,585,796
2,711,083	675,276	-	-	-	3,386,359	2,064,077
-	-	-	-	-	30,243,428	12,845,843
-	-	922,984	-	-	7,093,078	6,427,062
-	-	-	-	-	(168,579)	-
58,529,088	5,795,883	922,984	44,685,069	-	146,177,967	124,086,302
<u>\$ 73,340,025</u>	<u>\$ 7,633,887</u>	<u>\$ 925,351</u>	<u>\$ 44,685,069</u>	<u>\$ 32,300,000</u>	<u>\$ 199,064,234</u>	<u>\$ 166,709,784</u>

CITY OF HEALDSBURG
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Governmental Fund Types	
	General	Special Revenue
Revenues:		
Property taxes	\$ 570,149	\$ -
Sales and other taxes	3,915,318	-
Charges for services	270,913	-
Intergovernmental revenues	872,300	1,201,357
Development fees, permits, and contributions	-	142,675
Special assessments	-	-
Investment income	74,919	250,969
Miscellaneous fees and charges	103,098	-
Proceeds from sale of property	-	-
Other revenues	60,895	780,270
Total Revenues	5,867,592	2,375,271
Expenditures:		
Current:		
General government	603,000	131,750
Public safety	4,048,038	10,719
Culture and recreation	541,476	35,261
Community development	5,180	-
Public works	-	584,390
Capital outlay	-	-
Debt service:		
Principal retirement	-	-
Interest and fees	-	-
Total Expenditures	5,197,694	762,120
Excess of Revenue Over (Under) Expenditures	669,898	1,613,151
Other Financing Sources (Uses):		
Operating transfers in	-	1,251,502
Operating transfers out	(360,026)	(2,903,038)
Payment to refund certificate escrow agent	-	-
Proceeds from long-term debt	-	-
Total Other Financing Sources (Uses)	(360,026)	(1,651,536)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	309,872	(38,385)
Fund Balances, Beginning of Year , as Restated (Note 18)	3,018,227	6,600,774
Fund Balances, End of Year	\$ 3,328,099	\$ 6,562,389

See Independent Auditors' Report and Notes to Financial Statements.

Governmental Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
Debt Service	Capital Projects	Expendable Trust	2002	2001
\$ 700,468	\$ 4,725,371	\$ -	\$ 5,995,988	\$ 5,416,899
-	-	-	3,915,318	3,724,606
-	-	24,602	295,515	295,072
-	-	-	2,073,657	1,570,120
-	-	29,050	171,725	591,205
424,321	-	-	424,321	385,152
33,732	272,238	22,792	654,650	1,282,678
-	-	-	103,098	102,796
-	57,142	-	57,142	-
-	156,767	-	997,932	858,610
<u>1,158,521</u>	<u>5,211,518</u>	<u>76,444</u>	<u>14,689,346</u>	<u>14,227,138</u>
-	20,796	-	755,546	472,274
-	-	-	4,058,757	3,832,597
-	-	-	576,737	534,290
-	2,148,154	92,585	2,245,919	2,610,184
-	-	-	584,390	551,717
-	2,172,396	-	2,172,396	2,132,504
865,000	-	-	865,000	1,110,000
1,435,164	191,750	-	1,626,914	1,030,358
<u>2,300,164</u>	<u>4,533,096</u>	<u>92,585</u>	<u>12,885,659</u>	<u>12,273,924</u>
<u>(1,141,643)</u>	<u>678,422</u>	<u>(16,141)</u>	<u>1,803,687</u>	<u>1,953,214</u>
612,306	23,551,790	50,000	25,465,598	7,059,180
(15,145,000)	(7,748,657)	-	(26,156,721)	(6,884,011)
(2,858,140)	-	-	(2,858,140)	-
19,644,455	-	-	19,644,455	-
<u>2,253,621</u>	<u>15,803,133</u>	<u>50,000</u>	<u>16,095,192</u>	<u>175,169</u>
1,111,978	16,481,555	33,859	17,898,879	2,128,383
1,898,177	6,862,745	790,972	19,170,895	17,042,512
<u>\$ 3,010,155</u>	<u>\$ 23,344,300</u>	<u>\$ 824,831</u>	<u>\$ 37,069,774</u>	<u>\$ 19,170,895</u>

CITY OF HEALDSBURG
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, ALL BUDGETED SPECIAL REVENUE FUNDS, ALL DEBT SERVICE FUNDS,
 ALL BUDGETED CAPITAL PROJECTS FUNDS AND ALL BUDGETED EXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Property taxes	\$ 474,590	\$ 570,149	\$ 95,559
Sales and other taxes	3,671,707	3,915,318	243,611
Charges for services	175,343	270,913	95,570
Intergovernmental revenues	649,796	872,300	222,504
Development fees, permits, and contributions	-	-	-
Special assessments	-	-	-
Investment income	112,851	74,919	(37,932)
Miscellaneous fees and charges	104,440	103,098	(1,342)
Other revenues	4,650	60,895	56,245
Total Revenues	<u>5,193,377</u>	<u>5,867,592</u>	<u>674,215</u>
Expenditures:			
Current:			
General government	506,202	603,000	(96,798)
Public safety	4,284,334	4,048,038	236,296
Culture and recreation	611,776	541,476	70,300
Community development	3,731	5,180	(1,449)
Public works	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fees	-	-	-
Total Expenditures	<u>5,406,043</u>	<u>5,197,694</u>	<u>208,349</u>
Excess of Revenue Over (Under) Expenditures	<u>(212,666)</u>	<u>669,898</u>	<u>882,564</u>
Other Financing Sources (Uses):			
Operating transfers in	83,441	-	(83,441)
Operating transfers out	(297,400)	(360,026)	(62,626)
Payment to refund certificate escrow agent	-	-	-
Proceeds from long-term debt	-	-	-
Total Other Financing Sources (Uses)	<u>(213,959)</u>	<u>(360,026)</u>	<u>(146,067)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(426,625)</u>	<u>309,872</u>	<u>736,497</u>
Fund Balances, Beginning of Year, as Restated (Note 18)	<u>3,018,227</u>	<u>3,018,227</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 2,591,602</u>	<u>\$ 3,328,099</u>	<u>\$ 736,497</u>

See Independent Auditors' Report and Notes to Financial Statements.

Budgeted Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 537,000	\$ 700,468	\$ 163,468
-	-	-	-	-	-
-	-	-	-	-	-
707,095	747,132	40,037	-	-	-
327,420	130,975	(196,445)	-	-	-
-	-	-	321,479	424,321	102,842
213,700	232,264	18,564	42,858	33,732	(9,126)
-	-	-	-	-	-
680,125	626,242	(53,883)	-	-	-
<u>1,928,340</u>	<u>1,736,613</u>	<u>(191,727)</u>	<u>901,337</u>	<u>1,158,521</u>	<u>257,184</u>
60,185	130,873	(70,688)	-	-	-
17,265	10,719	6,546	-	-	-
46,440	35,261	11,179	-	-	-
-	-	-	-	-	-
681,032	584,390	96,642	-	-	-
-	-	-	-	-	-
-	-	-	715,000	865,000	(150,000)
-	-	-	895,205	1,435,164	(539,959)
<u>804,922</u>	<u>761,243</u>	<u>43,679</u>	<u>1,610,205</u>	<u>2,300,164</u>	<u>(689,959)</u>
<u>1,123,418</u>	<u>975,370</u>	<u>(148,048)</u>	<u>(708,868)</u>	<u>(1,141,643)</u>	<u>(432,775)</u>
142,245	1,101,502	959,257	-	612,306	612,306
(1,673,497)	(2,040,990)	(367,493)	-	(15,145,000)	(15,145,000)
-	-	-	-	(2,858,140)	(2,858,140)
-	-	-	-	19,644,455	19,644,455
<u>(1,531,252)</u>	<u>(939,488)</u>	<u>591,764</u>	<u>-</u>	<u>2,253,621</u>	<u>2,253,621</u>
(407,834)	35,882	443,716	(708,868)	1,111,978	1,820,846
6,051,985	6,051,985	-	1,898,177	1,898,177	-
<u>\$ 5,644,151</u>	<u>\$ 6,087,867</u>	<u>\$ 443,716</u>	<u>\$ 1,189,309</u>	<u>\$ 3,010,155</u>	<u>\$ 1,820,846</u>

CITY OF HEALDSBURG
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, ALL BUDGETED SPECIAL REVENUE FUNDS, ALL DEBT SERVICE FUNDS,
 ALL BUDGETED CAPITAL PROJECTS FUNDS AND ALL BUDGETED EXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002

	Budgeted Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 4,558,000	\$ 4,725,371	\$ 167,371
Sales and other taxes	-	-	-
Charges for services	-	-	-
Intergovernmental revenues	-	-	-
Development fees, permits, and contributions	-	-	-
Special assessments	-	-	-
Investment income	95,000	271,821	176,821
Miscellaneous fees and charges	-	-	-
Proceeds from sale of land	-	57,142	57,142
Other revenues	110,000	156,767	46,767
Total Revenues	<u>4,763,000</u>	<u>5,211,101</u>	<u>448,101</u>
Expenditures:			
Current:			
General government	-	20,775	(20,775)
Public safety	-	-	-
Culture and recreation	-	-	-
Community development	2,327,136	2,148,154	178,982
Public works	-	-	-
Capital outlay	2,327,756	2,172,396	155,360
Debt service:			
Principal retirement	-	-	-
Interest and fees	191,750	191,750	-
Total Expenditures	<u>4,846,642</u>	<u>4,533,075</u>	<u>313,567</u>
Excess of Revenue Over (Under) Expenditures	<u>(83,642)</u>	<u>678,026</u>	<u>761,668</u>
Other Financing Sources (Uses):			
Operating transfers in	5,979,589	23,551,790	17,572,201
Operating transfers out	(1,341,610)	(7,748,657)	(6,407,047)
Payment to refund certificate escrow agent	-	-	-
Proceeds from long-term debt	-	-	-
Total Other Financing Sources (Uses)	<u>4,637,979</u>	<u>15,803,133</u>	<u>11,165,154</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,554,337	16,481,159	11,926,822
Fund Balances, Beginning of Year, as Restated (Note 18)	6,845,971	6,845,971	-
Fund Balances, End of Year	<u>\$ 11,400,308</u>	<u>\$ 23,327,130</u>	<u>\$ 11,926,822</u>

See Independent Auditors' Report and Notes to Financial Statements.

Budgeted Expendable Trust Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 5,569,590	\$ 5,995,988	\$ 426,398
-	-	-	3,671,707	3,915,318	243,611
-	-	-	175,343	270,913	95,570
-	-	-	1,356,891	1,619,432	262,541
24,000	29,050	5,050	351,420	160,025	(191,395)
-	-	-	321,479	424,321	102,842
41,000	19,842	(21,158)	505,409	632,578	127,169
20,000	20,000	-	124,440	123,098	(1,342)
-	-	-	-	57,142	57,142
-	-	-	794,775	843,904	49,129
<u>85,000</u>	<u>68,892</u>	<u>(16,108)</u>	<u>12,871,054</u>	<u>14,042,719</u>	<u>1,171,665</u>
-	-	-	566,387	754,648	(188,261)
-	-	-	4,301,599	4,058,757	242,842
-	-	-	658,216	576,737	81,479
48,000	92,238	(44,238)	2,378,867	2,245,572	133,295
-	-	-	681,032	584,390	96,642
-	-	-	2,327,756	2,172,396	155,360
-	-	-	715,000	865,000	(150,000)
-	-	-	1,086,955	1,626,914	(539,959)
<u>48,000</u>	<u>92,238</u>	<u>(44,238)</u>	<u>12,715,812</u>	<u>12,884,414</u>	<u>(168,602)</u>
<u>37,000</u>	<u>(23,346)</u>	<u>(60,346)</u>	<u>155,242</u>	<u>1,158,305</u>	<u>1,003,063</u>
50,000	50,000	-	6,255,275	25,315,598	19,060,323
-	-	-	(3,312,507)	(25,294,673)	(21,982,166)
-	-	-	-	(2,858,140)	(2,858,140)
-	-	-	-	19,644,455	19,644,455
<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>2,942,768</u>	<u>16,807,240</u>	<u>13,864,472</u>
87,000	26,654	(60,346)	3,098,010	17,965,545	14,867,535
692,894	692,894	-	18,507,254	18,507,254	-
<u>\$ 779,894</u>	<u>\$ 719,548</u>	<u>\$ (60,346)</u>	<u>\$ 21,605,264</u>	<u>\$ 36,472,799</u>	<u>\$ 14,867,535</u>

CITY OF HEALDSBURG
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN RETAINED EARNINGS / FUND BALANCES
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Nonexpendable Trust
Operating Revenues:			
Charges for services	\$ 14,154,469	\$ 3,766,088	\$ -
Development fees	964,025	-	-
Rental income	269,194	-	-
Replacement fees	-	504,762	-
Other revenues	139,056	151,706	2,886
Total Operating Revenues	<u>15,526,744</u>	<u>4,422,556</u>	<u>2,886</u>
Operating Expenses:			
Purchased power	8,597,303	-	-
Operations	3,995,167	1,577,698	-
General and administrative	2,607,335	77,520	-
Depreciation	1,134,106	421,579	-
Benefits and insurance	-	2,770,962	-
Miscellaneous	-	-	6,743
Total Operating Expenses	<u>16,333,911</u>	<u>4,847,759</u>	<u>6,743</u>
Income from Operations	<u>(807,167)</u>	<u>(425,203)</u>	<u>(3,857)</u>
Non-operating Revenues (Expenses):			
Intergovernmental grant	69,500	-	-
Investment income	668,456	138,821	-
Interest expense	(675,981)	-	-
Gain (Loss) on disposal of assets	-	244	-
Total Non-operating Revenues (Expenses)	<u>61,975</u>	<u>139,065</u>	<u>-</u>
Income (Loss) before Operating Transfers and Capital Contributions	(745,192)	(286,138)	(3,857)
Operating transfers in	792,056	319,414	-
Operating transfers out	(420,347)	-	-
Net income (Loss) before Capital Contributions	(373,483)	33,276	(3,857)
Capital Contributions	<u>1,197,136</u>	<u>-</u>	<u>-</u>
Net income (Loss)	823,653	33,276	(3,857)
Retained Earnings/Fund Balances, Beginning of Year	<u>24,336,835</u>	<u>4,313,038</u>	<u>102,010</u>
Retained Earnings/Fund Balances, End of Year	<u>\$ 25,160,488</u>	<u>\$ 4,346,314</u>	<u>\$ 98,153</u>

See Independent Auditors' Report and Notes to Financial Statements.

Totals
(Memorandum Only)

2002	2001
\$ 17,920,557	\$ 16,232,076
964,025	1,760,012
269,194	267,638
504,762	484,568
293,648	270,602
<u>19,952,186</u>	<u>19,014,896</u>
8,597,303	5,684,650
5,572,865	5,940,946
2,684,855	2,539,091
1,555,685	1,393,906
2,770,962	2,906,979
6,743	3,882
<u>21,188,413</u>	<u>18,469,454</u>
<u>(1,236,227)</u>	<u>545,442</u>
69,500	51,579
807,277	1,956,818
(675,981)	(647,403)
244	(726,132)
<u>201,040</u>	<u>634,862</u>
(1,035,187)	1,180,304
1,111,470	1,396,031
(420,347)	(1,571,200)
<u>(344,064)</u>	<u>1,005,135</u>
1,197,136	1,414,323
853,072	2,419,458
<u>28,751,883</u>	<u>26,332,425</u>
<u>\$ 29,604,955</u>	<u>\$ 28,751,883</u>

CITY OF HEALDSBURG
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	Proprietary Fund Types	
	Enterprise	Internal Service
Cash flows from operating activities:		
Operating income	\$ (807,167)	\$ (425,203)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Investment income	-	-
Depreciation	1,134,106	421,579
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(214,369)	51,996
(Increase) decrease in due from other governments	-	-
(Increase) decrease in inventory	62,913	6,347
(Increase) decrease in prepaid costs	(55,730)	6,292
Increase (decrease) in accounts payable	(90,884)	(52,986)
Increase (decrease) in other accrued liabilities	-	108,990
Increase (decrease) in deposits	(555,377)	-
Total adjustments	<u>280,659</u>	<u>542,218</u>
Net cash provided (used) by operating activities	<u>(526,508)</u>	<u>117,015</u>
Cash flows from non-capital financing activities:		
Intergovernmental grant	69,500	-
(Increase) decrease in due from other funds	97,034	-
Increase (decrease) in due to other funds	(13,961)	-
Operating transfers in	792,056	319,414
Operating transfers (out)	(420,347)	-
Net cash provided (used) by non-capital financing activities	<u>524,282</u>	<u>319,414</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets		
Developer financed	(834,684)	-
Capital replacement	(5,246,734)	(675,540)
Capacity expansion	-	-
Contributed capital		
Construction reimbursement	1,197,136	-
Certificates of participation proceeds	-	-
Retirement of debt	(308,127)	-
Interest paid	(665,009)	-
Net cash provided (used) by capital and related financing activities	<u>(5,857,418)</u>	<u>(675,540)</u>
Cash flows from investing activities:		
Investment income	928,614	194,472
Proceeds from sale of investments	-	(400,000)
Purchase of investments	(635,212)	-
Loan payments received	-	(7,491)
Net cash provided by investing activities	<u>293,402</u>	<u>(213,019)</u>
Net increase (decrease) in cash and cash equivalents	(5,566,242)	(452,130)
Cash and cash equivalents at beginning of year	7,625,447	606,696
Cash and cash equivalents at end of year (Note 1)	<u>\$ 2,059,205</u>	<u>\$ 154,566</u>
Noncash capital and related financing activities		
Acquisition (disposal) of capital assets	-	-
Net noncash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report and Notes to Financial Statements.

Fiduciary Fund Type Nonexpendable Trust	Totals (Memorandum Only)	
	2002	2001
\$ (3,857)	\$ (1,236,227)	\$ 545,442
(2,886)	(2,886)	(6,749)
-	1,555,685	1,393,906
-	(162,373)	(381,699)
-	-	11,926
-	69,260	34,705
-	(49,438)	391,933
-	(143,870)	437,087
-	108,990	155,645
-	(555,377)	(376,403)
<u>(2,886)</u>	<u>819,991</u>	<u>1,660,351</u>
<u>(6,743)</u>	<u>(416,236)</u>	<u>2,205,793</u>
-	69,500	51,579
-	97,034	(1,736,953)
-	(13,961)	1,776,745
-	1,111,470	1,396,031
-	(420,347)	(1,571,200)
-	<u>843,696</u>	<u>(83,798)</u>
-	(834,684)	(792,389)
-	(5,922,274)	(3,977,796)
-	-	(69,914)
-	1,197,136	1,414,323
-	-	12,708,801
-	(308,127)	(7,144,750)
-	(665,009)	(1,092,482)
-	<u>(6,532,958)</u>	<u>1,045,793</u>
4,042	1,127,128	1,919,579
-	(400,000)	(1,175,089)
-	(635,212)	(1,057,637)
-	(7,491)	49,933
<u>4,042</u>	<u>84,425</u>	<u>(263,214)</u>
(2,701)	(6,021,073)	2,904,574
96,977	8,329,120	5,424,546
<u>\$ 94,276</u>	<u>\$ 2,308,047</u>	<u>\$ 8,329,120</u>
-	-	(661,478)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (661,478)</u>

The following schedule reconciles the cash and cash equivalents on the Combined Balance Sheet to the cash and cash equivalents on the Combined Statement of Cash Flows for the Trust funds:

Cash and Cash equivalents - Non Expendable Trust Fund:	\$ 94,276
Cash and Cash equivalents - Expendable Trust Funds	223,831
Total Cash and Cash Equivalents	<u>\$ 318,107</u>

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CITY OF HEALDSBURG
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2002

1 - SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity - The general purpose financial statements of the City of Healdsburg (City) include the financial activities of the City and its component units: the Healdsburg Community Redevelopment Agency (CRA), Healdsburg Financing Authority (HFA) and the Healdsburg Public Improvement Corporation (HPIC).

The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Standards Board Statement (GASB) 14. The City of Healdsburg is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component units' Board, or because the component unit will provide a financial benefit or impose a financial burden on the City.

The component's units have been accounted for as "blended" component units of the City. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City's operations. Accordingly, the balances and transactions of these component units are reported within the funds of the City. Balances for the CRA are reported as separate funds in the Special Revenue, Debt Service, Capital Projects and Trust Funds. HPIC transactions are included in the Water and Electric Enterprise Funds. HFA transactions are recorded in the Community Redevelopment Agency Debt Service Fund. The following criteria were used in determining that the component units were blended:

The members of the City Council or other members appointed by the City Council act as governing bodies of the CRA, HPIC and HFA. In addition, the CRA, HPIC and HFA provide services, which benefit the City.

The City and the CRA are financially interdependent, and the governing bodies of the city and CRA are the same. The City had invested in a tax anticipation note sold by the CRA. Property tax revenue of the CRA was used to repay the investment of the City.

The CRA and HFA are financially interdependent. The CRA makes annual payments to HFA, which are used for debt service on bonds issued by HFA.

The City and HPIC are financially interdependent. The City makes annual lease payments to HPIC, which are used for debt service on the certificates issued by HPIC.

Separate financial statements for the CRA and HPIC are available at the City's Administrative Offices.

Description of Joint Powers Authorities Participation - The City participates in two joint Powers activities and a pooled arrangement through formally organized and separate entities. The financial activities of the Northern California Power Agency, the Redwood Empire Financing Authority and the Redwood Empire Municipal Insurance Fund are not included in the accompanying general purpose financial statements as they are administered by boards separate from and independent of the City. (See Notes 13 and 14)

Description of Funds and Account Groups The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that consist of 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 and account groups are grouped in the general-purpose financial statements in this report into categories as follows:

Governmental Funds

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.

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

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

Capital Projects Funds are 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 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.

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

Fiduciary Funds

Trust Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include expendable trust, non-expendable trust and agency funds. The terms "non-expendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal.

Account Groups

General Fixed Assets Account Group - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in the governmental funds. The General Fixed Assets Account Group includes public domain (infrastructure) assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and traffic signals.

General Long Term Debt Account Group - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group rather than in the governmental funds.

Basis of Accounting The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

All proprietary funds and the non-expendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e. total net assets) is segregated into contributed capital and retained earnings/fund balance components. Proprietary fund-type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total assets.

Governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Revenues are recorded in the accounting period in which they become both measurable and available. Revenues considered susceptible to accrual include property and other taxes, grants in aid and investment income. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except principal and interest on long-term debt which are recorded when due.

Proprietary funds and non-expendable trust funds are accounted for using the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unbilled Water, Sewer, and Electric Fund utility services earned are accrued at year-end. The city has selected under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and other Governmental Activities that use Proprietary Fund Accounting", to apply all GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements

Budgets and Budgetary Accounting The City operates under the general laws of the State of California and annually adopts a budget to be effective July 1st for the ensuing fiscal year for certain governmental, proprietary and expendable trust funds. From the effective date of the budget, which is adopted and controlled at the fund level, the amounts stated therein as proposed expenditures become appropriations to the City's various departments. The City Manager is authorized to transfer budgeted amounts between functional categories. The City Council may amend the budget by resolution during the fiscal year. All annual appropriations lapse at year-end.

Budget information is presented for all funds budgeted. The City prefers to leave its original budget unaltered during the year. This enables the effectiveness of individual departments in meeting budget objectives to be evaluated, and the adequacy of the budget itself to be judged. The only exceptions to this are the appropriations of unanticipated revenues, the revision of appropriations to reflect major economic events materially affecting estimated revenues, and the refocusing of particular programs requiring the reallocation of existing resources. Several supplemental appropriations were approved during the course of the year. Expenditures in excess of budgeted amounts are allowed by law but must be approved individually by the City Council.

Budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP).

No budgetary comparisons are presented for the North Area Special Revenue, Media Center Special Revenue, Community Redevelopment Agency Housing Bond Special Revenue, Other Special Revenue, Area A Assessment District Capital Projects, Industrial Development Authority Expendable Trust, Senior Center Expendable Trust and Plaza Flowers Veterans Expendable Trust, as the City is not required to adopt budgets for these funds.

The following schedule reconciles the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual to the amounts on the Combined Statements of Revenues, Expenditures and Changes in Fund Balances for funds not budgeted.

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
Fund Balance			
Budgeted Funds	\$ 6,087,867	\$ 23,327,130	\$ 719,548
Fund Balance -			
Nonbudgeted Funds	<u>474,522</u>	<u>17,170</u>	<u>105,283</u>
Total Fund Balance	<u>\$ 6,562,389</u>	<u>\$ 23,344,300</u>	<u>\$ 824,831</u>

Contributed Capital/Capital Contributions In accordance with GASB Statement (GASBS) No. 33, effective July 1, 2000, the City recognizes capital contributions to proprietary funds and to other governmental entities that use proprietary fund accounting as revenues, not contributed capital.

Encumbrance Accounting is employed as an extension of the budgetary process. This method records purchase orders, contracts and other commitments for the expenditure of funds in order to reserve that portion of the applicable appropriation. The City Council honors encumbrances outstanding at year-end. The City has encumbrances of \$60,573 in the General Fund, \$289,724 in the Enterprise Funds, and \$134,268 in the Internal Service Funds, which have been re-appropriated in the 2002-2003 budget.

Fixed Assets are stated at historical cost or, if historical cost is not available, at estimated historical cost. Donated fixed assets are stated at estimated fair value when received.

Governmental fund type outlays for fixed assets are recorded as expenditures in the fund used to acquire or construct them and are capitalized in the General Fixed Assets Account Group. No depreciation is provided on general fixed assets.

Proprietary fund type fixed assets are capitalized in the appropriate fund. Depreciation is charged as an expense of operations and is based on the estimated useful lives of the assets using the straight-line method as follows: vehicles, 3 to 15 years; utility systems, 10-50 years; capital lease assets, 5-50 years; buildings, 10-30 years; other equipment, 10 years; airport, 20-50 years; data processing hardware and software, 10 years or less.

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventory of the General Fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure in the General Fund at the time individual inventory items are consumed rather than when purchased. Inventory of the Enterprise Funds consist principally of materials and supplies for utility operations.

Cash and Investments are pooled by the City for investment purposes. Investments are stated at fair value. Fair value is the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Vested Vacation and Sick Leave obligations are fully funded and recorded in the Insurance and Benefit Internal Service Fund as accrued compensated absences.

Property Tax Levy, Collection and Maximum Rates The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value as defined by Article XIII A and may be adjusted by no more than two percent per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a one percent tax levy among the counties, cities, school districts and other districts.

Sonoma County assesses properties, bills for and collects secured and unsecured property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term "unsecured" refers to taxes on personal property. These taxes are secured by liens on the property being taxed.

The City accrues only those taxes, which are levied for the tax year and received within sixty days after year-end.

Statement of Cash Flows For the purpose of the statements of cash flows, cash and cash equivalents include highly liquid investments with original maturities of three months or less, including investments in the California Local Agency Investment Fund and Sonoma County Investment Fund.

Claims and Judgments The City reports its risk activities in the Insurance and Benefit Service Fund. When it is probable that a claim liability has been incurred at year end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. Estimated claims losses, if any, include an accrual for IBNR ("incurred but not reported") claims. At June 30, 2002, in the opinion of the City Attorney, the City has a claim reserve of \$200,000 which has been included as a reservation of retained earnings in the financial statements. Small dollar claims and judgments are recorded as expenditures when paid.

Comparative Total Data for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e. presentation of prior year totals by fund type) data have not been presented in all statements since their inclusion would make the statements unduly complex and difficult to read. Certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

Total Columns in the 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 changes in cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2 - CASH AND INVESTMENTS

Authorized Investments:

Under provisions of the City's Investment Policy, bond indentures, related trust agreements and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of instruments:

- a. Securities of the U.S. Government, or its agencies
- b. Negotiable Certificates of Deposit
- c. Bankers Acceptances
- d. Commercial Paper
- e. Local Agency Investment Fund (State Pool)
- f. Sonoma County Investment Fund (County Pool)
- g. Medium Term Corporate Notes having a rating by Moodys or Standard & Poors of A or better with maturities of five years or less
- h. Tax Anticipation Notes of the Redevelopment Agency
- i. Repurchase Agreements
- j. Mutual Funds

The City is a voluntary participant 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 fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the city's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). 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 obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

The City is a voluntary participant in the Sonoma County Investment Fund (County Pool) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the County of Sonoma. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the city's pro-rata share of the fair value provided by the County for the entire County portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County, which are recorded on an amortized cost basis. Included in Sonoma County's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

Classification of Deposits and Investments By Credit Risk:

Deposits and investments are classified into three categories of credit risk. These categories are as follows:

Deposits:

Category 1 - Deposits which are insured by the FDIC.

Category 2 - Deposits which are collateralized. The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 100% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits.

The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$100,000 by the FDIC. The collateral for deposits in Federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposit with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as a third-party trustee. These securities are physically held in an undivided pool for all California public agency depositors. Under government Code Section 53655, the placement of securities by a savings and loan with an "Agent of Depository" has the effect of perfecting the security in the name of the local government agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of the local governmental agency.

Category 3 - Deposits which are uninsured or uncollateralized.

Investments:

Category 1 - Investments which are insured by the Securities Investors Protection Corporation (SIPC), or investments which are held in definitive (i.e. physical) form by the City or the City's agent in the City's name, or investments acquired through the federal reserve book-entry system where the financial institution or broker/dealer associated with the purchases is separate from the custodial safekeeping agent on the same investments and where the investments are recorded on the books and records of the financial institution or broker/dealer are in the name of the City.

Category 2 - Investments which are uninsured where the investments are acquired through a financial institution's investment or trading department, but are held in the same financial institutions' trust department and are recorded in the City's name in the trust department's system and records.

Category 3 - Investments which are uninsured and unregistered with securities held by the counter party, by its trust department or agency, but not in the City's name.

Investments Not Subject to Categorization:

Investments in the California Local Agency Investment Fund (LAIF), Sonoma County Pooled Investment Funds, and Mutual Funds are not categorized, as GASB 3 does not require the categorization of Mutual Funds or investment pools managed by another government.

Deposits and investments were categorized as follows at June 30, 2002:

	Category			Not Categorized	Fair Value
	1	2	3		
Deposits:					
Demand accounts	\$ 128,926	\$ 556,961	\$ -		\$ 685,887
Less outstanding checks	-	-	-		(311,280)
Total Deposits	<u>\$ 128,926</u>	<u>\$ 556,961</u>	<u>\$ -</u>		<u>374,608</u>
	Category			Not Categorized	Fair Value
	1	2	3		
Investments					
U.S. Govt. Securities	\$ 35,397,748	\$ -	\$ -	\$ -	\$ 35,397,748
Medium Term Corporate Notes	5,577,955	-	-	-	5,577,955
U.S. Treasury Bills	7,976,477	-	-	-	7,976,477
Bankers Acceptance	996,057	-	-	-	996,057
Mutual Funds	-	-	-	7,461,103	7,461,103
Local Agency Investment Fund	-	-	-	1,250,985	1,250,985
Sonoma Co. Investment Pool	-	-	-	877,660	877,660
Total Investments	<u>\$ 49,948,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,589,748</u>	<u>59,537,985</u>
TOTAL DEPOSITS AND INVESTMENTS					<u>\$ 59,912,593</u>

Cash and investments are reported in the accompanying combined balance sheet as follows:

Cash and cash equivalents	\$ 2,127,419
Investments	38,657,682
Restricted cash and cash equivalents	<u>19,127,492</u>
Total Cash and Investments	<u>\$59,912,593</u>

3 - LOANS RECEIVABLE

- A. The Agency advanced \$1,750,000 of Urban Development Action Grant (UDAG) funds to a developer for the construction of the Vineyard Plaza Shopping Center. Interest is payable monthly at 3% per annum on the outstanding balance. Principal payments began in 1990 with final maturity in 2014. The remaining loan receivable to be repaid at June 30, 2002 is \$1,020,343. The Agency also receives 20% equity participation in the net income flow after a preferred rate of return to the developer. During 2002, the Agency received \$51,632 as its equity participation of the net income, which is included in other revenues in the financial statements.
- B. The City has made non-interest loans in the amount of \$46,710 to City employees for computer purchases. These loans have been recorded in the Information Service Internal Service Fund.

- C. Under the terms specified in several Development Fee Loan Agreements, the City's Community Redevelopment Agency through the use of UDAG funds has provided various loan to commercial developers to finance development fees on various projects. The loans have maturity periods of less than five years, and bear interest at rates varying from 5% to 6%. The total principal amount outstanding on the development fee loans as of June 30, 2002 was \$406,982.
- D. Under the terms specified in several Development Fee Loan Agreements, water, sewer and electric funds, have been used to provide various loans to commercial developers to finance development fees on various projects. The loans have maturity periods of less than five years and bear interest at rates varying from 5% to 6%. The total principal amount outstanding on the development fee loans as of June 30, 2002 was \$53,408.

4 - FIXED ASSETS

Changes in fixed assets at June 30, 2002, consist of the following:

Enterprise Funds

	<u>Balance at June 30, 2001</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>Balance at June 30, 2002</u>
Land and improvements	\$ 1,368,826	\$ -	\$ -	\$ 1,368,826
Public buildings	3,484,782	-	-	3,484,782
Utility systems	38,608,957	2,129,877	-	40,738,834
Drainage systems	8,432,925	184,416	-	8,617,341
Other equipment	1,132,652	102,591	-	1,235,243
Airport	967,518	121,115	-	1,088,633
Parking lot	20,000	-	-	20,000
Construction in progress	4,348,338	4,485,067	941,648	7,891,757
Total	<u>58,363,998</u>	<u>7,023,066</u>	<u>941,648</u>	<u>64,445,416</u>
Less accumulated depreciation	(14,724,948)	(1,134,106)	-	(15,859,054)
Fixed Assets – net	<u>\$ 43,639,050</u>	<u>\$ 5,888,960</u>	<u>\$ 941,648</u>	<u>\$ 48,586,362</u>

Internal Service Funds

	<u>Balance at June 30, 2001</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>Balance at June 30, 2002</u>
Vehicles	\$ 3,030,389	\$ 586,836	\$ 17,675	\$ 3,599,550
Computer hardware and software	1,004,353	90,202	30,892	1,063,663
Construction in progress	423	-	-	423
Total	<u>4,035,165</u>	<u>677,038</u>	<u>48,567</u>	<u>4,663,636</u>
Less accumulated depreciation	(1,763,940)	(421,579)	(47,312)	(2,138,207)
Fixed Assets – net	<u>\$ 2,271,225</u>	<u>\$ 255,459</u>	<u>\$ 1,255</u>	<u>\$ 2,525,429</u>

General Fixed Assets Account Group

	<u>Balance at June 30, 2001</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>Balance at June 30, 2002</u>
Land and improvements	\$ 7,236,577	\$ 1,081,724	\$ -	\$ 8,318,301
Public buildings	10,159,939	9,955	-	10,169,894
Streets and bridges	18,904,062	1,506,780	-	20,410,842
Parking lots	1,200,595	-	57,142	1,143,453
Capital lease assets	1,013,927	-	-	1,013,927
Other equipment	593,559	41,400	-	634,959
Improvements other than buildings	-	-	-	-
Construction in progress	<u>2,236,696</u>	<u>2,353,973</u>	<u>1,596,976</u>	<u>2,993,693</u>
Total	<u>\$ 41,345,355</u>	<u>\$ 4,993,832</u>	<u>\$ 1,654,118</u>	<u>\$ 44,685,069</u>

5 - GENERAL LONG-TERM DEBT

The following is a summary of the changes in the City's general long-term debt for the year ended June 30, 2002:

	<u>Balance at June 30, 2001</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>Balance at June 30, 2002</u>
General Obligation Bonds:				
1998 Refunding Bonds (a)	\$ 2,365,000	\$ -	\$ 110,000	\$ 2,255,000
1993 Refunding Bonds (b)	3,770,000	-	80,000	3,690,000
Tax Allocation Bonds (c)				
1995 Series	3,620,000	-	65,000	3,555,000
2002 Series A	-	14,290,000	-	14,290,000
2002 Series C	-	5,630,000	-	5,630,000
REFA Certificates of Participation (d)				
Series II	240,000	-	110,000	130,000
Series III	350,000	-	60,000	290,000
1993 Series A	2,760,000	-	2,760,000	-
Special Assessments (e)				
Foss Creek	460,000	-	50,000	410,000
Area A	<u>2,295,000</u>	<u>-</u>	<u>245,000</u>	<u>2,050,000</u>
Totals	<u>\$ 15,860,000</u>	<u>\$ 19,920,000</u>	<u>\$ 3,480,000</u>	<u>\$ 32,300,000</u>

a. General Obligation Bonds – 1998 Refunding Bonds:

In March 1998, the City issued \$2,675,000 in General Obligation Refunding Bonds to advance refund \$2,410,000 of outstanding 1990 Series B General Obligation Bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1990 Series B bonds. As a result, the 1990 Series B bonds are considered to be defeased, and the liability for those bonds has been removed from the general long-term debt account group. Interest on bonds varies from 3.80% to 5.05% with semi annual debt service payments on August 1 and February 1 of each year with principal maturing August 1, 1998 through August 1, 2015. Debt service payments are made from property tax levy authorized by the voters. The amount of defeased 1990 B General Obligation Bonds outstanding at June 30, 2002 was \$2,100,000.

b. 1993 General Obligation Refunding Bonds:

In December 1993, the City issued \$4,175,000 in General Obligation Refunding Bonds to advance refund the 1990 Series A General Obligation Bonds. The proceeds from the refunding issue were placed in an irrevocable trust with an escrow agent to provide the remaining debt service payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. Interest on the bonds varies between 4.3% to 5.375% with semi-annual debt service payments on February 1 and August 1 of each year with principal maturing August 1, 1994 through August 1, 2015. Debt service payments are made from property taxes levy authorized by the voters. The amount of defeased 1990 Series A General Obligation bonds outstanding at June 30, 2002 was \$3,365,000.

c. Tax Allocation Bonds:

1995 Series In December 1995, the Agency issued \$3,900,000 1995 Tax Allocation Bonds. The Bonds were issued to finance improvements in the Sotoyome Project Area. Interest on the bonds varies from 4.20% to 7.50% with semi-annual debt service payments on June 1, and December 1 of each year with principal maturing annually December 1, 1996 through December 2025. Debt Service payments will be made from tax increment revenue received by the Agency.

2002 Series A 2002 Series A In March 2002, the Healdsburg Financing Authority issued \$14,290,000 in Tax Allocation Bonds on behalf of the Agency. The bonds were issued to finance improvements in the Sotoyome Project Area and to advance refund the 1993 Series A Certificates of Participation. Interest on the bonds varies from 1.7% to 5.125 % with semi-annual debt service payments on February 1 and August 1 of each year with principal maturing annually August 1, 2002 through August 2031. Debt service payments will be made from tax increment revenue received by the Agency.

Net bond proceeds of \$12,703,400 (after payments of \$666,600 in underwriting fees, insurance, and other issuance costs and establishment of a \$920,000 debt service reserve) were used to fund \$10,145,000 in capital project appropriations and, along with \$299,740 in sinking fund monies, were used to purchase \$2,858,140 of U.S. Government Securities for deposit into an irrevocable trust with an escrow agent to provide the remaining debt service payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The City completed the advance funding to remove restricted debt covenants and to obtain an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$10, 850. The amount of defeased 1993 Series A Certificates of Participation outstanding at June 30, 2002 was \$2,615,000.

2002 Series C In March 2002, the Healdsburg Financing Authority issued on behalf of the Agency \$5,630,000 in Tax Allocation Bonds. The Bonds were issued to finance low and moderate income housing land acquisition and improvements in the Sotoyome Project Area. Interest on the bonds varies from 1.7% to 5.125% with semi-annual debt service payments on February 1, and August 1 of each year with principal maturing annually August 1, 2002 through August 2031. Debt Service payments will be made from tax increment revenue received by the Agency.

d. Certificates of Participation:

The City and Redevelopment Agency have financed various capital improvements through lease purchase contracts utilizing Certificates of Participation as a source of funds. The certificates represent interests of the owners in lease payments to be made by the City or Redevelopment Agency.

Series II - The Certificates were authorized and issued in the amount of \$1,135,000 in March 1983 to provide funds for the improvement of the City's drainage system. Interest on the Certificates varies from 7.0% to 9.0% with semi-annual debt service payments on March 1 and September 1 of each year with principal maturing annually beginning March 1, 1994 through March 1, 2003. Debt Service payments are made from the Redevelopment Agency Debt Service Funds.

Series III - 1992 Refunding - The Certificates were authorized and issued in the amount of \$810,000 in June 1992 to provide funds to defease the Series III Certificates issued in 1987. The Series III Certificates have been paid in full. Interest on the Certificates varies from 3.75% to 6.40% with semi-annual debt service payments due on May 1 and November 1 of each year with principal maturing annually beginning November 1, 1993 through November 1, 2005. Debt service payments will be made from the General City and Redevelopment Agency Debt Service Funds.

e. Special Assessment Debt with Government Commitment:

Proceeds from the assessment bonds issued for each district were used to construct improvements that benefited the property owners in that district. Debt service payments are made from special assessment taxes collected from property owners by the County of Sonoma. The City has recorded the bonds as a liability because they may make temporary advance payment of debt service if sufficient funds have not been collected. Also, the assessments receivable have been recorded in a Debt Service Fund offset by an equal amount of deferred revenues in accordance with the provisions of GASB Statement 6.

f. Debt Service Requirements:

Annual debt service requirements, which include principal and interest of \$24,529,636 to maturity for general long-term debt, are as follows:

<u>Year Ending June</u>	<u>General Obligation Bonds</u>	<u>Tax Allocation Bonds</u>	<u>Certificates of Participation</u>	<u>Special Assessments</u>	<u>Total</u>
2003	\$ 513,234	\$ 1,360,296	\$ 220,678	\$ 333,968	\$ 2,428,176
2004	513,035	1,527,169	81,953	308,208	2,430,365
2005	522,039	1,521,859	82,403	355,548	2,481,849
2006	530,028	1,524,634	82,520	340,394	2,477,576
2007	536,951	1,525,133	-	334,451	2,396,535
Thereafter	<u>5,920,191</u>	<u>36,705,785</u>	<u>-</u>	<u>1,989,159</u>	<u>44,615,135</u>
Totals	<u>\$ 8,535,478</u>	<u>\$ 44,164,876</u>	<u>\$ 467,554</u>	<u>\$3,661,728</u>	<u>\$ 56,829,636</u>

g. Conduit Debt

Total bonds outstanding related to special facility revenue bonds is \$5,960,000 at June 30, 2002. These bonds were issued to provide hospital facilities. The City is not liable for repayment of the special facility revenue bonds, and accordingly, they are not reflected in the accompanying basic financial statements.

6. PROPRIETARY LONG-TERM DEBT

Changes in long-term debt of the Proprietary Funds consisted of the following:

	Balance <u>June 30, 2001</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2002</u>
1992 Electric Improvements Certificates (a)	\$ 175,000	\$ -	\$ 10,000	\$ 165,000
1996 Sewer Improvement Certificates (b)	890,000	-	15,000	875,000
2000 B CSCDA Water Certificate (c)	3,130,000	-	50,000	3,080,000
2000 B CSCDA Sewer Certificate (c)	2,605,000	-	40,000	2,565,000
2001 A CSCDA Water Certificate (d)	<u>7,170,000</u>	-	<u>195,000</u>	<u>6,975,000</u>
	13,970,000	-	310,000	13,660,000
Less: Discounts on Certificates	<u>(132,505)</u>	-	<u>1,873</u>	<u>(130,632)</u>
Totals	<u>\$ 13,837,495</u>	<u>\$ -</u>	<u>\$ 308,127</u>	<u>\$ 13,529,368</u>

a. 1992 Electric Improvement Certificates:

The Certificates were authorized and issued by the Healdsburg Public Improvement Corporation in the amount of \$250,000 in March 1992 to provide funds for capital improvements to the City's electric system. The interest rate on the Certificates varies from 4.25% to 6.85% with semi-annual debt service payments payable on March 1, and September 1 in each year commencing September 1, 1992. Principal on the Certificates is payable annually from March 1, 1993 through March 1, 2012. Revenues from the operation of the electric utility system will be used to make the debt service payments. In a subsequent action, the City Council authorized the use of the funds for the City's contribution to the NCPA Lake County effluent pipeline project to enhance geothermal project efficiency.

b. 1996 Sewer Improvement Certificates

The Certificates were authorized and issued by the Healdsburg Public Improvement Corporation in the amount of \$950,000 to provide funds for capital improvements to the City's sewer system. The interest on the Certificates varies from 4.50% to 8.50% with semi-annual debt service payments payable on June 1 and December 1 commencing June 1, 1997. Principal on the certificates is payable annually from December 1, 1997 through December 1, 2026. Revenues from the operation of the sewer utility will be used to make the debt service payments.

c. 2000 Water and Sewer CSCDA Certificate

The bonds were authorized and issued on July 25, 2000 by the California Statewide Communities Development Authority in the amount of \$3,130,000 for water and \$2,605,000 for sewer totaling \$5,735,000 to provide funds for capital improvements.

The interest on the bond varies from 4.10% to 5.15% with semi-annual debt service payments payable on April 1 and October 1 commencing October 1, 2000 through October 1, 2030. Revenues from the operation of the water and sewer utilities will be used to make debt service payments.

d. 2001 Water CSCDA Certificate

The bonds were authorized and issued by the California Statewide Communities Development Authority in the amount of \$7,170,000 of refunding revenue bonds on March 1, 2001. The interest on the bonds varies from 2.9% to 4.5% with semi-annual debt service payments

payable on April 1 and October 1 of each year commencing October 1, 2001. Principal on the bonds is payable annually from October 1, 2001 through October 1, 2026. Revenues from the operation of the water utility will be used to make the debt service payments. The proceeds of \$6,886,409 (after the bond discount and payment of underwriter fees, insurance and other issuance costs of \$283,590) plus the debt service reserves of the refunded issues was used to purchase State and Local Government Securities (SLGS). These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments for the following Certificates of Participation - 1992 Water, 1993 REFA Series C, 1995 Water and 1996 Water. All of these above-mentioned certificates are considered defeased and the liability for these have been removed from long-term debt. As of June 30, 2002, \$6,880,000 remained outstanding on these refunded issues.

e. Annual Debt Service Requirements:

Annual debt service requirements to maturity for proprietary long-term debt, including interest of \$10,496,106 are as follows:

<u>Year Ending June 30</u>	<u>HPIC Certificates of Participation</u>	<u>CSCDA Bonds</u>	<u>Totals</u>
2003	\$ 66,559	\$ 915,594	\$ 982,153
2004	64,859	914,774	979,633
2005	63,559	908,274	971,833
2006	62,649	906,223	968,872
2007	124,368	913,331	1,037,699
Thereafter	<u>1,205,337</u>	<u>17,879,947</u>	<u>19,085,284</u>
Totals	<u>\$ 1,587,331</u>	<u>\$ 22,438,143</u>	<u>\$ 24,025,474</u>

7 - EMPLOYEES' RETIREMENT PLAN

Plan Description

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

Funding Policy

The City is required to contribute at an actuarially determined rate; the current rate is 1.091% for miscellaneous employees and 1.558% for safety employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS. The City, due to a collective bargaining agreement, also has a legal obligation to contribute 7% (9% for safety employees) of each participant's annual covered salary.

Annual Pension Cost

For 2002, the City's annual pension cost of \$538,167 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2000, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.50% per year cost-of-living adjustments, (d) 3.75% payroll growth, and (e) individual salary growth using a merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.50% and an annual

production growth of 0.25%. Both (a) and (b) included an inflation component of 3.75%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). The City has no unfunded liability at June 30, 2002. PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2002 was 23 years.

THREE YEAR TREND INFORMATION FOR PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/00	\$ 800,317	100%	-
6/30/01	630,845	100%	-
6/30/02	538,167	100%	-

SCHEDULE OF FUNDING PROGRESS FOR PERS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</u>	<u>(Overfunded) Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
6/30/99						
Misc.	\$ 17,113,401	\$ 14,068,667	\$ (3,044,734)	121.6%	\$ 3,321,506	(91.667)%
Safety	10,293,771	8,617,506	(1,676,265)	119.5%	1,429,413	(117.269)%
Total	\$ 27,407,172	\$ 22,686,173	\$ (4,720,999)		\$ 4,750,919	
6/30/00						
Misc.	\$ 19,332,307	\$ 16,002,131	\$ (3,330,176)	120.8%	\$ 3,987,256	(83.520)%
Safety	11,594,982	9,749,688	(1,845,294)	118.9%	1,570,882	(117.469)%
Total	\$ 30,927,289	\$ 25,751,819	\$ (5,175,470)		\$ 5,558,138	
6/30/01						
Misc.	\$ 20,217,598	\$ 19,017,940	\$ (1,199,658)	106.3%	\$ 4,833,438	(24.819)%
Safety	12,206,895	10,994,782	(1,212,113)	111.0%	1,792,279	(67.629)%
Total	\$ 32,424,493	\$ 30,012,722	\$ (2,411,771)		\$ 6,625,717	

8 - INTERFUND RECEIVABLES AND PAYABLES

Accounts entitled "Due From Other Funds" and "Due to Other Funds" are short-term interfund receivables and payables. The amounts are outlined as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Meeting Center Enterprise Fund	\$ 95,397
Commercial Industrial Fund	Low Moderate Income Capital Project Fund	123,000
Electric Enterprise Fund	Airport Enterprise Fund	18,108
Electric Enterprise Fund	North Area Special Revenue Fund	<u>101,227</u>
		<u>\$ 337,732</u>

9 - RESERVES AND DESIGNATIONS OF FUND EQUITY

The City may set up "reserves" of fund equity to segregate fund balances which are not appropriate for expenditure in future periods, or which are legally set aside for a specific future use. Fund "designations" may also be established to indicate tentative plans for financial resources utilization in a future period. Each of the City's reserves and designations are described below:

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Reserves:						
Inventory and Prepaid Costs	\$ 2,986	\$ -	\$ -	\$ 296	\$ 1,300,127	\$ 15,993
Loan Receivable	-	1,427,325	-	-	-	-
Capital Projects Appropriations	103,430	1,230,098	-	7,803,069	1,374,250	-
Asset Replacement & Repair	-	-	-	-	10,013,360	-
Debt Service	-	-	3,010,155	-	930,411	3,320,777
Geothermal Debt Service	-	-	-	-	4,897,071	-
Bond Financed Capital Projects	-	-	-	15,230,496	-	-
Litigation	-	-	-	-	-	200,000
Capacity Expansion	-	-	-	-	1,644,462	-
Power Costs	-	-	-	-	2,000,000	-
Encumbrances	60,573	-	-	375,000	289,724	134,268
Recession	1,000,000	-	-	-	-	-
	<u>\$ 1,166,989</u>	<u>\$ 2,657,423</u>	<u>\$ 3,010,155</u>	<u>\$23,408,861</u>	<u>\$22,449,405</u>	<u>\$ 3,671,038</u>
Designations:						
Contingencies	\$ 2,161,110	\$ -	\$ -	\$ 17,170	\$ -	\$ -
Future Benefit Costs	-	-	-	-	-	-
Special Revenue Purposes	-	3,904,966	-	-	-	-
	<u>\$ 2,161,110</u>	<u>\$ 3,904,966</u>	<u>\$ -</u>	<u>\$ 17,170</u>	<u>\$ -</u>	<u>\$ -</u>

The Fiduciary Funds have a designation of \$922,984 for specific projects and programs.

- a. Reserve for inventory and prepaid costs represents amounts, which are not available to meet current expenditures.
- b. Reserves for receivable represents amounts which are not available for current expenditures.
- c. Reserves for capital projects are amounts set aside for projects.
- d. Reserves for appropriations sets aside funds for capital projects carryover appropriation.
- e. Reserves for asset replacement and repairs are amounts set aside for future asset replacement and repairs.
- f. Reserves for debt service represent amounts accumulated in accordance with bond indenture or similar covenant.
- g. Reserves for geothermal debt service provides funds as authorized by City Council resolution to defease geothermal debt obligations.
- h. Reserves for bond financed capital projects covered by bond indenture.

- i. Reserves for litigation are amounts reserved for possible payments related to claims against the City.
- j. Reserve for capacity expansion developer paid funding to provide funding for capital projects.
- k. Reserves for power costs are amounts set aside by the Electric Enterprise Fund to cover any unanticipated decrease in revenues.
- l. The reserve for encumbrances has been established to reflect money, which has been restricted for purchase orders, contracts and other commitments for the expenditure of funds.
- m. Reserve for recession established per City Council policy for reserves.
- n. The remainder of the unreserved balance at June 30, 2000 in the general, capital projects, and enterprise funds has been designated for general contingencies.
- o. The remainder of the unreserved balance in the Special Revenue Funds has been designated for special revenue purposes.

10 - TAX ANTICIPATION NOTE PAYABLE

The note payable in the principal amount of \$2,950,000 and bearing interest at 6.50% was dated January 2, 2001 and paid off during the year ended June 30, 2002. Proceeds from the note were used to provide additional funds for the activities of the Agency.

11 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains eight Enterprise Funds which provide water, sewer, electricity, planning and building services, transit service, airport facilities, meeting center and school services. The segment information is summarized below:

<u>Source</u>	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Planning and Building</u>
Operating Revenues	\$ 3,026,603	\$ 3,273,173	\$ 8,387,946	\$ 362,090
Depreciation	297,844	461,567	311,980	-
Income (Loss) from Operations	940,782	1,258,520	(2,829,482)	(40,470)
Operating Transfers In (Out)	282,014	(337,942)	(2,942)	88,500
Net Income (Loss) before				
Capital Contributions	952,074	926,684	(2,515,934)	58,439
Current Capital Contributions	233,840	410,448	552,848	-
Fixed Asset Additions	3,456,560	1,647,554	834,684	-
Net Working Capital (Deficit)	5,319,961	5,421,315	10,048,336	378,642
Total Assets	23,109,351	27,547,189	19,695,773	419,439
Long-Term Obligations	9,671,770	3,355,015	152,583	-
Total Equity	\$12,696,511	\$24,056,630	\$19,103,404	\$ 378,642

<u>Transit</u>	<u>Airport</u>	<u>Meeting Center</u>	<u>School Services</u>	<u>Total Enterprise Funds</u>
\$ 13,290	\$ 197,963	\$ 205,652	\$ 60,027	\$ 15,526,744
-	28,737	33,978	-	1,134,106
(131,909)	21,560	(31,667)	5,499	(807,167)
131,998	210,081	-	-	371,709
(956)	231,483	(31,667)	6,394	(373,483)
-	-	-	-	1,197,136
-	142,621	-	-	6,081,419
12,961	249,087	(212,690)	30,791	21,248,403
13,727	1,319,968	1,197,548	37,030	73,340,025
-	-	-	-	13,179,368
12,961	1,269,931	980,218	30,791	58,529,088

12 - NORTHERN CALIFORNIA POWER AGENCY

The City is a member of Northern California Power Agency (NCPA), which operates under a joint powers agreement among fifteen public agencies. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell, and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities. Each NCPA member has agreed to fund a pro rata share of certain assessments by NCPA and enter into power supply contracts with NCPA to purchase power in support of bearing the costs of NCPA operations, energy and facilities. While governed by its members, none of NCPA's obligations are those of its members unless expressly assumed by them. Amounts paid by the City to NCPA during the year ended June 30, 2002, were as follows:

Purchased power (reported as an expense of the Electric Fund)	\$ 6,250,518
Advances and assessments, net of refunds	<u>1,686,400</u>
Total	<u>\$ 7,936,918</u>

The City's interest in NCPA projects and reserves, as computed by NCPA, was \$1.6 million at June 30, 2002. This amount represents the City's portion of funds which resulted from the reconciliations of several prior years' budgets for programs. It is recognized that all the funds credited to the City are linked to the collection of revenue from the City's ratepayers, or to the settlement of disputes relating to electric power supply and that the money was collected from the City's ratepayers to pay power bills. Additionally, the NCPA Commission identified and approved the funding of specific reserves for working capital, accumulated employee's post-retirement medical benefits, and billed property taxes for the geothermal project. The Commission also identified a number of contingent liabilities that may or may not be realized, the cost of which in most cases is difficult to estimate at this time. One such contingent liability is the steam field depletion which will require funding to cover debt service and operational costs in excess of the expected value of the electric power. The General Operating Reserve is intended to minimize the number and amount of individual reserves needed for each project, protect NCPA's financial condition and maintain its credit worthiness. These funds are available on demand but the City has left them with NCPA as a reserve against these contingencies identified by NCPA.

Members of NCPA may participate in an individual project of NCPA without obligation for any other project. Member assessments collected for one project may not be used to finance other projects of NCPA without the member's permission.

The City additionally purchased energy directly from the Western Area Power Administration totaling \$593,773 and paid assessments totaling \$166,612.

The City occasionally acts as purchasing agent for NCPA. These activities are reported in the City's NCPA Agency Fund. There were no transactions for year ended June 30, 2002.

NCPA Geothermal Project

A purchase power agreement with NCPA obligates the City for a 3.67% share of the operating costs and debt service of two of NCPA's 110-megawatt steam powered generating plants, Project Number 2 and Project Number 3. Total outstanding debt of the NCPA Geothermal Project at June 30, 2002 is \$350 million.

NCPA's Geothermal project has experienced a greater than originally anticipated decline in steam production from geothermal wells on its leasehold property. Results of the continuing well analysis program indicate that the potential productive capacity of the geothermal steam reservoir is less than originally estimated. Therefore, NCPA has modified the operations of the Geothermal Project to reduce the average annual output from past levels. As a result, the per unit cost of energy generated by the projects will be higher than anticipated.

NCPA will continue to monitor the wells while pursuing alternatives for improving and extending reservoir performance, including supplemental water reinjection, plant equipment modifications, and changes in operating methodology. NCPA, along with other steam field operators, has observed a substantial increase in steam production in the vicinity of reinjection wells and is attempting to increase water reinjection at strategic locations. NCPA, other steam developers, and the Lake County Sanitation District constructed a wastewater pipeline project that greatly increased the amount of water available for reinjection.

Calaveras Hydroelectric Project

In July 1981 NCPA agreed with the Calaveras County Water District to purchase the output of the North Fork Stanislaus River Hydroelectric Development Project and to finance its construction. Debt service payments began in February 1990 when the operating portions were declared substantially complete. Under a power purchase agreement with NCPA, the City is obligated to pay 1.66% of the debt service and operating costs. At June 30, 2002 approximately \$526 million in long-term debt used to finance this project was outstanding. NCPA has initiated a series of restructurings and early calls which will reduce annual debt service and comparative cost of energy from this resource. The City chose to lower debt service payment obligations by making a \$1,603,580 debt reduction payment in early 2002.

NCPA Combustion Turbine Project

In October 1984, NCPA financed a five-unit, 125-megawatt combustion turbine project. The project, built in three member cities, began full commercial operation in June 1986, providing reserve and peaking power. Under the NCPA power purchase agreement, the City is obligated to pay 3.5% of the debt service and operating costs. The Combustion Turbine Project was completed in June 1990. Project participation costs are substantially less than the cost of power which would otherwise be purchased. At June 30, 2001 approximately \$35 million in long-term debt related to this project was outstanding.

Geothermal Public Power Line

In 1983, NCPA, Sacramento Municipal Utility District, Santa Clara, and the Modesto Irrigation District (joint owners) initiated studies for a Geothermal Public Power Line. The transmission line will carry power generated at several existing and planned geothermal plants in the Geysers area to a location where the joint owners can receive it for transmission to their load centers. NCPA has an 18.5% share of the project. The City has a 6.61% participation in NCPA's share. In 1989, the construction of the proposed Geothermal Public Power Line was discontinued. In December 1998, NCPA issued \$10 million in revenue bonds to defease the remaining variable rate refunding bonds used to finance this project. At June 30, 2002, approximately \$8 million in long-term debt related to this project was outstanding.

NCPA Condensed Financial Information

The information below summarizes NCPA's unaudited financial statements as of and for the year ended June 30, 2002 (date of the latest available audited information) (in thousands):

Total assets	\$ 1,151,346
Total liabilities (excluding long-term debt)	157,502
Long-term debt	934,469
Accumulated net revenues	18,259
Revenues	286,942
Expenses (including refunds)	220,776
Decrease in accumulated net revenues	5,743

Maturities (Principal) of NCPA's long-term debt as of June 30, 2002 are as follows (in thousands) (audited):

2002	\$ 49,846
2003	52,976
2004	54,540
2005	56,489
2006	35,624
2007 and after	684,994
Total	<u>\$ 934,469</u>

The City does not include its net investment in NCPA in the proprietary fund financial statements because it is a separate legal entity and the JPA's obligations and liabilities are not those of the City.

NCPA Financial Information

NCPA'S financial statements can be obtained from NCPA, 180 Cirby Way, Roseville, CA 95678.

13 - FINANCING AUTHORITY AND POOLED ARRANGEMENT

In addition to NCPA, the City participates in a Financing Authority and a pooled insurance arrangement. A description of these agencies follows:

Redwood Empire Financing Authority (REFA) was created in 1982 to purchase and acquire, through lease purchases, installment sale agreements, or other means, such real and personal property necessary or convenient for the operation of its members. Its members consist of the cities of Arcata, Cloverdale, Healdsburg, Sonoma, Sebastopol and Ukiah. Through participation in REFA, the City acquired and constructed certain improvements to the City's electrical, water and sewer enterprises, improved streets and drainage, as well as partial land acquisition and construction. The City's portion of REFA obligations are reported in the appropriate funds.

Redwood Empire Municipal Insurance Fund (REMIF) is a governmental self-insurance cooperative organized under a joint powers agreement by certain California cities to provide liability coverage to its members as allowed under the California Government Code. REMIF is a "risk sharing pool", which pools risks and funds and which shares in the cost of losses. REMIF provides and administers liability coverage programs for seven member and nine associate member cities. Members and associate members have the option, with approval by the Board of Directors, of participating in any or all of seven programs which provide workers' compensation, general liability, property, health, dental, vision, and auto physical damage coverage.

The Redwood Empire Municipal Insurance Fund is in turn a member of the California Joint Powers Insurance Authority, a super self insurance and insurance procurement joint powers authority.

The activities of REMIF include setting and collecting premiums for each program, negotiating excess insurance coverage administering and paying claims and related expenses, and investing each program's assets. REMIF engages the services of independent actuaries and claims administrators to assist in performing some of these activities.

The information below summarizes the unaudited financial statements as of and for the year ended June 30, 2002, for the Financing Authority and pooled arrangement in which the City participates.

	<u>Redwood Empire Financing Authority</u>	<u>Redwood Empire Municipal Insurance Fund</u>
Total Assets	\$ 12,968,477	\$ 13,575,828
Total Liabilities	12,963,250	10,958,319
Total Equity	5,227	3,244,553
Total Revenues	857,418	6,773,478
Total Expenditures/Expenses	865,622	4,982,702
Increase (Decrease) in Equity	(8,001)	(194,260)
Total Long-Term Debt	12,880,000	7,767,575

14 - SELF-INSURANCE PLANS

The City is a member of Redwood Empire Municipal Insurance Fund (REMIF) as described in Note 13. The City's general liability and workers compensation claims are covered as a member of REMIF. REMIF has a risk sharing arrangement for each insurance program. Each member participating in each program assumes its own losses up to its retention level. The City has a \$5,000 retention level for general liability and workers compensation. The excess amounts presently insured to statutory requirements of the State of California for workers compensation and \$10,000,000 for general liability through a pooled program. Each program's pool is funded by all of the members participating in that program through cash premiums. Excess losses up to the state limits are covered by commercial carriers or other agencies which REMIF contracts for that purpose. Losses exceeding these excess coverage limits for each program are the responsibility of the individual member for which the loss or claim originated. Claims have not exceeded insurance coverage amounts over the last three fiscal years and there has been no reduction in insurance coverage since the last fiscal year.

15 - INDIVIDUAL FUND DISCLOSURES

a. Funds which have deficit fund balances/retained earnings at June 30, 2002 were as follows:

Special Revenue Funds:	
North Area	\$ 86,848
Enterprise Funds:	
Meeting Center	680,924

The City plans on removing the deficit in the North Area Special Revenue Fund through future development contributions and benefit assessments. The accumulated deficit in the Meeting Center will be remedied by increased future operations and related rental fees or direct appropriation of current revenues to offset operating deficits.

b. Funds where expenditures exceeded appropriations:

Special Revenue	
Gas Tax	\$ 79,024
Airport Grant	36
Park Fees	227
TDA	79
UDAG	3,638
Street Development	1,148
Debt Service Fund	
Community Redevelopment Agency	537,964
Special Assessment	154,710
Enterprise Fund	
Water	121,861
Sewer	303,365
Airport	14,341
Meeting Center	31,533
Internal Service Fund	
Insurance and Benefit	60,393
Building Maintenance	7,066
Trust Funds	
Community Benefit Expendable	49,072
Non Expendable Cultural Trust	6,743

The City does not fund or budget depreciation for the Internal Service Funds but rather assesses replacement and augmentation fees. Special assessments are only partially budgeted.

16 - COMMITMENTS AND CONTINGENCIES

There are pending claims and litigation against the City which are considered normal to the City's operation. City management is of the opinion that potential claims against the City not covered by insurance resulting from such litigation would not materially affect the general purpose financial statements of the City beyond funded reserves.

The City has entered into long term electric power purchase and electric transmission contracts. These contracts were entered into by Northern California Power Agency (NCPA) on behalf of various members (see Note 12) including the City. Under the terms of its NCPA joint venture agreement, the City is contingently liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements. The City's estimated share of such debt outstanding at June 30, 2002 was \$31 million. Under certain circumstances, the City may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, the City may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants.

Seattle City Light

NCPA has negotiated a 21-year seasonal power exchange agreement with Seattle City Light for 60 MW of summer capacity and 90,580 MWh of energy and a return of 46 MW of capacity and 108,696 of energy in the winter. The City's share of the summer capacity is 1.6 MW. The net cost to the City is mitigated by the cost difference between supplying energy and receiving free capacity.

California-Oregon Transmission Project

The City is a member of the Transmission Agency of Northern California (TANC), a California joint powers agency. TANC, a combination of cities, Western and four other California Districts and authorities are participants in the California-Oregon Transmission Project (COTP). The COTP is a transmission project between southern Oregon and Central California. COTP provides a transmission path between the electric systems of the Pacific Northwest and those in California. The members of NCPA are entitled to 30.4 percent of the transfer capacity of COTP. The City's share is .21 percent. Each member of NCPA is responsible for developing its own uses for its share of the COTP transfer capability.

Western Area Power Administration

In addition to commitments for power purchase through NCPA, the City has entered into a contract with Western Area Power Administration (Western). Western is a federal Power Management Agency of the U.S. Department of Energy which among other things is responsible for marketing electricity generated by the Central Valley Project. The contract with Western expires December 31, 2004 and the estimated annual commitment over the next two years for purchasing power is \$80,390. A supplemental agreement allows the City to utilize less than its contractual entitlement. NCPA on behalf of the City is negotiating a new agreement under Western's 2005 Monitoring Plan.

Other Energy Contracts

The City, through NCPA and its member cities, has also arranged to procure additional power by participating in a contract with CalPine Corporation. The contract, which started in 2002 and expires in December 2011, provides 3 Megawatts of capacity at an average cost of \$63 per mwh.

Proposition 62

On September 28, 1995, the California Supreme Court of Appeals decision which reinstated provisions of Proposition 62 originally enacted in 1986 and then reversed by a lower court. Under these provisions of Proposition 62, California governmental agencies are required to obtain voter approval for any tax to be enacted. It is unclear whether the Supreme Court ruling will be made retroactive to 1986, thus causing California cities and districts to refund to taxpayers such taxes collected as business license or hotel occupancy taxes. At this time, it is uncertain as to the outcome or the possible financial impact to the city. The City's exposure is limited due to a 3-year statute of limitations and the fact the only issue is its increase from 8 to 10% in transient occupancy taxes. The City has placed an initiative on the ballot seeking to have the voters confirm the transient occupancy tax at the 10% level.

17 - FACTORS AFFECTING THE UTILITY INDUSTRY

Assembly Electric Bill 1890

In August 1996, the California legislature unanimously passed a bill related to the restructuring of certain elements of the electric utility industry for Investor Owned Utilities (IOUs). The bill was signed by the governor in September 1996. The bill codifies parts of the California Public Utility Commission's (CPUC) December 20, 1995 policy relating to restructuring, including implementation of direct access, establishment of an Independent System Operations (ISO) and Power Exchange (PX), recovery of competitive transition costs, and funding for public purpose programs. The bill also relates to and affects publicly-owned electric utilities, utilities not subject to the CPUC's jurisdiction. The City of Healdsburg is a publicly-owned utility under AB 1890 as the City Council retains autonomy and local control. Each publicly-owned utility was given the choice of whether or not it would open its service territory to new generation suppliers. The California energy crisis that developed during 2000 has caused a suspension of any consideration of a competitive transition.

Financial Difficulties at Investor Owned Utilities

In early 2001, Pacific Gas and Electric Corporation (PG&E), the major investor owned power utility in Northern California declared bankruptcy. The City of Healdsburg Electric Utility does not have direct financial exposure to PG&E, however, because of the existing interconnection agreement through NCPA, there was risk that PG&E would not perform transmission service as called for in the agreement. The City, through NCPA, was able to replace the PG&E Interconnection Agreement with a new Transmission Agreement with the California ISO. The agreement becomes effective on October 1, 2002.

18 – RESTATEMENT TO FUND EQUITY

General Fund balance has been restated as follows in order to correctly reflect sales tax revenue:

	<u>Balance as Previously Reported</u>	<u>Prior Period Adjustment</u>	<u>Balance as Restated</u>
July 1, 2000	\$ 2,782,040	\$ 215,200	\$ 2,997,240
July 1, 2001	2,776,027	242,200	3,018,227

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

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

	2002	2001
<u>ASSETS</u>		
Cash and cash equivalents	\$ 130,378	\$ 219,839
Investments	2,345,091	2,045,091
Receivables:		
Accounts	13,739	10,592
Taxes	794,828	746,920
Interest	10,652	37,910
Due from other governments	23,521	34,099
Due from other funds	95,397	88,062
Inventory	2,886	3,790
Prepaid costs	100	1,237
TOTAL ASSETS	\$ 3,416,592	\$ 3,187,540
 <u>LIABILITIES AND FUND BALANCES</u>		
LIABILITIES:		
Accounts payable	\$ 20,323	\$ 57,154
Deposits	68,170	112,159
TOTAL LIABILITIES	88,493	169,313
 FUND BALANCES:		
Reserved:		
Inventory and prepaid costs	2,986	5,027
Appropriations	103,430	337,000
Recession	1,000,000	750,000
Encumbrances	60,573	24,244
Unreserved:		
Designated for contingencies	2,161,110	1,901,956
TOTAL FUND BALANCES	3,328,099	3,018,227
 TOTAL LIABILITIES AND FUND BALANCES	\$ 3,416,592	\$ 3,187,540

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Property taxes	\$ 474,590	\$ 570,149	\$ 95,559	\$ 479,184
Sales and other taxes	3,671,707	3,915,318	243,611	3,724,606
Charges for services	175,343	270,913	95,570	264,751
Intergovernmental revenues	649,796	872,300	222,504	758,454
Investment income	112,851	74,919	(37,932)	153,000
Miscellaneous fees and charges	104,440	103,098	(1,342)	102,796
Other revenues	4,650	60,895	56,245	4,647
Total Revenues	<u>5,193,377</u>	<u>5,867,592</u>	<u>674,215</u>	<u>5,487,438</u>
Expenditures:				
Current:				
General government	506,202	603,000	(96,798)	431,760
Public safety	4,284,334	4,048,038	236,296	3,824,664
Culture and recreation	611,776	541,476	70,300	514,213
Community development	3,731	5,180	(1,449)	8,893
Public works	-	-	-	27,173
Total Expenditures	<u>5,406,043</u>	<u>5,197,694</u>	<u>208,349</u>	<u>4,806,703</u>
Excess of Revenues Over (Under) Expenditures	<u>(212,666)</u>	<u>669,898</u>	<u>882,564</u>	<u>680,735</u>
Other Financing Sources (Uses):				
Operating transfers in	83,441	-	(83,441)	126,243
Operating transfers out	<u>(297,400)</u>	<u>(360,026)</u>	<u>(62,626)</u>	<u>(785,991)</u>
Total Other Financing Sources (Uses)	<u>(213,959)</u>	<u>(360,026)</u>	<u>(146,067)</u>	<u>(659,748)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(426,625)</u>	<u>309,872</u>	<u>736,497</u>	<u>20,987</u>
Fund Balance, Beginning of Year, as Restated	<u>3,018,227</u>	<u>3,018,227</u>	<u>-</u>	<u>2,997,240</u>
Fund Balance, End of Year	<u>\$ 2,591,602</u>	<u>\$ 3,328,099</u>	<u>\$ 736,497</u>	<u>\$ 3,018,227</u>

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues derived from specific revenue sources. These funds are required by statute or ordinance to finance particular functions or activities of government. The various funds and sources are:

- 1) Gas Tax - revenues received from State of California Street and Highway Code Sections 2105, 2106, 2107, and 2107.5, for the purpose of maintenance and construction of the City streets.
- 2) North Area - from revenues received from property owners and/or advanced by the City to plan for infrastructure for the North Area.
- 3) Airport Grant - revenues received from the State Division of Aeronautics for airport improvements.
- 4) Park Fees - revenues received from fees imposed on development or intensified use to mitigate resulting demands for park improvements and/or rehabilitation.
- 5) Media Center - revenues received from fees imposed for public access television.
- 6) Transportation Development Act - (TDA) revenues received under State of California Transportation Development Act Articles III, IV and VIII, for the purpose of providing pedestrian /bike paths, transit operations, and maintenance and construction of streets and roads.
- 7) Community Redevelopment Agency - Urban Development Action Grant (UDAG) Loan revenues received from the repayment of principal and interest on the Vineyard Plaza loan to Healdsburg Investors utilizing the proceeds of U.S. Department of Housing and Urban Development UDAG Grant.
- 8) Community Redevelopment Agency - Housing Bond revenues received from repayment of mortgages supported by Sonoma County Home Financing Authority bonds in excess of debt service.
- 9) Street Development Fees - revenues received from fees imposed on development or intensified use to mitigate the resulting demand for off-site or oversized street improvements.
- 10) Street Maintenance - revenues received for street maintenance.
- 11) Specific plan Area A Lighting and Landscaping District - revenues received from Lighting and Landscaping District assessments in Area A and associated maintenance.
- 12) Benjamin Way Maintenance District - revenues received for the maintenance of private streets and the maintenance thereof.
- 13) Public Safety - revenues received for special grants and funding for Public Safety.
- 14) Other - revenues received for grants and annexation fees for capital projects.

CITY OF HEALDSBURG
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	Gas Tax	North Area	Airport Grant	Park Fees	Media Center
ASSETS					
Cash and cash equivalents	\$ 10,899	\$ 14,327	\$ -	\$ 21,781	\$ 54,988
Investments	450,000	-	-	100,000	100,000
Receivables:					
Accounts	-	100,786	-	-	-
Taxes	23,701	-	-	-	-
Loans	-	-	-	-	-
Interest	3,032	52	112	673	166
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	\$ 487,632	\$ 115,165	\$ 112	\$ 122,454	\$ 155,154
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deposit	-	-	-	-	-
Due to other funds	-	101,227	-	-	-
Deferred revenue	-	100,786	-	-	-
TOTAL LIABILITIES	-	202,013	-	-	-
FUND BALANCES (DEFICITS):					
Reserved:					
Loan receivable	-	-	-	-	-
Capital projects	-	-	112	122,454	-
Unreserved:					
Designated for special revenue purposes	487,632	-	-	-	155,154
Undesignated	-	(86,848)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	487,632	(86,848)	112	122,454	155,154
TOTAL LIABILITIES AND FUND BALANCES	\$ 487,632	\$ 115,165	\$ 112	\$ 122,454	\$ 155,154

TDA	Community Redevelopment Agency UDAG Loan	Community Redevelopment Agency Housing Bond	Street Development Fees	Street Maintenance	Area A Lighting and Landscaping District
\$ 1,560	\$ 39,028	\$ 19,072	\$ 33,317	\$ 35,241	\$ 22,834
-	2,550,000	-	1,050,000	300,000	50,000
-	22,047	-	-	507	-
-	-	-	-	-	12,546
-	1,427,325	-	-	-	-
235	12,918	1,742	3,401	6,438	565
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,795</u>	<u>\$ 4,051,318</u>	<u>\$ 20,814</u>	<u>\$ 1,086,718</u>	<u>\$ 342,186</u>	<u>\$ 85,945</u>

\$ -	\$ -	\$ -	\$ -	\$ 12,360	\$ 2,572
-	-	-	-	101,167	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	113,527	2,572

-	1,427,325	-	-	-	-
-	-	20,814	1,086,718	-	-
1,795	2,623,993	-	-	228,659	83,373
-	-	-	-	-	-
<u>1,795</u>	<u>4,051,318</u>	<u>20,814</u>	<u>1,086,718</u>	<u>228,659</u>	<u>83,373</u>

<u>\$ 1,795</u>	<u>\$ 4,051,318</u>	<u>\$ 20,814</u>	<u>\$ 1,086,718</u>	<u>\$ 342,186</u>	<u>\$ 85,945</u>
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CITY OF HEALDSBURG
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	Benjamin Way	Public	Other	Totals	
	Maintenance District	Safety		2002	2001
ASSETS					
Cash and cash equivalents	\$ 2,505	\$ 24,189	\$ 34,601	\$ 314,342	\$ 983,132
Investments	-	-	350,000	4,950,000	4,200,000
Receivables:					
Accounts	-	-	-	123,340	114,267
Taxes	-	-	-	36,247	32,855
Loans	-	-	-	1,427,325	1,562,228
Interest	10	434	801	30,579	63,292
Due from other governments	-	-	-	-	10,000
Due from other funds	-	-	-	-	17,196
TOTAL ASSETS	\$ 2,515	\$ 24,623	\$ 385,402	\$ 6,881,833	\$ 6,982,970
 LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ 1,332	\$ -	\$ 16,264	\$ 5,223
Deposit	-	-	-	101,167	153,260
Due to other funds	-	-	-	101,227	111,227
Deferred revenue	-	-	-	100,786	112,486
TOTAL LIABILITIES	-	1,332	-	319,444	382,196
 FUND BALANCES (DEFICITS):					
Reserved:					
Loan receivable	-	-	-	1,427,325	1,562,228
Capital projects	-	-	-	1,230,098	1,423,196
Unreserved:					
Designated for special revenue purposes	2,515	23,291	385,402	3,991,814	3,615,350
Undesignated	-	-	-	(86,848)	-
TOTAL FUND BALANCES (DEFICITS)	2,515	23,291	385,402	6,562,389	6,600,774
 TOTAL LIABILITIES AND FUND BALANCES					
	\$ 2,515	\$ 24,623	\$ 385,402	\$ 6,881,833	\$ 6,982,970

CITY OF HEALDSBURG
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Gas Tax	North Area	Airport Grant	Park Fees	Media Center
Revenues:					
Intergovernmental revenues	\$ 225,078	\$ -	\$ 118,589	\$ -	\$ -
Development fees and permits	-	11,700	-	48,731	-
Investment income	20,529	354	756	4,559	1,126
Other revenues	-	-	-	117	154,028
Total Revenues	<u>245,607</u>	<u>12,054</u>	<u>119,345</u>	<u>53,407</u>	<u>155,154</u>
Expenditures:					
Current:					
General government	79,024	19	36	227	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Total Expenditures	<u>79,024</u>	<u>19</u>	<u>36</u>	<u>227</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>166,583</u>	<u>12,035</u>	<u>119,309</u>	<u>53,180</u>	<u>155,154</u>
Other Financing Sources (Uses):					
Operating transfers in	508,568	-	56,006	144,486	-
Operating transfers out	<u>(1,122,759)</u>	<u>-</u>	<u>(175,203)</u>	<u>(168,967)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(614,191)</u>	<u>-</u>	<u>(119,197)</u>	<u>(24,481)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(447,608)	12,035	112	28,699	155,154
Fund Balances (Deficits), Beginning of Year	<u>935,240</u>	<u>(98,883)</u>	<u>-</u>	<u>93,755</u>	<u>-</u>
Fund Balances (Deficits), End of Year	<u>\$ 487,632</u>	<u>\$ (86,848)</u>	<u>\$ 112</u>	<u>\$ 122,454</u>	<u>\$ 155,154</u>

TDA	Community Redevelopment Agency UDAG Loan	Community Redevelopment Agency Housing Bond	Street Development Fees	Street Maintenance	Area A Lighting and Landscaping District	Benjamin Way Maintenance District
\$ 190,774	\$ -	\$ -	\$ -	\$ 78,000	\$ 134,691	\$ -
-	-	-	-	81,854	-	-
1,594	133,715	11,798	23,029	41,243	3,830	71
-	51,632	-	-	573,159	-	440
<u>192,368</u>	<u>185,347</u>	<u>11,798</u>	<u>23,029</u>	<u>774,256</u>	<u>138,521</u>	<u>511</u>
79	6,505	588	1,148	40,739	2,968	-
-	-	-	-	-	-	-
-	-	-	-	-	35,261	-
-	-	-	-	584,390	-	-
<u>79</u>	<u>6,505</u>	<u>588</u>	<u>1,148</u>	<u>625,129</u>	<u>38,229</u>	<u>-</u>
<u>192,289</u>	<u>178,842</u>	<u>11,210</u>	<u>21,881</u>	<u>149,127</u>	<u>100,292</u>	<u>511</u>
-	-	150,000	372,123	20,319	-	-
<u>(221,661)</u>	<u>-</u>	<u>(675,000)</u>	<u>(2,123)</u>	<u>(180,277)</u>	<u>(70,000)</u>	<u>-</u>
<u>(221,661)</u>	<u>-</u>	<u>(525,000)</u>	<u>370,000</u>	<u>(159,958)</u>	<u>(70,000)</u>	<u>-</u>
(29,372)	178,842	(513,790)	391,881	(10,831)	30,292	511
<u>31,167</u>	<u>3,872,476</u>	<u>534,604</u>	<u>694,837</u>	<u>239,490</u>	<u>53,081</u>	<u>2,004</u>
<u>\$ 1,795</u>	<u>\$ 4,051,318</u>	<u>\$ 20,814</u>	<u>\$ 1,086,718</u>	<u>\$ 228,659</u>	<u>\$ 83,373</u>	<u>\$ 2,515</u>

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CITY OF HEALDSBURG
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Public Safety	Other	Totals	
			2002	2001
Revenues:				
Intergovernmental revenues	\$ -	\$ 454,225	\$ 1,201,357	\$ 811,666
Development fees and permits	390	-	142,675	564,113
Investment income	2,938	5,427	250,969	320,408
Other revenues	894	-	780,270	660,414
Total Revenues	4,222	459,652	2,375,271	2,356,601
Expenditures:				
Current:				
General government	147	270	131,750	32,936
Public safety	10,719	-	10,719	7,933
Culture and recreation	-	-	35,261	20,077
Public works	-	-	584,390	524,544
Total Expenditures	10,866	270	762,120	585,490
Excess of Revenues Over Expenditures	(6,644)	459,382	1,613,151	1,771,111
Other Financing Sources (Uses):				
Operating transfers in	-	-	1,251,502	876,789
Operating transfers out	(100,000)	(187,048)	(2,903,038)	(2,076,033)
Total Other Financing Sources (Uses)	(100,000)	(187,048)	(1,651,536)	(1,199,244)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(106,644)	272,334	(38,385)	571,867
Fund Balances (Deficits), Beginning of Year	129,935	113,068	6,600,774	6,028,907
Fund Balances (Deficits), End of Year	\$ 23,291	\$ 385,402	\$ 6,562,389	\$ 6,600,774

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Intergovernmental revenues	\$ 206,000	\$ 225,078	\$ 19,078	\$ 210,828
Investment income	19,000	20,529	1,529	69,731
Total Revenues	<u>225,000</u>	<u>245,607</u>	<u>20,607</u>	<u>280,559</u>
Expenditures:				
Current:				
General government	-	79,024	(79,024)	894
Excess of Revenues Over Expenditures	<u>225,000</u>	<u>166,583</u>	<u>(58,417)</u>	<u>279,665</u>
Other Financing Sources (Uses):				
Operating transfers in	-	508,568	508,568	540,000
Operating transfers out	(543,000)	(1,122,759)	(579,759)	(944,409)
Total Other Financing Sources (Uses)	<u>(543,000)</u>	<u>(614,191)</u>	<u>(71,191)</u>	<u>(404,409)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(318,000)	(447,608)	(129,608)	(124,744)
Fund Balance, Beginning of Year	<u>935,240</u>	<u>935,240</u>	-	<u>1,059,984</u>
Fund Balance, End of Year	<u>\$ 617,240</u>	<u>\$ 487,632</u>	<u>\$ (129,608)</u>	<u>\$ 935,240</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
AIRPORT GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Intergovernmental revenues	\$ 10,000	\$ 118,589	\$ 108,589	\$ 10,000
Investment income	-	756	756	-
Total Revenues	<u>10,000</u>	<u>119,345</u>	<u>109,345</u>	<u>10,000</u>
Expenditures:				
Current:				
General government	-	36	(36)	-
Excess of Revenues Over (Under) Expenditures	<u>10,000</u>	<u>119,309</u>	<u>109,309</u>	<u>10,000</u>
Other Financing Sources (Uses):				
Operating transfers in	-	56,006	56,006	10,000
Operating transfers out	<u>(260,000)</u>	<u>(175,203)</u>	<u>84,797</u>	<u>(20,000)</u>
Total Other Financing Sources (Uses)	<u>(260,000)</u>	<u>(119,197)</u>	<u>140,803</u>	<u>(10,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(250,000)	112	250,112	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (250,000)</u>	<u>\$ 112</u>	<u>\$ 250,112</u>	<u>\$ -</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
PARK FEES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Development fees and permits	\$ 132,280	\$ 48,731	\$ (83,549)	\$ 177,162
Investment income	10,000	4,559	(5,441)	8,749
Other revenues	-	117	117	268
Total Revenues	<u>142,280</u>	<u>53,407</u>	<u>(88,873)</u>	<u>186,179</u>
Expenditures:				
Current:				
General government	-	227	(227)	112
Excess of Revenues Over Expenditures	<u>142,280</u>	<u>53,180</u>	<u>(89,100)</u>	<u>186,067</u>
Other Financing Sources (Uses):				
Operating transfers in	-	144,486	144,486	50,000
Operating transfers out	-	(168,967)	(168,967)	(224,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(24,481)</u>	<u>(24,481)</u>	<u>(174,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	142,280	28,699	(113,581)	12,067
Fund Balance, Beginning of Year	<u>93,755</u>	<u>93,755</u>	<u>-</u>	<u>81,688</u>
Fund Balance, End of Year	<u>\$ 236,035</u>	<u>\$ 122,454</u>	<u>\$ (113,581)</u>	<u>\$ 93,755</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
TDA SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>2001 Actual</u>
Revenues:				
Intergovernmental revenues	\$ 184,064	\$ 190,774	\$ 6,710	\$ 208,945
Investment income	-	1,594	1,594	-
Total Revenues	<u>184,064</u>	<u>192,368</u>	<u>8,304</u>	<u>208,945</u>
Expenditures:				
Current:				
General government	-	79	(79)	2,574
Excess of Revenues Over Expenditures	<u>184,064</u>	<u>192,289</u>	<u>8,225</u>	<u>206,371</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	18,789
Operating transfers out	<u>(225,017)</u>	<u>(221,661)</u>	<u>3,356</u>	<u>(125,371)</u>
Total Other Financing Sources (Uses)	<u>(225,017)</u>	<u>(221,661)</u>	<u>3,356</u>	<u>(106,582)</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(40,953)	(29,372)	11,581	99,789
Fund Balance (Deficit), Beginning of Year	<u>31,167</u>	<u>31,167</u>	-	<u>(68,622)</u>
Fund Balance (Deficit), End of Year	<u>\$ (9,786)</u>	<u>\$ 1,795</u>	<u>\$ 11,581</u>	<u>\$ 31,167</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY UDAG LOAN SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Investment income	\$ 133,000	\$ 133,715	\$ 715	\$ 132,454
Other revenues	40,000	51,632	11,632	68,754
Total Revenues	<u>173,000</u>	<u>185,347</u>	<u>12,347</u>	<u>201,208</u>
Expenditures:				
Current:				
General government	<u>2,867</u>	<u>6,505</u>	<u>(3,638)</u>	<u>3,579</u>
Excess of Revenues Over Expenditures	<u>170,133</u>	<u>178,842</u>	<u>8,709</u>	<u>197,629</u>
Other Financing Sources (Uses):				
Operating transfers out	<u>(350,000)</u>	<u>-</u>	<u>350,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(350,000)</u>	<u>-</u>	<u>350,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(179,867)	178,842	358,709	197,629
Fund Balance, Beginning of Year	<u>3,872,476</u>	<u>3,872,476</u>	<u>-</u>	<u>3,674,847</u>
Fund Balance, End of Year	<u>\$ 3,692,609</u>	<u>\$ 4,051,318</u>	<u>\$ 358,709</u>	<u>\$ 3,872,476</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
STREET DEVELOPMENT FEES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>2001 Actual</u>
Revenues:				
Investment income	\$ 25,000	\$ 23,029	\$ (1,971)	\$ 24,283
Expenditures:				
Current:				
General government	<u>-</u>	<u>1,148</u>	<u>(1,148)</u>	<u>310</u>
Excess of Revenues Over Expenditures	<u>25,000</u>	<u>21,881</u>	<u>(3,119)</u>	<u>23,973</u>
Other Financing Sources (Uses):				
Operating transfers in	-	372,123	372,123	-
Operating transfers out	<u>-</u>	<u>(2,123)</u>	<u>(2,123)</u>	<u>(40,605)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>370,000</u>	<u>370,000</u>	<u>(40,605)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	25,000	391,881	366,881	(16,632)
Fund Balance, Beginning of Year	<u>694,837</u>	<u>694,837</u>	<u>-</u>	<u>711,469</u>
Fund Balance, End of Year	<u>\$ 719,837</u>	<u>\$ 1,086,718</u>	<u>\$ 366,881</u>	<u>\$ 694,837</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
STREET MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Intergovernmental revenues	\$ 78,000	\$ 78,000	\$ -	\$ -
Development fees and permits	195,140	81,854	(113,286)	295,710
Investment income	25,000	41,243	16,243	24,762
Other revenues	639,685	573,159	(66,526)	589,362
Total Revenues	<u>937,825</u>	<u>774,256</u>	<u>(163,569)</u>	<u>909,834</u>
Expenditures:				
Current:				
General government	37,153	40,739	(3,586)	23,395
Public works	681,032	584,390	96,642	524,544
Total Expenditures	<u>718,185</u>	<u>625,129</u>	<u>93,056</u>	<u>547,939</u>
Excess of Revenues Over Expenditures	<u>219,640</u>	<u>149,127</u>	<u>(70,513)</u>	<u>361,895</u>
Other Financing Sources (Uses):				
Operating transfers in	142,245	20,319	(121,926)	258,000
Operating transfers out	(142,245)	(180,277)	(38,032)	(380,405)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(159,958)</u>	<u>(159,958)</u>	<u>(122,405)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	219,640	(10,831)	(230,471)	239,490
Fund Balance, Beginning of Year	<u>239,490</u>	<u>239,490</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 459,130</u>	<u>\$ 228,659</u>	<u>\$ (230,471)</u>	<u>\$ 239,490</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
AREA A LIGHTING AND LANDSCAPING DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Intergovernmental revenues	\$ 129,031	\$ 134,691	\$ 5,660	\$ 103,938
Investment income	1,200	3,830	2,630	6,185
Total Revenues	<u>130,231</u>	<u>138,521</u>	<u>8,290</u>	<u>110,123</u>
Expenditures:				
Current:				
General government	20,165	2,968	17,197	1,378
Culture and recreation	46,000	35,261	10,739	20,076
Total Expenditures	<u>66,165</u>	<u>38,229</u>	<u>27,936</u>	<u>21,454</u>
Excess of Revenues Over Expenditures	<u>64,066</u>	<u>100,292</u>	<u>36,226</u>	<u>88,669</u>
Other Financing Sources (Uses):				
Operating transfers out	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>	<u>(115,000)</u>
Total Other Financing Sources (Uses)	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>	<u>(115,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,934)	30,292	36,226	(26,331)
Fund Balance, Beginning of Year	<u>53,081</u>	<u>53,081</u>	<u>-</u>	<u>79,412</u>
Fund Balance, End of Year	<u>\$ 47,147</u>	<u>\$ 83,373</u>	<u>\$ 36,226</u>	<u>\$ 53,081</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
BENJAMIN WAY MAINTENANCE DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Investment income	\$ -	\$ 71	\$ 71	\$ 125
Other revenues	440	440	-	440
Total Revenues	<u>440</u>	<u>511</u>	<u>71</u>	<u>565</u>
Expenditures:				
Current:				
Culture and recreation	440	-	440	1
Excess of Revenues Over Expenditures	-	511	511	564
Fund Balance, Beginning of Year	<u>2,004</u>	<u>2,004</u>	<u>-</u>	<u>1,440</u>
Fund Balance, End of Year	<u>\$ 2,004</u>	<u>\$ 2,515</u>	<u>\$ 511</u>	<u>\$ 2,004</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
PUBLIC SAFETY FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Intergovernmental revenues	\$ 100,000	\$ -	\$ (100,000)	\$ 203,612
Development fees and permits	-	390	390	2,172
Investment income	500	2,938	2,438	12,642
Other revenues	-	894	894	1,590
Total Revenues	<u>100,500</u>	<u>4,222</u>	<u>(96,278)</u>	<u>220,016</u>
Expenditures:				
Current:				
General government	-	147	(147)	162
Public safety	17,265	10,719	6,546	7,933
Total Expenditures	<u>17,265</u>	<u>10,866</u>	<u>6,399</u>	<u>8,095</u>
Excess of Revenues Over Expenditures	83,235	(6,644)	(89,879)	211,921
Other Financing Sources (Uses):				
Operating transfers out	<u>(83,235)</u>	<u>(100,000)</u>	<u>(16,765)</u>	<u>(126,243)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	(106,644)	(106,644)	85,678
Fund Balance, Beginning of Year	<u>129,935</u>	<u>129,935</u>	-	<u>44,257</u>
Fund Balance, End of Year	<u>\$ 129,935</u>	<u>\$ 23,291</u>	<u>\$ (106,644)</u>	<u>\$ 129,935</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
ALL BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Intergovernmental revenues	\$ 707,095	\$ 747,132	\$ 40,037	\$ 737,323
Development fees and permits	327,420	130,975	(196,445)	475,044
Investment income	213,700	232,264	18,564	278,931
Other revenues	680,125	626,242	(53,883)	660,414
Total Revenues	<u>1,928,340</u>	<u>1,736,613</u>	<u>(191,727)</u>	<u>2,151,712</u>
Expenditures:				
Current:				
General government	60,185	130,873	(70,688)	32,404
Public safety	17,265	10,719	6,546	7,933
Culture and recreation	46,440	35,261	11,179	20,077
Public works	681,032	584,390	96,642	524,544
Total Expenditures	<u>804,922</u>	<u>761,243</u>	<u>43,679</u>	<u>584,958</u>
Excess of Revenues Over Expenditures	<u>1,123,418</u>	<u>975,370</u>	<u>(148,048)</u>	<u>1,566,754</u>
Other Financing Sources (Uses):				
Operating transfers in	142,245	1,101,502	959,257	876,789
Operating transfers out	(1,673,497)	(2,040,990)	(367,493)	(1,976,033)
Total Other Financing Sources (Uses)	<u>(1,531,252)</u>	<u>(939,488)</u>	<u>591,764</u>	<u>(1,099,244)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(407,834)</u>	<u>35,882</u>	<u>443,716</u>	<u>467,510</u>
Fund Balance, Beginning of Year	<u>6,051,985</u>	<u>6,051,985</u>	<u>-</u>	<u>5,584,475</u>
Fund Balance, End of Year	<u>\$ 5,644,151</u>	<u>\$ 6,087,867</u>	<u>\$ 443,716</u>	<u>\$ 6,051,985</u>

CITY OF HEALDSBURG
 COMBINING BALANCE SHEET
 ALL DEBT SERVICE FUNDS
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Special Assessment</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 413,813	\$ 14,391	\$ 13,171
Receivables:			
Taxes	68,530	-	-
Interest	844	-	56
Special assessments	-	-	2,460,000
Restricted cash and cash equivalents	54,513	1,793,047	651,790
TOTAL ASSETS	<u>\$ 537,700</u>	<u>\$ 1,807,438</u>	<u>\$ 3,125,017</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Deferred special assessment revenue	\$ -	\$ -	\$ 2,460,000
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>2,460,000</u>
 <u>FUND BALANCES:</u>			
Reserved for debt service	537,700	1,807,438	665,017
TOTAL FUND BALANCES	<u>537,700</u>	<u>1,807,438</u>	<u>665,017</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 537,700</u>	 <u>\$ 1,807,438</u>	 <u>\$ 3,125,017</u>

Totals

2002	2001
\$ 441,375	\$ 299,420
68,530	58,157
900	12,772
2,460,000	2,755,000
2,499,350	1,527,828
<u>\$ 5,470,155</u>	<u>\$ 4,653,177</u>

<u>\$ 2,460,000</u>	<u>\$ 2,755,000</u>
<u>2,460,000</u>	<u>2,755,000</u>

<u>3,010,155</u>	<u>1,898,177</u>
<u>3,010,155</u>	<u>1,898,177</u>

<u>\$ 5,470,155</u>	<u>\$ 4,653,177</u>
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CITY OF HEALDSBURG
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ALL DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	General	Community Redevelopment Agency	Special Assessment
Revenues:			
Property taxes	\$ 700,468	\$ -	\$ -
Special assessments	-	-	424,321
Investment income	6,802	15,204	11,726
Total Revenues	<u>707,270</u>	<u>15,204</u>	<u>436,047</u>
Expenditures - Debt Service:			
Principal retirement	232,000	338,000	295,000
Interest and fees	312,753	921,222	201,189
Total Expenditures	<u>544,753</u>	<u>1,259,222</u>	<u>496,189</u>
Excess of Revenues Over (Under) Expenditures	<u>162,517</u>	<u>(1,244,018)</u>	<u>(60,142)</u>
Other Financing Sources:			
Operating transfers in	54,710	557,596	-
Operating transfers out	-	(15,145,000)	-
Payment to refund certificate escrow agent	-	(2,858,140)	-
Proceeds from long-term debt	-	19,644,455	-
Total Other Financing Sources	<u>54,710</u>	<u>2,198,911</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	217,227	954,893	(60,142)
Fund Balances, Beginning of Year	<u>320,473</u>	<u>852,545</u>	<u>725,159</u>
Fund Balances, End of Year	<u>\$ 537,700</u>	<u>\$ 1,807,438</u>	<u>\$ 665,017</u>

Totals

2002	2001
\$ 700,468	\$ 615,305
424,321	385,152
33,732	87,460
<u>1,158,521</u>	<u>1,087,917</u>
865,000	1,110,000
1,435,164	954,758
<u>2,300,164</u>	<u>2,064,758</u>
<u>(1,141,643)</u>	<u>(976,841)</u>
612,306	730,018
(15,145,000)	-
(2,858,140)	-
<u>19,644,455</u>	<u>-</u>
<u>2,253,621</u>	<u>730,018</u>
1,111,978	(246,823)
<u>1,898,177</u>	<u>2,145,000</u>
<u>\$ 3,010,155</u>	<u>\$ 1,898,177</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Property taxes	\$ 537,000	\$ 700,468	\$ 163,468	\$ 615,305
Investment income	4,000	6,802	2,802	6,674
Total Revenues	<u>541,000</u>	<u>707,270</u>	<u>166,270</u>	<u>621,979</u>
Expenditures - Debt Service:				
Principal retirement	232,000	232,000	-	213,500
Interest and fees	315,468	312,753	2,715	326,925
Total Expenditures	<u>547,468</u>	<u>544,753</u>	<u>2,715</u>	<u>540,425</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,468)</u>	<u>162,517</u>	<u>168,985</u>	<u>81,554</u>
Other Financing Sources:				
Operating transfers in	-	54,710	54,710	52,091
Total Other Financing Sources	<u>-</u>	<u>54,710</u>	<u>54,710</u>	<u>52,091</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(6,468)</u>	<u>217,227</u>	<u>223,695</u>	<u>133,645</u>
Fund Balance, Beginning of Year	<u>320,473</u>	<u>320,473</u>	<u>-</u>	<u>186,828</u>
Fund Balance, End of Year	<u>\$ 314,005</u>	<u>\$ 537,700</u>	<u>\$ 223,695</u>	<u>\$ 320,473</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Investment income	\$ 38,858	\$ 15,204	\$ (23,654)	\$ 44,517
Expenditures - Debt Service:				
Principal retirement	338,000	338,000	-	711,500
Interest and fees	383,258	921,222	(537,964)	415,819
Total Expenditures	<u>721,258</u>	<u>1,259,222</u>	<u>(537,964)</u>	<u>1,127,319</u>
Excess of Revenues Over (Under) Expenditures	<u>(682,400)</u>	<u>(1,244,018)</u>	<u>(561,618)</u>	<u>(1,082,802)</u>
Other Financing Sources:				
Operating transfers in	-	557,596	557,596	677,927
Operating transfers out	-	(15,145,000)	(15,145,000)	-
Payment to refund certificate escrow agent	-	(2,858,140)	(2,858,140)	-
Proceeds from long-term debt	-	19,644,455	19,644,455	-
Total Other Financing Sources	<u>-</u>	<u>2,198,911</u>	<u>2,198,911</u>	<u>677,927</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(682,400)</u>	<u>954,893</u>	<u>1,637,293</u>	<u>(404,875)</u>
Fund Balance, Beginning of Year	<u>852,545</u>	<u>852,545</u>	<u>-</u>	<u>1,257,420</u>
Fund Balance, End of Year	<u>\$ 170,145</u>	<u>\$ 1,807,438</u>	<u>\$ 1,637,293</u>	<u>\$ 852,545</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL ASSESSMENT DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>2001 Actual</u>
Revenues:				
Special assessments	\$ 321,479	\$ 424,321	\$ 102,842	\$ 385,152
Investment income	-	11,726	11,726	36,269
Total Revenues	<u>321,479</u>	<u>436,047</u>	<u>114,568</u>	<u>421,421</u>
Expenditures - Debt Service:				
Principal retirement	145,000	295,000	(150,000)	185,000
Interest and fees	196,479	201,189	(4,710)	212,014
Total Expenditures	<u>341,479</u>	<u>496,189</u>	<u>(154,710)</u>	<u>397,014</u>
Excess of Revenues Over (Under) Expenditures	(20,000)	(60,142)	(40,142)	24,407
Fund Balance, Beginning of Year	<u>725,159</u>	<u>725,159</u>	<u>-</u>	<u>700,752</u>
Fund Balance, End of Year	<u>\$ 705,159</u>	<u>\$ 665,017</u>	<u>\$ (40,142)</u>	<u>\$ 725,159</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
ALL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Property taxes	\$ 537,000	\$ 700,468	\$ 163,468	\$ 615,305
Special assessments	321,479	424,321	102,842	385,152
Investment income	42,858	33,732	(9,126)	87,460
Total Revenues	<u>901,337</u>	<u>1,158,521</u>	<u>257,184</u>	<u>1,087,917</u>
Expenditures - Debt Service:				
Principal retirement	715,000	865,000	(150,000)	1,110,000
Interest and fees	895,205	1,435,164	(539,959)	954,758
Total Expenditures	<u>1,610,205</u>	<u>2,300,164</u>	<u>(689,959)</u>	<u>2,064,758</u>
Excess of Revenues (Under) Expenditures	<u>(708,868)</u>	<u>(1,141,643)</u>	<u>(432,775)</u>	<u>(976,841)</u>
Other Financing Sources:				
Operating transfers in	-	612,306	612,306	730,018
Operating transfers out	-	(15,145,000)	(15,145,000)	-
Payment to refund certificate escrow agent	-	(2,858,140)	(2,858,140)	-
Proceeds from long-term debt	-	19,644,455	19,644,455	-
Total Other Financing Sources	<u>-</u>	<u>2,253,621</u>	<u>2,253,621</u>	<u>730,018</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(708,868)</u>	<u>1,111,978</u>	<u>1,820,846</u>	<u>(246,823)</u>
Fund Balance, Beginning of Year	<u>1,898,177</u>	<u>1,898,177</u>	<u>-</u>	<u>2,145,000</u>
Fund Balance, End of Year	<u>\$ 1,189,309</u>	<u>\$ 3,010,155</u>	<u>\$ 1,820,846</u>	<u>\$ 1,898,177</u>

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CAPITAL PROJECTS FUNDS

Capital Projects Funds account for resources used for the acquisition of capital facilities by a government, except for those capital facilities financed by Enterprise Funds.

- | | |
|---|---|
| 1) Community Redevelopment Agency - Commercial/Industrial | from revenues received from tax increments for redevelopment projects. |
| 2) Community Redevelopment Agency - Low/Moderate Income | from revenue received from tax increments for low income housing projects. |
| 3) General Capital Projects - | for non-enterprise fund projects acquired by the City. |
| 4) Area A Assessment District - | from revenues received from a prospective sale of assessment land and oversizing advances from street and enterprise funds. |

CITY OF HEALDSBURG
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	Community Redevelopment Agency		General Capital Projects
	Commercial/ Industrial	Low/Moderate Income	
<u>ASSETS</u>			
Cash and cash equivalents	\$ 17,676	\$ 17,575	\$ 57,239
Investments	3,894,526	872	4,100,000
Receivables:			
Accounts	324,585	383,169	120,493
Taxes	71,525	17,881	-
Interest	17,506	-	17,313
Due from other funds	123,000	-	-
Prepaid costs	296	-	-
Restricted cash and investments	10,205,223	5,025,273	-
TOTAL ASSETS	<u>\$ 14,654,337</u>	<u>\$ 5,444,770</u>	<u>\$ 4,295,045</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Accounts payable	\$ 7,178	\$ 3,228	\$ 117,239
Deposits	253	-	-
Due to other funds	-	123,000	-
Tax anticipation note payable	-	-	-
Deferred revenue	816,124	-	-
TOTAL LIABILITIES	<u>823,555</u>	<u>126,228</u>	<u>117,239</u>
 FUND BALANCES :			
Reserved for prepaid costs	296	-	-
Reserved for bond financed capital projects	10,205,223	5,025,273	-
Reserved for other capital projects appropriations	3,625,263	-	4,177,806
Reserved for low income housing	-	-	-
Reserved for encumbrances	-	375,000	-
Unreserved, designated for contingencies	-	-	-
Unreserved and undesignated	-	(81,731)	-
TOTAL FUND BALANCES	<u>13,830,782</u>	<u>5,318,542</u>	<u>4,177,806</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 14,654,337</u>	 <u>\$ 5,444,770</u>	 <u>\$ 4,295,045</u>

Area A Assessment District	Totals	
	2002	2001
\$ 14,602	\$ 107,092	\$ 214,964
-	7,995,398	9,050,000
2,507	830,754	770,746
-	89,406	212,984
61	34,880	176,885
-	123,000	-
-	296	645
-	15,230,496	-
<u>\$ 17,170</u>	<u>\$ 24,411,322</u>	<u>\$ 10,426,224</u>

\$ -	\$ 127,645	\$ 214,168
-	253	253
-	123,000	82,934
-	-	2,950,000
-	816,124	316,124
-	<u>1,067,022</u>	<u>3,563,479</u>

-	296	645
-	15,230,496	-
-	7,803,069	6,359,477
-	-	484,549
-	375,000	1,300
17,170	17,170	16,774
-	(81,731)	-
<u>17,170</u>	<u>23,344,300</u>	<u>6,862,745</u>

<u>\$ 17,170</u>	<u>\$ 24,411,322</u>	<u>\$ 10,426,224</u>
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CITY OF HEALDSBURG
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ALL CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Community Redevelopment Agency		General Capital Projects
	Commercial/ Industrial	Low/Moderate Income	
Revenues:			
Property taxes	\$ 3,780,297	\$ 945,074	\$ -
Investment income	142,718	11,864	117,239
Proceeds from sale of land	57,142	-	-
Other revenues	144,125	-	12,642
Total Revenues	<u>4,124,282</u>	<u>956,938</u>	<u>129,881</u>
Expenditures:			
Current:			
General government	5,436	9,495	5,844
Community development	1,859,163	288,991	-
Capital outlay	-	-	2,172,396
Debt service:			
Interest and fees	191,750	-	-
Total Expenditures	<u>2,056,349</u>	<u>298,486</u>	<u>2,178,240</u>
Excess of Revenues Over (Under) Expenditures	<u>2,067,933</u>	<u>658,452</u>	<u>(2,048,359)</u>
Other Financing Sources (Uses):			
Operating transfers in	13,703,291	5,000,000	4,848,499
Operating transfers out	<u>(2,390,928)</u>	<u>(824,459)</u>	<u>(4,533,270)</u>
Total Other Financing Sources (Uses)	<u>11,312,363</u>	<u>4,175,541</u>	<u>315,229</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	13,380,296	4,833,993	(1,733,130)
Fund Balances , Beginning of Year	<u>450,486</u>	<u>484,549</u>	<u>5,910,936</u>
Fund Balances, End of Year	<u>\$ 13,830,782</u>	<u>\$ 5,318,542</u>	<u>\$ 4,177,806</u>

Area A Assessment District	Totals	
	2002	2001
\$ -	\$ 4,725,371	\$ 4,322,410
417	272,238	672,527
-	57,142	-
-	156,767	193,549
<u>417</u>	<u>5,211,518</u>	<u>5,188,486</u>
21	20,796	7,578
-	2,148,154	2,499,643
-	2,172,396	2,132,504
-	191,750	75,600
<u>21</u>	<u>4,533,096</u>	<u>4,715,325</u>
<u>396</u>	<u>678,422</u>	<u>473,161</u>
-	23,551,790	5,276,130
-	<u>(7,748,657)</u>	<u>(4,021,987)</u>
-	15,803,133	1,254,143
396	16,481,555	1,727,304
<u>16,774</u>	<u>6,862,745</u>	<u>5,135,441</u>
<u>\$ 17,170</u>	<u>\$ 23,344,300</u>	<u>\$ 6,862,745</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY - COMMERCIAL/INDUSTRIAL CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Property taxes	\$ 3,661,000	\$ 3,780,297	\$ 119,297	\$ 3,457,872
Investment income	75,000	142,718	67,718	153,515
Proceeds from sale of land	-	57,142	57,142	-
Other revenues	110,000	144,125	34,125	193,549
Total Revenues	<u>3,846,000</u>	<u>4,124,282</u>	<u>278,282</u>	<u>3,804,936</u>
Expenditures:				
Current:				
General government	-	5,436	(5,436)	1,643
Community development	1,985,229	1,859,163	126,066	1,701,328
Debt service:				
Interest and fees	191,750	191,750	-	75,600
Total Expenditures	<u>2,176,979</u>	<u>2,056,349</u>	<u>120,630</u>	<u>1,778,571</u>
Excess of Revenues Over Expenditures	<u>1,669,021</u>	<u>2,067,933</u>	<u>398,912</u>	<u>2,026,365</u>
Other Financing Sources (Uses):				
Operating transfers in	-	13,703,291	13,703,291	641,500
Operating transfers out	(771,610)	(2,390,928)	(1,619,318)	(2,280,487)
Total Other Financing Sources (Uses)	<u>(771,610)</u>	<u>11,312,363</u>	<u>12,083,973</u>	<u>(1,638,987)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	897,411	13,380,296	12,482,885	387,378
Fund Balance, Beginning of Year	<u>450,486</u>	<u>450,486</u>	<u>-</u>	<u>63,108</u>
Fund Balance, End of Year	<u>\$ 1,347,897</u>	<u>\$ 13,830,782</u>	<u>\$ 12,482,885</u>	<u>\$ 450,486</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY - LOW/MODERATE INCOME CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Property taxes	\$ 897,000	\$ 945,074	\$ 48,074	\$ 864,538
Investment income	20,000	11,864	(8,136)	70,787
Total Revenues	<u>917,000</u>	<u>956,938</u>	<u>39,938</u>	<u>935,325</u>
Expenditures:				
Current:				
General government	-	9,495	(9,495)	827
Community development	341,907	288,991	52,916	798,315
Total Expenditures	<u>341,907</u>	<u>298,486</u>	<u>43,421</u>	<u>799,142</u>
Excess of Revenues Over (Under) Expenditures	<u>575,093</u>	<u>658,452</u>	<u>83,359</u>	<u>136,183</u>
Other Financing Sources (Uses):				
Operating transfers in	-	5,000,000	5,000,000	-
Operating transfers out	(570,000)	(824,459)	(254,459)	(755,000)
Total Other Financing Sources (Uses)	<u>(570,000)</u>	<u>4,175,541</u>	<u>4,745,541</u>	<u>(755,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	5,093	4,833,993	4,828,900	(618,817)
Fund Balance, Beginning of Year	<u>484,549</u>	<u>484,549</u>	<u>-</u>	<u>1,103,366</u>
Fund Balance, End of Year	<u>\$ 489,642</u>	<u>\$ 5,318,542</u>	<u>\$ 4,828,900</u>	<u>\$ 484,549</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Investment income	\$ -	\$ 117,239	\$ 117,239	\$ 447,336
Other revenues	-	12,642	12,642	-
Total Revenues	<u>-</u>	<u>129,881</u>	<u>129,881</u>	<u>447,336</u>
Expenditures:				
Current:				
General government	-	5,844	(5,844)	5,097
Capital outlay	2,327,756	2,172,396	155,360	2,132,504
Total Expenditures	<u>2,327,756</u>	<u>2,178,240</u>	<u>155,360</u>	<u>2,137,601</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,327,756)</u>	<u>(2,048,359)</u>	<u>279,397</u>	<u>(1,690,265)</u>
Other Financing Sources:				
Operating transfers in	5,979,589	4,848,499	(1,131,090)	4,634,630
Operating transfers out	-	(4,533,270)	(4,533,270)	(986,500)
Total Other Financing Sources (Uses)	<u>5,979,589</u>	<u>315,229</u>	<u>(5,664,360)</u>	<u>3,648,130</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,651,833	(1,733,130)	(5,384,963)	1,957,865
Fund Balance, Beginning of Year	<u>5,910,936</u>	<u>5,910,936</u>	<u>-</u>	<u>3,953,071</u>
Fund Balance, End of Year	<u>\$ 9,562,769</u>	<u>\$ 4,177,806</u>	<u>\$ (5,384,963)</u>	<u>\$ 5,910,936</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
ALL BUDGETED CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Property taxes	\$ 4,558,000	\$ 4,725,371	\$ 167,371	\$ 4,322,410
Investment income	95,000	271,821	176,821	671,638
Proceeds from sale of land	-	57,142	57,142	-
Other revenues	110,000	156,767	46,767	193,549
Total Revenues	<u>4,763,000</u>	<u>5,211,101</u>	<u>448,101</u>	<u>5,187,597</u>
Expenditures:				
Current:				
General government	-	20,775	(20,775)	7,567
Community development	2,327,136	2,148,154	178,982	2,499,643
Capital outlay	2,327,756	2,172,396	155,360	2,132,504
Debt service:				
Interest and fees	191,750	191,750	-	75,600
Total Expenditures	<u>4,846,642</u>	<u>4,533,075</u>	<u>313,567</u>	<u>4,715,314</u>
Excess of Revenues Over (Under) Expenditures	<u>(83,642)</u>	<u>678,026</u>	<u>761,668</u>	<u>472,283</u>
Other Financing Sources (Uses):				
Operating transfers in	5,979,589	23,551,790	17,572,201	5,276,130
Operating transfers out	(1,341,610)	(7,748,657)	(6,407,047)	(4,021,987)
Total Other Financing Sources (Uses)	<u>4,637,979</u>	<u>15,803,133</u>	<u>11,165,154</u>	<u>1,254,143</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,554,337	16,481,159	11,926,822	1,726,426
Fund Balance, Beginning of Year	<u>6,845,971</u>	<u>6,845,971</u>	<u>-</u>	<u>5,119,545</u>
Fund Balance, End of Year	<u>\$ 11,400,308</u>	<u>\$ 23,327,130</u>	<u>\$ 11,926,822</u>	<u>\$ 6,845,971</u>

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ENTERPRISE FUNDS

Enterprise Funds account for the financing of self-supporting activities which render services to the general public on a user charge basis or a fixed payment schedule. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, operations, maintenance, financing and related debt service, and billings and collections. The various Enterprise Funds are:

- 1) Water to account for the provision of water utility to the residents of the City.
- 2) Sewer to account for the provision of sewer utility to the residents of the City.
- 3) Electric to account for the provision of electric utility to the residents of the City.
- 4) Planning & Building to account for the provision of planning and building development within the City.
- 5) Transit to account for the provision of public transit service to the residents of the City.
- 6) Airport to account for the operation of the City airport.
- 7) Meeting Center to account for the provision of group meeting and conference facilities to the residents of the City wherein the primary revenue sources are rental fees and service charges.
- 8) School Services to account for the provision of services to the Healdsburg Schools.

CITY OF HEALDSBURG
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	Water	Sewer	Electric	Planning & Building
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 269,959	\$ 72,910	\$ 173,939	\$ 15,925
Investments	4,789,281	5,058,021	7,473,273	400,000
Receivables:				
Accounts	622,116	325,430	1,434,220	-
Loans	14,617	18,110	20,681	-
Interest	20,365	21,721	37,577	2,241
Due from other funds	-	-	119,335	-
Inventory	64,693	667	1,141,221	-
Prepaid costs	-	-	77,876	1,273
TOTAL CURRENT ASSETS	5,781,031	5,496,859	10,478,122	419,439
RESTRICTED ASSETS:				
Deferred issuance cost	678,048	139,998	7,999	-
Restricted cash and cash equivalents	270,538	1,100,960	26,148	-
TOTAL RESTRICTED ASSETS	948,586	1,240,958	34,147	-
FIXED ASSETS (net of accumulated depreciation of \$15,859,054.)				
	16,379,734	20,809,372	9,183,504	-
TOTAL ASSETS	\$ 23,109,351	\$ 27,547,189	\$ 19,695,773	\$ 419,439
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS):				
Accounts payable	\$ 447,429	\$ 74,944	\$ 69,001	\$ -
Deposits	13,641	600	360,785	40,797
Due to other funds	-	-	-	-
TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)	461,070	75,544	429,786	40,797
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS):				
Current portion of long-term obligations	280,000	60,000	10,000	-
LONG TERM OBLIGATIONS	9,671,770	3,355,015	152,583	-
TOTAL LIABILITIES	10,412,840	3,490,559	592,369	40,797
FUND EQUITY:				
Contributed capital	7,210,538	18,608,191	5,505,809	-
Retained earnings (deficit):				
Reserved for debt service	773,749	156,662	-	-
Reserved for inventory and prepaid costs	64,693	667	1,219,097	1,273
Reserved for capital projects	242,500	446,250	685,500	-
Reserved for appropriations	2,809,763	3,452,975	2,795,995	86,650
Reserved for power costs	-	-	2,000,000	-
Reserved for capacity expansion	627,780	1,016,682	-	-
Reserved for geothermal debt service	-	-	4,897,071	-
Reserved for telecommunications	-	-	-	-
Reserved for encumbrances	161,506	65,137	58,444	-
Unreserved	805,982	310,066	1,941,488	290,719
TOTAL FUND EQUITY	12,696,511	24,056,630	19,103,404	378,642
TOTAL LIABILITIES AND FUND EQUITY	\$ 23,109,351	\$ 27,547,189	\$ 19,695,773	\$ 419,439

Transit	Airport	Meeting Center	School Services	Totals	
				2002	2001
\$ 13,727	\$ 78,201	\$ -	\$ 36,898	\$ 661,559	\$ 736,426
-	200,000	-	-	17,920,575	17,285,363
-	5,944	4,640	-	2,392,350	2,177,980
-	-	-	-	53,408	53,408
-	582	-	132	82,618	342,776
-	-	-	-	119,335	2,531,369
-	14,397	-	-	1,220,978	1,283,891
-	-	-	-	79,149	23,419
<u>13,727</u>	<u>299,124</u>	<u>4,640</u>	<u>37,030</u>	<u>22,529,972</u>	<u>24,434,632</u>
-	-	-	-	826,045	837,019
-	-	-	-	1,397,646	6,889,021
-	-	-	-	2,223,691	7,726,040
-	1,020,844	1,192,908	-	48,586,362	43,639,050
<u>\$ 13,727</u>	<u>\$ 1,319,968</u>	<u>\$ 1,197,548</u>	<u>\$ 37,030</u>	<u>\$ 73,340,025</u>	<u>\$ 75,799,722</u>
\$ 220	\$ 18,178	\$ 9,334	\$ 6,239	\$ 625,345	\$ 716,230
546	13,751	112,599	-	542,719	1,098,096
-	18,108	95,397	-	113,505	2,442,466
<u>766</u>	<u>50,037</u>	<u>217,330</u>	<u>6,239</u>	<u>1,281,569</u>	<u>4,256,792</u>
-	-	-	-	350,000	295,000
-	-	-	-	13,179,368	13,542,495
<u>766</u>	<u>50,037</u>	<u>217,330</u>	<u>6,239</u>	<u>14,810,937</u>	<u>18,094,287</u>
-	382,920	1,661,142	-	33,368,600	33,368,600
-	-	-	-	930,411	893,777
-	14,397	-	-	1,300,127	1,307,310
-	-	-	-	1,374,250	2,138,790
-	867,977	-	-	10,013,360	6,666,242
-	-	-	-	2,000,000	2,000,000
-	-	-	-	1,644,462	1,161,577
-	-	-	-	4,897,071	6,150,000
-	-	-	-	-	2,315,000
-	4,637	-	-	289,724	387,152
<u>12,961</u>	<u>-</u>	<u>(680,924)</u>	<u>30,791</u>	<u>2,711,083</u>	<u>1,316,987</u>
<u>12,961</u>	<u>1,269,931</u>	<u>980,218</u>	<u>30,791</u>	<u>58,529,088</u>	<u>57,705,435</u>
<u>\$ 13,727</u>	<u>\$ 1,319,968</u>	<u>\$ 1,197,548</u>	<u>\$ 37,030</u>	<u>\$ 73,340,025</u>	<u>\$ 75,799,722</u>

CITY OF HEALDSBURG
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS - ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Water	Sewer	Electric	Planning & Building
Operating Revenues:				
Charges for services	\$ 2,909,292	\$ 2,826,766	\$ 8,239,704	\$ -
Development fees	113,590	432,532	142,326	275,577
Rental income	-	-	-	-
Other revenues	3,721	13,875	5,916	86,513
Total Operating Revenues	<u>3,026,603</u>	<u>3,273,173</u>	<u>8,387,946</u>	<u>362,090</u>
Operating Expenses:				
Purchased power	-	-	8,597,303	-
Operations	1,354,427	699,797	1,122,220	349,442
General and administrative	433,550	853,289	1,185,925	53,118
Depreciation	297,844	461,567	311,980	-
Total Operating Expenses	<u>2,085,821</u>	<u>2,014,653</u>	<u>11,217,428</u>	<u>402,560</u>
Income (Loss) From Operations	<u>940,782</u>	<u>1,258,520</u>	<u>(2,829,482)</u>	<u>(40,470)</u>
Non-operating Revenues (Expenses):				
Intergovernmental grant	-	-	69,500	-
Investment income	202,237	191,295	259,678	10,409
Interest expense	(472,959)	(185,189)	(12,688)	-
Loss on disposal	-	-	-	-
Total Non-operating Revenues (Expenses)	<u>(270,722)</u>	<u>6,106</u>	<u>316,490</u>	<u>10,409</u>
Income (Loss) before Operating Transfers and Capital Contributions	670,060	1,264,626	(2,512,992)	(30,061)
Operating transfers in	284,955	-	-	88,500
Operating transfers out	<u>(2,941)</u>	<u>(337,942)</u>	<u>(2,942)</u>	<u>-</u>
Net Income (Loss) Before Capital Contributions	952,074	926,684	(2,515,934)	58,439
Capital Contributions	<u>233,840</u>	<u>410,448</u>	<u>552,848</u>	<u>-</u>
Net Income (Loss)	1,185,914	1,337,132	(1,963,086)	58,439
Retained Earnings (Deficit), Beginning of Year	<u>4,300,059</u>	<u>4,111,307</u>	<u>15,560,681</u>	<u>320,203</u>
Retained Earnings (Deficit), End of Year	<u>\$ 5,485,973</u>	<u>\$ 5,448,439</u>	<u>\$ 13,597,595</u>	<u>\$ 378,642</u>

Transit	Airport	Meeting Center	School Services	Totals	
				2002	2001
\$ 13,280	\$ 108,261	\$ -	\$ 57,166	\$ 14,154,469	\$ 12,684,479
-	-	-	-	964,025	1,760,012
-	89,622	176,711	2,861	269,194	267,638
10	80	28,941	-	139,056	87,319
<u>13,290</u>	<u>197,963</u>	<u>205,652</u>	<u>60,027</u>	<u>15,526,744</u>	<u>14,799,448</u>
-	-	-	-	8,597,303	5,684,650
103,937	138,766	178,783	47,795	3,995,167	4,475,877
41,262	8,900	24,558	6,733	2,607,335	2,466,364
-	28,737	33,978	-	1,134,106	1,069,980
<u>145,199</u>	<u>176,403</u>	<u>237,319</u>	<u>54,528</u>	<u>16,333,911</u>	<u>13,696,871</u>
(131,909)	21,560	(31,667)	5,499	(807,167)	1,102,577
-	-	-	-	69,500	-
-	3,942	-	895	668,456	1,647,658
(1,045)	(4,100)	-	-	(675,981)	(647,403)
-	-	-	-	-	(558,576)
<u>(1,045)</u>	<u>(158)</u>	<u>-</u>	<u>895</u>	<u>61,975</u>	<u>441,679</u>
(132,954)	21,402	(31,667)	6,394	(745,192)	1,544,256
131,998	286,603	-	-	792,056	1,259,721
-	(76,522)	-	-	(420,347)	(1,571,200)
(956)	231,483	(31,667)	6,394	(373,483)	1,232,777
-	-	-	-	1,197,136	1,414,323
(956)	231,483	(31,667)	6,394	823,653	2,647,100
<u>13,917</u>	<u>655,528</u>	<u>(649,257)</u>	<u>24,397</u>	<u>24,336,835</u>	<u>21,689,735</u>
<u>\$ 12,961</u>	<u>\$ 887,011</u>	<u>\$ (680,924)</u>	<u>\$ 30,791</u>	<u>\$ 25,160,488</u>	<u>\$ 24,336,835</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
WATER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 2,820,000	\$ 2,909,292	\$ 89,292	\$ 2,671,027
Development fees	250,960	113,590	(137,370)	546,673
Other revenues	500	3,721	3,221	3,547
Total Operating Revenues	<u>3,071,460</u>	<u>3,026,603</u>	<u>(44,857)</u>	<u>3,221,247</u>
Operating Expenses:				
Operations	1,548,117	1,354,427	193,690	1,660,270
General and administrative	415,843	433,550	(17,707)	509,320
Depreciation	-	297,844	(297,844)	292,935
Total Operating Expenses	<u>1,963,960</u>	<u>2,085,821</u>	<u>(121,861)</u>	<u>2,462,525</u>
Income From Operations	<u>1,107,500</u>	<u>940,782</u>	<u>(166,718)</u>	<u>758,722</u>
Non-operating Revenues (Expenses):				
Investment income	175,000	202,237	27,237	547,840
Interest expense	(799,849)	(472,959)	326,890	(451,480)
Loss on disposal	-	-	-	(128,719)
Total Non-operating Revenues (Expenses)	<u>(624,849)</u>	<u>(270,722)</u>	<u>354,127</u>	<u>(32,359)</u>
Income before Operating Transfers and Capital Contributions	482,651	670,060	187,409	726,363
Operating transfers in	646,250	284,955	(361,295)	646,250
Operating transfers out	<u>(25,400)</u>	<u>(2,941)</u>	<u>22,459</u>	<u>(270,400)</u>
Net Income before Capital Contributions	1,103,501	952,074	(151,427)	1,102,213
Capital Contributions	<u>-</u>	<u>233,840</u>	<u>233,840</u>	<u>202,854</u>
Net Income	1,103,501	1,185,914	82,413	1,305,067
Retained Earnings, Beginning of Year	<u>4,300,059</u>	<u>4,300,059</u>	<u>-</u>	<u>2,994,992</u>
Retained Earnings, End of Year	<u>\$ 5,403,560</u>	<u>\$ 5,485,973</u>	<u>\$ 82,413</u>	<u>\$ 4,300,059</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 2,564,378	\$ 2,826,766	\$ 262,388	\$ 2,461,635
Development fees	368,400	432,532	64,132	786,427
Other revenues	500	13,875	13,375	3,694
Total Operating Revenues	<u>2,933,278</u>	<u>3,273,173</u>	<u>339,895</u>	<u>3,251,756</u>
Operating Expenses:				
Operations	813,406	699,797	113,609	682,268
General and administrative	897,882	853,289	44,593	746,544
Depreciation	-	461,567	(461,567)	434,226
Total Operating Expenses	<u>1,711,288</u>	<u>2,014,653</u>	<u>(303,365)</u>	<u>1,863,038</u>
Income From Operations	<u>1,221,990</u>	<u>1,258,520</u>	<u>36,530</u>	<u>1,388,718</u>
Non-operating Revenues (Expenses):				
Investment income	45,000	191,295	146,295	501,221
Interest expense	(265,696)	(185,189)	80,507	(178,442)
Loss on disposal	-	-	-	(190,477)
Total Non-operating Revenues (Expenses)	<u>(220,696)</u>	<u>6,106</u>	<u>226,802</u>	<u>132,302</u>
Income before Operating Transfers and Capital Contributions	1,001,294	1,264,626	263,332	1,521,020
Operating transfers in	-	-	-	100,000
Operating transfers out	<u>(160,400)</u>	<u>(337,942)</u>	<u>(177,542)</u>	<u>(425,400)</u>
Net Income before Capital Contributions	840,894	926,684	85,790	1,195,620
Capital Contributions	<u>362,907</u>	<u>410,448</u>	<u>47,541</u>	<u>440,261</u>
Net Income	1,203,801	1,337,132	133,331	1,635,881
Retained Earnings, Beginning of Year	<u>4,111,307</u>	<u>4,111,307</u>	<u>-</u>	<u>2,475,426</u>
Retained Earnings, End of Year	<u>\$ 5,315,108</u>	<u>\$ 5,448,439</u>	<u>\$ 133,331</u>	<u>\$ 4,111,307</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
ELECTRIC ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 8,033,205	\$ 8,239,704	\$ 206,499	\$ 7,357,293
Development fees	124,245	142,326	18,081	76,172
Other revenues	5,000	5,916	916	8,991
Total Operating Revenues	<u>8,162,450</u>	<u>8,387,946</u>	<u>225,496</u>	<u>7,442,456</u>
Operating Expenses:				
Purchased power	9,388,565	8,597,303	791,262	5,684,650
Operations	1,286,676	1,122,220	164,456	1,204,423
General and administrative	1,270,615	1,185,925	84,690	1,092,525
Depreciation	-	311,980	(311,980)	274,093
Total Operating Expenses	<u>11,945,856</u>	<u>11,217,428</u>	<u>728,428</u>	<u>8,255,691</u>
Income (Loss) From Operations	<u>(3,783,406)</u>	<u>(2,829,482)</u>	<u>953,924</u>	<u>(813,235)</u>
Non-operating Revenues (Expenses):				
Intergovernmental grant	60,000	69,500	9,500	-
Investment income	255,000	259,678	4,678	563,638
Interest expense	(12,688)	(12,688)	-	(13,138)
Loss on disposal	-	-	-	(174,726)
Total Non-operating Revenues (Expenses)	<u>302,312</u>	<u>316,490</u>	<u>14,178</u>	<u>375,774</u>
Income (Loss) before Operating Transfers and Capital Contributions	<u>(3,481,094)</u>	<u>(2,512,992)</u>	<u>968,102</u>	<u>(437,461)</u>
Operating transfers in	-	-	-	-
Operating transfers out	<u>(25,400)</u>	<u>(2,942)</u>	<u>22,458</u>	<u>(875,400)</u>
Net Income (Loss) before Capital Contributions	<u>(3,506,494)</u>	<u>(2,515,934)</u>	<u>990,560</u>	<u>(1,312,861)</u>
Capital Contributions	<u>301,614</u>	<u>552,848</u>	<u>251,234</u>	<u>771,208</u>
Net Income (Loss)	<u>(3,204,880)</u>	<u>(1,963,086)</u>	<u>1,241,794</u>	<u>(541,653)</u>
Retained Earnings, Beginning of Year	<u>15,560,681</u>	<u>15,560,681</u>	<u>-</u>	<u>16,102,334</u>
Retained Earnings, End of Year	<u>\$ 12,355,801</u>	<u>\$ 13,597,595</u>	<u>\$ 1,241,794</u>	<u>\$ 15,560,681</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
PLANNING & BUILDING ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Development fees	\$ 255,000	\$ 275,577	\$ 20,577	\$ 350,740
Other revenues	45,000	86,513	41,513	52,234
Total Operating Revenues	<u>300,000</u>	<u>362,090</u>	<u>62,090</u>	<u>402,974</u>
Operating Expenses:				
Operations	425,426	349,442	75,984	441,030
General and administrative	67,762	53,118	14,644	44,935
Total Operating Expenses	<u>493,188</u>	<u>402,560</u>	<u>90,628</u>	<u>485,965</u>
Income (Loss) From Operations	<u>(193,188)</u>	<u>(40,470)</u>	<u>152,718</u>	<u>(82,991)</u>
Non-operating Revenues (Expenses):				
Investment income	5,000	10,409	5,409	25,094
Total Non-operating Revenues (Expenses)	<u>5,000</u>	<u>10,409</u>	<u>5,409</u>	<u>25,094</u>
Income (Loss) before Operating Transfers	(188,188)	(30,061)	158,127	(57,897)
Operating transfers in	<u>88,500</u>	<u>88,500</u>	<u>-</u>	<u>378,100</u>
Net Income (Loss)	(99,688)	58,439	158,127	320,203
Retained Earnings, Beginning of Year	<u>320,203</u>	<u>320,203</u>	<u>-</u>	<u>-</u>
Retained Earnings, End of Year	<u>\$ 220,515</u>	<u>\$ 378,642</u>	<u>\$ 158,127</u>	<u>\$ 320,203</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
TRANSIT ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 16,063	\$ 13,280	\$ (2,783)	\$ 13,555
Other revenues	-	10	10	400
Total Operating Revenues	<u>16,063</u>	<u>13,290</u>	<u>(2,773)</u>	<u>13,955</u>
Operating Expenses:				
Operations	119,177	103,937	15,240	116,571
General and administrative	41,450	41,262	188	40,077
Total Operating Expenses	<u>160,627</u>	<u>145,199</u>	<u>15,428</u>	<u>156,648</u>
(Loss) From Operations	<u>(144,564)</u>	<u>(131,909)</u>	<u>12,655</u>	<u>(142,693)</u>
Non-operating Revenues (Expenses):				
Investment income	2,500	-	(2,500)	-
Interest expense	-	(1,045)	(1,045)	-
Total Non-operating Revenues (Expenses)	<u>2,500</u>	<u>(1,045)</u>	<u>(3,545)</u>	<u>-</u>
(Loss) before Operating Transfers	(142,064)	(132,954)	9,110	(142,693)
Operating transfers in	<u>142,064</u>	<u>131,998</u>	<u>(10,066)</u>	<u>125,371</u>
Net Income (Loss)	-	(956)	(956)	(17,322)
Retained Earnings, Beginning of Year	<u>13,917</u>	<u>13,917</u>	<u>-</u>	<u>31,239</u>
Retained Earnings, End of Year	<u>\$ 13,917</u>	<u>\$ 12,961</u>	<u>\$ (956)</u>	<u>\$ 13,917</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
AIRPORT ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 115,000	\$ 108,261	\$ (6,739)	\$ 121,392
Rental income	86,242	89,622	3,380	86,039
Other revenues	-	80	80	95
Total Operating Revenues	<u>201,242</u>	<u>197,963</u>	<u>(3,279)</u>	<u>207,526</u>
Operating Expenses:				
Operations	147,246	138,766	8,480	153,000
General and administrative	14,816	8,900	5,916	11,905
Depreciation	-	28,737	(28,737)	33,983
Total Operating Expenses	<u>162,062</u>	<u>176,403</u>	<u>(14,341)</u>	<u>198,888</u>
Income (Loss) From Operations	<u>39,180</u>	<u>21,560</u>	<u>(17,620)</u>	<u>8,638</u>
Non-operating Revenues (Expenses):				
Investment income	6,000	3,942	(2,058)	8,409
Interest expense	(4,180)	(4,100)	80	(4,343)
Loss on disposal	-	-	-	(44,370)
Total Non-operating Revenues (Expenses)	<u>1,820</u>	<u>(158)</u>	<u>(1,978)</u>	<u>(40,304)</u>
Income (Loss) before Operating Transfers	41,000	21,402	(19,598)	(31,666)
Operating transfers in	10,000	286,603	276,603	10,000
Operating transfers out	-	(76,522)	(76,522)	-
Net Income (Loss)	51,000	231,483	180,483	(21,666)
Retained Earnings, Beginning of Year	<u>655,528</u>	<u>655,528</u>	<u>-</u>	<u>677,194</u>
Retained Earnings, End of Year	<u>\$ 706,528</u>	<u>\$ 887,011</u>	<u>\$ 180,483</u>	<u>\$ 655,528</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
MEETING CENTER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Rental income	\$ 179,100	\$ 176,711	\$ (2,389)	\$ 178,859
Other revenues	25,600	28,941	3,341	18,358
Total Operating Revenues	<u>204,700</u>	<u>205,652</u>	<u>952</u>	<u>197,217</u>
Operating Expenses:				
Operations	182,743	178,783	3,960	175,465
General and administrative	23,043	24,558	(1,515)	19,812
Depreciation	-	33,978	(33,978)	34,743
Total Operating Expenses	<u>205,786</u>	<u>237,319</u>	<u>(31,533)</u>	<u>230,020</u>
Income (Loss) From Operations	<u>(1,086)</u>	<u>(31,667)</u>	<u>(30,581)</u>	<u>(32,803)</u>
Non-operating Revenues (Expenses):				
Investment income	1,086	-	(1,086)	-
Loss on disposal	-	-	-	(20,284)
Total Non-operating Revenues (Expenses)	<u>1,086</u>	<u>-</u>	<u>(1,086)</u>	<u>(20,284)</u>
Net Income (Loss)	-	(31,667)	(31,667)	(53,087)
Retained Earnings (Deficit), Beginning of Year	<u>(649,257)</u>	<u>(649,257)</u>	<u>-</u>	<u>(596,170)</u>
Retained Earnings (Deficit), End of Year	<u>\$ (649,257)</u>	<u>\$ (680,924)</u>	<u>\$ (31,667)</u>	<u>\$ (649,257)</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
SCHOOL SERVICES ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 61,745	\$ 57,166	\$ (4,579)	\$ 59,577
Rental income	5,000	2,861	(2,139)	2,740
Total Operating Revenues	<u>66,745</u>	<u>60,027</u>	<u>(6,718)</u>	<u>62,317</u>
Operating Expenses:				
Operations	60,976	47,795	13,181	42,850
General and administrative	5,969	6,733	(764)	1,246
Total Operating Expenses	<u>66,945</u>	<u>54,528</u>	<u>12,417</u>	<u>44,096</u>
Income (Loss) From Operations	<u>(200)</u>	<u>5,499</u>	<u>5,699</u>	<u>18,221</u>
Non-operating Revenues (Expenses):				
Investment income	-	895	895	1,456
Total Non-operating Revenues (Expenses)	<u>-</u>	<u>895</u>	<u>895</u>	<u>1,456</u>
Net Income (Loss)	<u>(200)</u>	<u>6,394</u>	<u>6,594</u>	<u>19,677</u>
Retained Earnings, Beginning of Year	<u>24,397</u>	<u>24,397</u>	<u>-</u>	<u>4,720</u>
Retained Earnings, End of Year	<u>\$ 24,197</u>	<u>\$ 30,791</u>	<u>\$ 6,594</u>	<u>\$ 24,397</u>

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CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 13,610,391	\$ 14,154,469	\$ 544,078	\$ 12,684,479
Development fees	998,605	964,025	(34,580)	1,760,012
Rental income	270,342	269,194	(1,148)	267,638
Other revenues	76,600	139,056	62,456	87,319
Total Operating Revenues	<u>14,955,938</u>	<u>15,526,744</u>	<u>570,806</u>	<u>14,799,448</u>
Operating Expenses:				
Purchased power	9,388,565	8,597,303	791,262	5,684,650
Operations	4,583,767	3,995,167	588,600	4,475,877
General and administrative	2,737,380	2,607,335	130,045	2,466,364
Depreciation	-	1,134,106	(1,134,106)	1,069,980
Total Operating Expenses	<u>16,709,712</u>	<u>16,333,911</u>	<u>375,801</u>	<u>13,696,871</u>
Income From Operations	<u>(1,753,774)</u>	<u>(807,167)</u>	<u>946,607</u>	<u>1,102,577</u>
Non-operating Revenues (Expenses):				
Intergovernmental grant	60,000	69,500	9,500	-
Investment income	489,586	668,456	178,870	1,647,658
Interest expense	(1,082,413)	(675,981)	406,432	(647,403)
Loss on disposal	-	-	-	(558,576)
Total Non-operating Revenues (Expenses)	<u>(532,827)</u>	<u>61,975</u>	<u>594,802</u>	<u>441,679</u>
Income before Operating Transfers and Capital Contributions	(2,286,601)	(745,192)	1,541,409	1,544,256
Operating transfers in	886,814	792,056	(94,758)	1,259,721
Operating transfers out	(50,800)	(420,347)	(369,547)	(1,571,200)
Net Income Before Capital Contributions	(1,450,587)	(373,483)	1,077,104	1,232,777
Capital Contributions	664,521	1,197,136	532,615	1,414,323
Net Income	(786,066)	823,653	1,609,719	2,647,100
Retained Earnings, Beginning of Year	<u>24,336,835</u>	<u>24,336,835</u>	<u>-</u>	<u>21,689,735</u>
Retained Earnings, End of Year	<u>\$ 23,550,769</u>	<u>\$ 25,160,488</u>	<u>\$ 1,609,719</u>	<u>\$ 24,336,835</u>

CITY OF HEALDSBURG
 COMBINING STATEMENT OF CASH FLOWS
 ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Water	Sewer	Electric
Cash flows from operating activities:			
Operating income (loss)	\$ 940,782	\$ 1,258,520	\$ (2,829,482)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	297,844	461,567	311,980
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(44,799)	523	(160,500)
(Increase) decrease in inventory	11,098	254	32,177
(Increase) decrease in prepaid costs	349	349	(55,155)
Increase (decrease) in accounts payable	113,979	2,067	(187,026)
Increase (decrease) in deposits	3,900	-	(572,476)
Total adjustments	382,371	464,760	(631,000)
Net cash provided (used) by operating activities	1,323,153	1,723,280	(3,460,482)
Cash flows from non-capital financing activities:			
Intergovernmental grant	-	-	69,500
(Increase) decrease in due from other funds	-	-	87,034
Increase (decrease) in due to other funds	-	-	-
Operating transfers in	284,955	-	-
Operating transfers (out)	(2,941)	(337,942)	(2,942)
Net cash provided (used) by non-capital financing activities	282,014	(337,942)	153,592
Cash flows from capital and related financing activities:			
Acquisition of capital assets			
Developer financed	-	-	(834,684)
Capital replacement	(3,456,560)	(1,647,554)	-
Capacity expansion	-	-	-
Contributed capital			
Capital contributions	233,840	410,448	552,848
Certificates of participation proceeds	-	-	-
Retirement of debt	(244,287)	(54,090)	(9,750)
Interest paid	(467,993)	(180,010)	(11,861)
Net cash provided (used) by capital and related financing activities	(3,935,000)	(1,471,206)	(303,447)
Cash flows from investing activities:			
Investment income	280,893	267,700	359,161
Purchase of investments	(357,562)	(222,875)	245,225
Loans repaid	-	-	-
Net cash provided (used) by investing activities	(76,669)	44,825	604,386
Net increase (decrease) in cash and cash equivalents	(2,406,502)	(41,043)	(3,005,951)
Cash and cash equivalents at beginning of year	2,946,999	1,214,913	3,206,038
Cash and cash equivalents at end of year	\$ 540,497	\$ 1,173,870	\$ 200,087
Noncash capital and related financing activities			
Acquisition (disposal) of capital assets	-	-	-
Net noncash capital and related financing activities	\$ -	\$ -	\$ -

Planning & Building	Transit	Airport	Meeting Center	School Services	Totals	
					2002	2001
\$ (40,470)	\$ (131,909)	\$ 21,560	\$ (31,667)	\$ 5,499	\$ (807,167)	\$ 1,102,577
-	-	28,737	33,978	-	1,134,106	1,069,980
-	177	(5,130)	(4,640)	-	(214,369)	(323,428)
-	-	19,384	-	-	62,913	34,757
(1,273)	-	-	-	-	(55,730)	403,201
(17,348)	(328)	(4,944)	2,389	327	(90,884)	252,535
17,039	54	3,501	(7,395)	-	(555,377)	(376,403)
(1,582)	(97)	41,548	24,332	327	280,659	1,060,642
(42,052)	(132,006)	63,108	(7,335)	5,826	(526,508)	2,163,219
-	-	-	-	-	69,500	-
-	-	10,000	-	-	97,034	(1,736,953)
-	(17,196)	(4,100)	7,335	-	(13,961)	1,776,745
88,500	131,998	286,603	-	-	792,056	1,259,721
-	-	(76,522)	-	-	(420,347)	(1,571,200)
88,500	114,802	215,981	7,335	-	524,282	(271,687)
-	-	-	-	-	(834,684)	(792,389)
-	-	(142,620)	-	-	(5,246,734)	(3,366,300)
-	-	-	-	-	-	(69,914)
-	-	-	-	-	1,197,136	1,414,323
-	-	-	-	-	-	12,708,801
-	-	-	-	-	(308,127)	(7,144,750)
-	(1,045)	(4,100)	-	-	(665,009)	(1,092,482)
-	(1,045)	(146,720)	-	-	(5,857,418)	1,657,289
14,335	-	5,405	-	1,120	928,614	1,601,351
(200,000)	-	(100,000)	-	-	(635,212)	(1,054,186)
-	-	-	-	-	-	50,723
(185,665)	-	(94,595)	-	1,120	293,402	597,888
(139,217)	(18,249)	37,774	-	6,946	(5,566,242)	4,146,709
155,142	31,976	40,427	-	29,952	7,625,447	3,478,738
\$ 15,925	\$ 13,727	\$ 78,201	\$ -	\$ 36,898	\$ 2,059,205	\$ 7,625,447
-	-	-	-	-	-	(493,922)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (493,922)

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by organizational units within a governmental jurisdiction for other organizational units within the same governmental jurisdiction. The Internal Service Funds are:

- 1) Insurance and Benefit Service to account for insurance, employee fringe benefits, and accrued compensated absences charged to the individual funds.
- 2) Vehicle Maintenance Service to account for acquisition and maintenance of City vehicles charged to the individual funds.
- 3) Information Services to account for acquisition and maintenance of City data processing equipment and software charged to the individual funds.
- 4) Building Maintenance Service to account for maintenance costs for public buildings maintained by the city charged to the individual funds.

CITY OF HEALDSBURG
 COMBINING BALANCE SHEET
 ALL INTERNAL SERVICE FUNDS
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	Insurance and Benefit	Vehicle Maintenance	Information Services
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 26,450	\$ 32,845	\$ 55,869
Investments	2,600,000	1,343,167	900,000
Receivables:			
Accounts	5,686	377	3,051
Loans	-	-	46,710
Interest	10,126	6,467	3,869
Inventory	-	12,266	2,138
Prepaid costs	-	-	1,589
TOTAL CURRENT ASSETS	<u>2,642,262</u>	<u>1,395,122</u>	<u>1,013,226</u>
FIXED ASSETS (net of accumulated depreciation of \$2,138,207)	-	2,028,444	496,985
TOTAL ASSETS	<u>\$ 2,642,262</u>	<u>\$ 3,423,566</u>	<u>\$ 1,510,211</u>
<u>LIABILITIES AND FUND EQUITY</u>			
CURRENT LIABILITIES:			
Accounts payable	\$ 320,159	\$ 8,642	\$ 33,150
Other accrued liabilities	161,004	-	-
TOTAL CURRENT LIABILITIES	<u>481,163</u>	<u>8,642</u>	<u>33,150</u>
LONG TERM OBLIGATIONS:			
Accrued compensated absences	1,285,823	-	-
TOTAL LIABILITIES	<u>1,766,986</u>	<u>8,642</u>	<u>33,150</u>
FUND EQUITY:			
Contributed capital	-	1,062,225	387,344
Retained earnings:			
Reserved for asset replacement and repair	-	2,335,520	957,676
Reserved for Inventory and prepaid costs	-	12,266	3,727
Reserved for litigation	200,000	-	-
Reserved for encumbrances	-	4,913	128,314
Unreserved	675,276	-	-
TOTAL FUND EQUITY	<u>875,276</u>	<u>3,414,924</u>	<u>1,477,061</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 2,642,262</u>	<u>\$ 3,423,566</u>	<u>\$ 1,510,211</u>

Building Maintenance	Totals	
	2002	2001
\$ 39,402	\$ 154,566	\$ 606,696
-	4,843,167	4,443,167
-	9,114	61,111
-	46,710	39,219
-	20,462	76,113
-	14,404	20,751
18,446	20,035	26,326
<u>57,848</u>	<u>5,108,458</u>	<u>5,273,383</u>
-	2,525,429	2,271,225
<u>\$ 57,848</u>	<u>\$ 7,633,887</u>	<u>\$ 7,544,608</u>

\$ 29,226	\$ 391,177	\$ 444,163
-	161,004	123,562
<u>29,226</u>	<u>552,181</u>	<u>567,725</u>

-	1,285,823	1,214,276
<u>29,226</u>	<u>1,838,004</u>	<u>1,782,001</u>

-	1,449,569	1,449,569
27,581	3,320,777	3,247,271
-	15,993	45,506
-	200,000	200,000
1,041	134,268	73,171
-	675,276	747,090
<u>28,622</u>	<u>5,795,883</u>	<u>5,762,607</u>

<u>\$ 57,848</u>	<u>\$ 7,633,887</u>	<u>\$ 7,544,608</u>
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CITY OF HEALDSBURG
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS - ALL INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Insurance and Benefit	Vehicle Maintenance	Information Services
Operating Revenues:			
Charges for services	\$ 2,497,702	\$ 328,858	\$ 374,149
Replacement fees	-	202,330	302,432
Other revenues	127,531	-	4,175
Total Operating Revenues	<u>2,625,233</u>	<u>531,188</u>	<u>680,756</u>
Operating Expenses:			
Operations	-	389,309	625,643
General and administrative	5,809	11,013	54,748
Depreciation	-	304,900	116,679
Benefits and insurance	2,770,962	-	-
Total Operating Expenses	<u>2,776,771</u>	<u>705,222</u>	<u>797,070</u>
Income (Loss) from Operations	<u>(151,538)</u>	<u>(174,034)</u>	<u>(116,314)</u>
Non-operating Revenues (Expenses):			
Intergovernmental grant	-	-	-
Investment income	68,570	43,793	26,458
Gain (Loss) on disposal of assets	-	-	244
Total Non-operating Revenues (Expenses)	<u>68,570</u>	<u>43,793</u>	<u>26,702</u>
Income (Loss) before Operating Transfers	(82,968)	(130,241)	(89,612)
Operating transfers in	<u>-</u>	<u>239,414</u>	<u>80,000</u>
Net Income (Loss)	(82,968)	109,173	(9,612)
Retained Earnings, Beginning of Year	<u>958,244</u>	<u>2,243,526</u>	<u>1,099,329</u>
Retained Earnings, End of Year	<u>\$ 875,276</u>	<u>\$ 2,352,699</u>	<u>\$ 1,089,717</u>

Building Maintenance	Totals	
	2002	2001
\$ 565,379	\$ 3,766,088	\$ 3,547,597
-	504,762	484,568
20,000	151,706	176,534
<u>585,379</u>	<u>4,422,556</u>	<u>4,208,699</u>
562,746	1,577,698	1,465,069
5,950	77,520	72,727
-	421,579	323,926
-	2,770,962	2,906,979
<u>568,696</u>	<u>4,847,759</u>	<u>4,768,701</u>
16,683	(425,203)	(560,002)
-	-	51,579
-	138,821	309,160
-	244	(167,556)
<u>-</u>	<u>139,065</u>	<u>193,183</u>
16,683	(286,138)	(366,819)
<u>-</u>	<u>319,414</u>	<u>136,310</u>
16,683	33,276	(230,509)
<u>11,939</u>	<u>4,313,038</u>	<u>4,543,547</u>
<u>\$ 28,622</u>	<u>\$ 4,346,314</u>	<u>\$ 4,313,038</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
INSURANCE AND BENEFIT INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 2,505,878	\$ 2,497,702	\$ (8,176)	\$ 2,371,520
Other revenues	-	127,531	127,531	161,534
Total Operating Revenues	<u>2,505,878</u>	<u>2,625,233</u>	<u>119,355</u>	<u>2,533,054</u>
Operating Expenses:				
General and administrative	-	5,809	(5,809)	5,904
Benefits and insurance	2,716,378	2,770,962	(54,584)	2,906,979
Total Operating Expenses	<u>2,716,378</u>	<u>2,776,771</u>	<u>(60,393)</u>	<u>2,912,883</u>
(Loss) from Operations	<u>(210,500)</u>	<u>(151,538)</u>	<u>58,962</u>	<u>(379,829)</u>
Non-operating Revenues :				
Investment income	80,000	68,570	(11,430)	148,624
Total Non-operating Revenues	<u>80,000</u>	<u>68,570</u>	<u>(11,430)</u>	<u>148,624</u>
Net Income (Loss)	(130,500)	(82,968)	47,532	(231,205)
Retained Earnings, Beginning of Year	<u>958,244</u>	<u>958,244</u>	<u>-</u>	<u>1,189,449</u>
Retained Earnings, End of Year	<u>\$ 827,744</u>	<u>\$ 875,276</u>	<u>\$ 47,532</u>	<u>\$ 958,244</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
VEHICLE MAINTENANCE INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 324,357	\$ 328,858	\$ 4,501	\$ 281,827
Replacement fees	219,816	202,330	(17,486)	206,255
Total Operating Revenues	<u>544,173</u>	<u>531,188</u>	<u>(12,985)</u>	<u>488,082</u>
Operating Expenses:				
Operations	890,231	389,309	500,922	367,291
General and administrative	8,885	11,013	(2,128)	9,420
Depreciation	-	304,900	(304,900)	220,295
Total Operating Expenses	<u>899,116</u>	<u>705,222</u>	<u>193,894</u>	<u>597,006</u>
Income (Loss) from Operations	<u>(354,943)</u>	<u>(174,034)</u>	<u>180,909</u>	<u>(108,924)</u>
Non-operating Revenues (Expenses):				
Investment income	90,000	43,793	(46,207)	110,822
Loss on disposal of assets	-	-	-	(1,583)
Total Non-operating Revenues	<u>90,000</u>	<u>43,793</u>	<u>(46,207)</u>	<u>109,239</u>
Income (Loss) before Operating Transfers	(264,943)	(130,241)	134,702	315
Operating transfers in	<u>135,000</u>	<u>239,414</u>	<u>104,414</u>	<u>-</u>
Net Income (Loss)	(129,943)	109,173	239,116	315
Retained Earnings, Beginning of Year	<u>2,243,526</u>	<u>2,243,526</u>	<u>-</u>	<u>2,243,211</u>
Retained Earnings, End of Year	<u>\$ 2,113,583</u>	<u>\$ 2,352,699</u>	<u>\$ 239,116</u>	<u>\$ 2,243,526</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
INFORMATION SERVICES INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 347,080	\$ 374,149	\$ 27,069	\$ 355,633
Replacement fees	283,335	302,432	19,097	278,313
Other revenues	-	4,175	4,175	-
Total Operating Revenues	<u>630,415</u>	<u>680,756</u>	<u>50,341</u>	<u>633,946</u>
Operating Expenses:				
Operations	820,001	625,643	194,358	516,093
General and administrative	56,282	54,748	1,534	49,161
Depreciation	-	116,679	(116,679)	103,631
Total Operating Expenses	<u>876,283</u>	<u>797,070</u>	<u>79,213</u>	<u>668,885</u>
Income (Loss) from Operations	<u>(245,868)</u>	<u>(116,314)</u>	<u>129,554</u>	<u>(34,939)</u>
Non-operating Revenues (Expenses):				
Intergovernmental grant	-	-	-	51,579
Investment income	20,000	26,458	6,458	49,714
Gain (Loss) on disposal of assets	-	244	244	(165,973)
Total Non-operating Revenues	<u>20,000</u>	<u>26,702</u>	<u>6,702</u>	<u>(64,680)</u>
Income (Loss) before Operating Transfers	<u>(225,868)</u>	<u>(89,612)</u>	<u>136,256</u>	<u>(99,619)</u>
Operating transfers in	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>100,000</u>
Net Income (Loss)	<u>(145,868)</u>	<u>(9,612)</u>	<u>136,256</u>	<u>381</u>
Retained Earnings, Beginning of Year	<u>1,099,329</u>	<u>1,099,329</u>	<u>-</u>	<u>1,098,948</u>
Retained Earnings, End of Year	<u>\$ 953,461</u>	<u>\$ 1,089,717</u>	<u>\$ 136,256</u>	<u>\$ 1,099,329</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
BUILDING MAINTENANCE INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 561,630	\$ 565,379	\$ 3,749	\$ 538,617
Other revenues	20,000	20,000	-	15,000
Total Operating Revenues	<u>581,630</u>	<u>585,379</u>	<u>3,749</u>	<u>553,617</u>
Operating Expenses:				
Operations	553,630	562,746	(9,116)	581,685
General and administrative	8,000	5,950	2,050	8,242
Total Operating Expenses	<u>561,630</u>	<u>568,696</u>	<u>(7,066)</u>	<u>589,927</u>
Income (Loss) from Operations	20,000	16,683	(3,317)	(36,310)
Operating transfers in	-	-	-	36,310
Net Income	20,000	16,683	(3,317)	-
Retained Earnings, Beginning of Year	<u>11,939</u>	<u>11,939</u>	-	<u>11,939</u>
Retained Earnings, End of Year	<u>\$ 31,939</u>	<u>\$ 28,622</u>	<u>\$ (3,317)</u>	<u>\$ 11,939</u>

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CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (GAAP BASIS) AND ACTUAL
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Operating Revenues:				
Charges for services	\$ 3,738,945	\$ 3,766,088	\$ 27,143	\$ 3,547,597
Replacement fees	503,151	504,762	1,611	484,568
Other revenues	20,000	151,706	131,706	176,534
Total Operating Revenues	<u>4,262,096</u>	<u>4,422,556</u>	<u>160,460</u>	<u>4,208,699</u>
Operating Expenses:				
Operations	2,263,862	1,577,698	686,164	1,465,069
General and administrative	73,167	77,520	(4,353)	72,727
Depreciation	-	421,579	(421,579)	323,926
Benefits and insurance	2,716,378	2,770,962	(54,584)	2,906,979
Total Operating Expenses	<u>5,053,407</u>	<u>4,847,759</u>	<u>205,648</u>	<u>4,768,701</u>
Income (Loss) from Operations	<u>(791,311)</u>	<u>(425,203)</u>	<u>366,108</u>	<u>(560,002)</u>
Non-operating Revenues (Expenses):				
Intergovernmental grant	-	-	-	51,579
Investment income	190,000	138,821	(51,179)	309,160
Gain (Loss) on disposal of assets	-	244	244	(167,556)
Total Non-operating Revenues	<u>190,000</u>	<u>139,065</u>	<u>(50,935)</u>	<u>193,183</u>
Income (Loss) before Operating Transfers	<u>(601,311)</u>	<u>(286,138)</u>	<u>315,173</u>	<u>(366,819)</u>
Operating Transfers in	<u>215,000</u>	<u>319,414</u>	<u>104,414</u>	<u>136,310</u>
Net Income (Loss)	<u>(386,311)</u>	<u>33,276</u>	<u>419,587</u>	<u>(230,509)</u>
Retained Earnings, Beginning of Year	<u>4,313,038</u>	<u>4,313,038</u>	<u>-</u>	<u>4,543,547</u>
Retained Earnings, End of Year	<u>\$ 3,926,727</u>	<u>\$ 4,346,314</u>	<u>\$ 419,587</u>	<u>\$ 4,313,038</u>

CITY OF HEALDSBURG
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Insurance and Benefit	Vehicle Maintenance	Information Services
Cash flows from operating activities:			
Operating income (loss)	\$ (151,538)	\$ (174,034)	\$ (116,314)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	304,900	116,679
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(5,391)	8,859	48,528
(Increase) decrease in due from other governments	-	-	-
(Increase) decrease in inventory	-	5,355	992
(Increase) decrease in prepaid costs	11,154	-	73
Increase (decrease) in accounts payable	(62,891)	(6,330)	13,174
Increase (decrease) in other accrued liabilities	108,990	-	-
Total adjustments	<u>51,862</u>	<u>312,784</u>	<u>179,446</u>
Net cash provided (used) by operating activities	<u>(99,676)</u>	<u>138,750</u>	<u>63,132</u>
Cash flows from non-capital financing activities:			
Intergovernmental grant	-	-	-
Operating transfers in	-	239,414	80,000
Net cash provided by non-capital financing activities	<u>-</u>	<u>239,414</u>	<u>80,000</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets			
Capital replacement	-	(586,837)	(88,703)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(586,837)</u>	<u>(88,703)</u>
Cash flows from investing activities:			
Investment income	94,969	64,561	34,942
(Purchase) Sale of investments	(350,000)	150,000	(200,000)
Loan disbursed	-	-	(7,491)
Net cash provided (used) by investing activities	<u>(255,031)</u>	<u>214,561</u>	<u>(172,549)</u>
Net increase (decrease) in cash and cash equivalents	(354,707)	5,888	(118,120)
Cash and cash equivalents at beginning of year	<u>381,157</u>	<u>26,957</u>	<u>173,989</u>
Cash and cash equivalents at end of year	<u>\$ 26,450</u>	<u>\$ 32,845</u>	<u>\$ 55,869</u>
Noncash capital and related financing activities			
Acquisition (disposal) of capital assets	-	-	-
Net noncash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Building Maintenance	Totals	
	2002	2001
\$ 16,683	\$ (425,203)	\$ (560,002)
-	421,579	323,926
-	51,996	(58,271)
-	-	11,926
-	6,347	(52)
(4,935)	6,292	(11,268)
3,061	(52,986)	184,552
-	108,990	155,645
(1,874)	542,218	606,458
14,809	117,015	46,456
-	-	51,579
-	319,414	136,310
-	319,414	187,889
-	(675,540)	(611,496)
-	(675,540)	(611,496)
-	194,472	311,494
-	(400,000)	(1,178,667)
-	(7,491)	(790)
-	(213,019)	(867,963)
14,809	(452,130)	(1,245,114)
24,593	606,696	1,851,810
\$ 39,402	\$ 154,566	\$ 606,696
-	-	(167,556)
\$ -	\$ -	\$ (167,556)

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TRUST FUNDS

The Trust Funds are used to account for assets held by the City in a fiduciary capacity for individuals, governmental entities and others. Such funds are operated by carrying out the specifications of trust indentures, statutes, ordinances or other governing regulations. The various funds are:

Expendable Trust:

- | | |
|---|---|
| 1) Industrial Development Authority | to account for and administer funds of the Industrial Development Authority. |
| 2) Community Redevelopment Agency
Downtown Business District (DBD) | to account for and administer funds of the Downtown Business District. |
| 3) Senior Center Trust | to account for and administer funds of the Senior Center Trust. |
| 4) Community Benefit Trust | to account for and administer funds of the Community Benefit Trust. |
| 5) Plaza Flowers Veterans Trust | to account for and administer funds for purchasing flowers for the Plaza to honor Veterans. |

Non-Expendable Trust:

- | | |
|-------------------|---|
| 1) Cultural Trust | to account for and administer funds of the Cultural Center Trust. |
|-------------------|---|

CITY OF HEALDSBURG
 COMBINING BALANCE SHEET
 TRUST FUNDS
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	Expendable Trust Funds			
	Industrial Development Authority	Community Redevelopment Agency DBD	Senior Center Trust	Community Benefit Trust
<u>ASSETS</u>				
Cash and cash equivalents	\$ 5,075	\$ 33,877	\$ 95,819	\$ 84,947
Investments	-	-	-	600,000
Receivables:				
Interest	22	50	397	2,880
TOTAL ASSETS	<u>\$ 5,097</u>	<u>\$ 33,927</u>	<u>\$ 96,216</u>	<u>\$ 687,827</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits	-	2,206	-	-
TOTAL LIABILITIES	<u>-</u>	<u>2,206</u>	<u>-</u>	<u>-</u>
 <u>FUND BALANCES:</u>				
Unreserved, designated for specific projects and programs	<u>5,097</u>	<u>31,721</u>	<u>96,216</u>	<u>687,827</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,097</u>	<u>\$ 33,927</u>	<u>\$ 96,216</u>	<u>\$ 687,827</u>

Plaza Flowers Veterans Trust	Non-Expendable Trust Fund		Totals	
	Cultural Trust		2002	2001
\$ 4,113	\$ 94,276	\$ 318,107	\$ 293,043	
-	3,451	603,451	603,451	
18	426	3,793	13,694	
<u>\$ 4,131</u>	<u>\$ 98,153</u>	<u>\$ 925,351</u>	<u>\$ 910,188</u>	
\$ 161	\$ -	\$ 161	\$ 15,000	
-	-	2,206	2,206	
<u>161</u>	<u>-</u>	<u>2,367</u>	<u>17,206</u>	
<u>3,970</u>	<u>98,153</u>	<u>922,984</u>	<u>892,982</u>	
<u>\$ 4,131</u>	<u>\$ 98,153</u>	<u>\$ 925,351</u>	<u>\$ 910,188</u>	

CITY OF HEALDSBURG
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - EXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Industrial Development Authority	Community Redevelopment Agency DBD	Senior Center Trust
Revenues:			
Contributions	\$ -	\$ 29,050	\$ -
Investment income	145	342	2,686
Fees and charges	-	20,000	4,602
Total Revenues	<u>145</u>	<u>49,392</u>	<u>7,288</u>
Expenditures:			
Community development	-	43,166	133
Total Expenditures	<u>-</u>	<u>43,166</u>	<u>133</u>
Income (Loss) before Operating Transfers	145	6,226	7,155
Operating transfers in	-	-	-
Net Income (Loss)	145	6,226	7,155
Fund Balances, Beginning of Year	<u>4,952</u>	<u>25,495</u>	<u>89,061</u>
Fund Balances, End of Year	<u>\$ 5,097</u>	<u>\$ 31,721</u>	<u>\$ 96,216</u>

Community Benefit Trust	Plaza Flowers Veterans Trust	Totals	
		2002	2001
\$ -	\$ -	\$ 29,050	\$ 27,092
19,500	119	22,792	49,283
-	-	24,602	30,321
<u>19,500</u>	<u>119</u>	<u>76,444</u>	<u>106,696</u>
49,072	214	92,585	101,648
<u>49,072</u>	<u>214</u>	<u>92,585</u>	<u>101,648</u>
(29,572)	(95)	(16,141)	5,048
<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
20,428	(95)	33,859	55,048
<u>667,399</u>	<u>4,065</u>	<u>790,972</u>	<u>735,924</u>
<u>\$ 687,827</u>	<u>\$ 3,970</u>	<u>\$ 824,831</u>	<u>\$ 790,972</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY DBD EXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
Revenues:				
Contributions	\$ 24,000	\$ 29,050	\$ 5,050	\$ 27,092
Investment income	1,000	342	(658)	1,899
Fees and charges	20,000	20,000	-	20,000
Total Revenues	<u>45,000</u>	<u>49,392</u>	<u>4,392</u>	<u>48,991</u>
Expenditures:				
Community development	<u>48,000</u>	<u>43,166</u>	<u>4,834</u>	<u>48,318</u>
Net Income (Loss)	(3,000)	6,226	9,226	673
Fund Balance, Beginning of Year	<u>25,495</u>	<u>25,495</u>	<u>-</u>	<u>24,822</u>
Fund Balance, End of Year	<u>\$ 22,495</u>	<u>\$ 31,721</u>	<u>\$ 9,226</u>	<u>\$ 25,495</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY BENEFIT EXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>2001 Actual</u>
Revenues:				
Investment income	\$ 40,000	\$ 19,500	\$ (20,500)	\$ 41,697
Expenditures:				
Community development	-	49,072	(49,072)	53,257
Income (Loss) before Operating Transfers	40,000	(29,572)	(69,572)	(11,560)
Operating transfers in	50,000	50,000	-	50,000
Net Income	90,000	20,428	(69,572)	38,440
Fund Balance, Beginning of Year	667,399	667,399	-	628,959
Fund Balance, End of Year	<u>\$ 757,399</u>	<u>\$ 687,827</u>	<u>\$ (69,572)</u>	<u>\$ 667,399</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
ALL BUDGETED EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>2001 Actual</u>
Revenues:				
Contributions	\$ 24,000	\$ 29,050	\$ 5,050	\$ 27,092
Investment income	41,000	19,842	(21,158)	43,596
Fees and charges	20,000	20,000	-	20,000
Total Revenues	<u>85,000</u>	<u>68,892</u>	<u>(16,108)</u>	<u>90,688</u>
Expenditures:				
Community development	<u>48,000</u>	<u>92,238</u>	<u>44,238</u>	<u>101,575</u>
Income (Loss) before Operating Transfers	37,000	(23,346)	(60,346)	(10,887)
Operating transfers in	50,000	50,000	-	50,000
Net Income	87,000	26,654	(60,346)	39,113
Fund Balance, Beginning of Year	<u>692,894</u>	<u>692,894</u>	<u>-</u>	<u>653,781</u>
Fund Balance, End of Year	<u>\$ 779,894</u>	<u>\$ 719,548</u>	<u>\$ (60,346)</u>	<u>\$ 692,894</u>

CITY OF HEALDSBURG
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
NON-EXPENDABLE CULTURAL TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
Operating revenues:				
Investment income	\$ -	\$ 2,886	\$ 2,886	\$ 6,749
Operating expenses :				
Miscellaneous	-	6,743	(6,743)	3,882
Operating income (loss)	-	(3,857)	(3,857)	2,867
Fund Balance, Beginning of Year	<u>102,010</u>	<u>102,010</u>	<u>-</u>	<u>99,143</u>
Fund Balance, End of Year	<u>\$ 102,010</u>	<u>\$ 98,153</u>	<u>\$ (3,857)</u>	<u>\$ 102,010</u>

CITY OF HEALDSBURG
 COMPARATIVE STATEMENTS OF CASH FLOWS
 NON-EXPENDABLE CULTURAL TRUST FUND
 FOR THE YEARS ENDED JUNE 30, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Operating income (loss)	\$ (3,857)	\$ 2,867
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Investment income	(2,886)	(6,749)
Net cash used by operating activities	(6,743)	(3,882)
Cash flows from investing activities:		
Investment income	4,042	6,734
Proceeds from sale of investments	-	3,578
Purchase of investments	-	(3,451)
Net cash provided by investing activities	4,042	6,861
Net increase (decrease) in cash and cash equivalents	(2,701)	2,979
Cash and cash equivalents at beginning of year	96,977	93,998
Cash and cash equivalents at end of year	\$ 94,276	\$ 96,977

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CITY OF HEALDSBURG
 SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCES
 ALL GENERAL FIXED ASSETS ACCOUNT GROUP
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	City	Community Redevelopment Agency	Totals	
			2002	2001
General Fixed Assets:				
Land and improvements	\$ 4,479,928	\$ 3,838,373	\$ 8,318,301	\$ 7,236,577
Public buildings	10,169,894	-	10,169,894	10,159,939
Streets and bridges	20,410,842	-	20,410,842	18,904,062
Parking lots	-	1,143,453	1,143,453	1,200,595
Capital lease assets	1,013,927	-	1,013,927	1,013,927
Other equipment	634,959	-	634,959	593,559
Construction in progress	2,623,884	369,809	2,993,693	2,236,696
Total General Fixed Assets	\$ 39,333,434	\$ 5,351,635	\$ 44,685,069	\$ 41,345,355
Investment in General Fixed Assets from:				
General fund	\$ 746,916	\$ -	\$ 746,916	\$ 746,916
Special revenue funds	700,474	-	700,474	700,474
Capital projects funds	22,622,190	5,351,635	27,973,825	25,909,099
Contributions	13,739,486	-	13,739,486	12,464,497
Expendable trust funds	1,350	-	1,350	-
Assets acquired prior to July 1, 1979	1,523,018	-	1,523,018	1,524,369
Investment in General Fixed Assets	\$ 39,333,434	\$ 5,351,635	\$ 44,685,069	\$ 41,345,355

CITY OF HEALDSBURG
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY SOURCES
GENERAL FIXED ASSETS ACCOUNT GROUP
FOR THE YEAR ENDED JUNE 30, 2002

	<u>Land and Improvements</u>	<u>Public Buildings</u>	<u>Streets and Bridges</u>
<u>General Fixed Assets - City</u>			
Investments in General Fixed Assets - July 1, 2001	\$ 4,327,351	\$ 10,159,939	\$ 18,904,062
Additions:			
General fund	-	-	-
Capital projects fund	152,577	9,955	231,791
Contributions	-	-	1,274,989
Transfers	-	-	-
Total Additions	<u>152,577</u>	<u>9,955</u>	<u>1,506,780</u>
Deletions:			
Asset retirements	-	-	-
Transfers	-	-	-
Total Deletions	<u>-</u>	<u>-</u>	<u>-</u>
Investment in General Fixed Assets - June 30, 2002	<u>\$ 4,479,928</u>	<u>\$ 10,169,894</u>	<u>\$ 20,410,842</u>
<u>General Fixed Assets - Community Redevelopment Agency</u>			
Investments in General Fixed Assets - July 1, 2001	\$ 2,909,226	\$ -	\$ -
Additions:			
Capital projects fund	929,147	-	-
Transfers	-	-	-
Total Additions	<u>929,147</u>	<u>-</u>	<u>-</u>
Deletions:			
Asset retirements	-	-	-
Transfers	-	-	-
Total Deletions	<u>-</u>	<u>-</u>	<u>-</u>
Investment in General Fixed Assets - June 30, 2002	<u>\$ 3,838,373</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Parking Lots</u>	<u>Capital Lease Assets</u>	<u>Other Equipment</u>	<u>Improvements other than Buildings</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ -	\$ 1,013,927	\$ 593,559	\$ -	\$ 2,236,696	\$ 37,235,534
-	-	-	-	-	-
-	-	41,400	-	1,055,017	1,490,740
-	-	-	-	-	1,274,989
-	-	-	-	-	-
-	-	41,400	-	1,055,017	2,765,729
-	-	-	-	-	-
-	-	-	-	667,829	667,829
-	-	-	-	667,829	667,829
\$ -	\$ 1,013,927	\$ 634,959	\$ -	\$ 2,623,884	\$ 39,333,434
\$ 1,200,595	\$ -	\$ -	\$ -	\$ -	\$ 4,109,821
-	-	-	-	1,066,850	1,995,997
-	-	-	-	232,106	232,106
-	-	-	-	1,298,956	2,228,103
57,142	-	-	-	-	57,142
-	-	-	-	929,147	929,147
57,142	-	-	-	929,147	986,289
\$ 1,143,453	\$ -	\$ -	\$ -	\$ 369,809	\$ 5,351,635

CITY OF HEALDSBURG
 COMBINING SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY SOURCES
 GENERAL FIXED ASSETS ACCOUNT GROUP
 FOR THE YEAR ENDED JUNE 30, 2001

	<u>Land and Improvements</u>	<u>Public Buildings</u>	<u>Streets and Bridges</u>
<u>General Fixed Assets - All General Fixed Assets Account Group</u>			
Investments in General Fixed Assets - July 1, 2001	<u>\$ 7,236,577</u>	<u>\$ 10,159,939</u>	<u>\$ 18,904,062</u>
Additions:			
General fund	-	-	-
Capital projects fund	1,081,724	9,955	231,791
Contributions	-	-	1,274,989
Transfers	-	-	-
Total Additions	<u>1,081,724</u>	<u>9,955</u>	<u>1,506,780</u>
Deletions:			
Asset retirements	-	-	-
Transfers	-	-	-
Total Deletions	<u>-</u>	<u>-</u>	<u>-</u>
Investment in General Fixed Assets - June 30, 2002	<u>\$ 8,318,301</u>	<u>\$ 10,169,894</u>	<u>\$ 20,410,842</u>

<u>Parking Lots</u>	<u>Capital Lease Assets</u>	<u>Other Equipment</u>	<u>Improvements other than Buildings</u>	<u>Construction in Progress</u>	<u>Total</u>
<u>\$ 1,200,595</u>	<u>\$ 1,013,927</u>	<u>\$ 593,559</u>	<u>\$ -</u>	<u>\$ 2,236,696</u>	<u>\$ 41,345,355</u>
-	-	-	-	-	-
-	-	41,400	-	2,121,867	3,486,737
-	-	-	-	-	1,274,989
-	-	-	-	232,106	232,106
-	-	<u>41,400</u>	-	<u>2,353,973</u>	<u>4,993,832</u>
57,142	-	-	-	-	57,142
-	-	-	-	1,596,976	1,596,976
<u>57,142</u>	-	-	-	<u>1,596,976</u>	<u>1,654,118</u>
<u>\$ 1,143,453</u>	<u>\$ 1,013,927</u>	<u>\$ 634,959</u>	<u>\$ -</u>	<u>\$ 2,993,693</u>	<u>\$ 44,685,069</u>

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CITY OF HEALDSBURG
SCHEDULE OF GENERAL LONG-TERM DEBT
JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	<u>City</u>	<u>Community Redevelopment Agency</u>	<u>Special Assessment</u>
<u>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT</u>			
Amount available in Debt Service Funds	\$ 537,700	\$ 1,807,438	\$ 665,017
Amount to be provided for retirement of general long-term debt	5,610,300	21,884,562	1,794,983
Total Available and to be provided	<u>\$ 6,148,000</u>	<u>\$ 23,692,000</u>	<u>\$ 2,460,000</u>
 <u>GENERAL LONG-TERM DEBT</u>			
General obligation bonds	\$ 5,945,000	\$ -	\$ -
Tax allocation notes and bonds	-	23,475,000	-
Certificates of participation	203,000	217,000	-
Special assessment debt with governmental commitment	-	-	2,460,000
Total General Long-Term Debt	<u>\$ 6,148,000</u>	<u>\$ 23,692,000</u>	<u>\$ 2,460,000</u>

Totals

<u>2002</u>	<u>2001</u>
\$ 3,010,155	\$ 1,898,177
29,289,845	13,961,823
<u>\$ 32,300,000</u>	<u>\$ 15,860,000</u>

\$ 5,945,000	\$ 6,135,000
23,475,000	3,620,000
420,000	3,350,000
2,460,000	2,755,000
<u>\$ 32,300,000</u>	<u>\$ 15,860,000</u>

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STATISTICAL SECTION
FISCAL YEAR 2001-2002

CITY OF HEALDSBURG
GENERAL REVENUES BY SOURCE*
LAST TEN FISCAL YEARS

REVENUES	1992-93	1993-94	1994-95	1995-96
Property taxes	\$ 1,027,955	\$ 595,776	\$ 583,291	\$ 591,724
Special assessments	360,243	148,298	7,626	181,942
Sales and franchise taxes	2,382,864	2,394,469	2,520,291	2,714,278
Development fees & permits	239,396	247,864	909,905	841,895
Investment income	304,869	311,381	295,005	368,447
Intergovernmental revenues	852,148	750,633	947,203	987,498
Charges for services	130,591	143,544	78,772	118,135
Other revenue	23,214	471,587	813,962	1,370,155
Subtotal	<u>5,321,280</u>	<u>5,063,552</u>	<u>6,156,055</u>	<u>7,174,074</u>
Debt financing	-	4,175,000	-	2,612,701
Total Revenues	<u>\$ 5,321,280</u>	<u>\$ 9,238,552</u>	<u>\$ 6,156,055</u>	<u>\$ 9,786,775</u>

GENERAL EXPENDITURES BY FUNCTION*
LAST TEN FISCAL YEARS

EXPENDITURES	1992-93	1993-94	1994-95	1995-96
General government	\$ 351,272	\$ 242,993	\$ 176,826	\$ 204,107
Public safety	2,197,428	2,322,796	2,610,168	2,756,034
Community development	344,062	316,208	464,233	267,373
Public works	141,521	151,206	102,397	136,947
Cultural and recreation	410,335	385,841	232,370	286,133
Capital outlay	1,108,683	1,974,087	1,682,696	2,072,609
Debt service (Including note redemption)	691,710	4,856,200	710,013	802,172
Other expenditures	3,737	510,057	1,020,484	440,082
Total Expenditures	<u>\$ 5,248,748</u>	<u>\$ 10,759,388</u>	<u>\$ 6,999,187</u>	<u>\$ 6,965,457</u>

* Includes all governmental fund types of the City, except for the revenues and expenditures of the Community Redevelopment Agency and Expendable Trust Funds.

Source: The City's annual financial statements.

<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 628,493	\$ 636,989	\$ 681,395	\$ 976,372	\$ 1,094,489	\$ 1,270,617
217,145	287,436	471,013	425,696	385,152	424,321
2,839,887	2,869,372	2,897,593	3,328,149	3,697,606	3,915,318
1,359,596	790,474	1,074,368	1,376,556	564,113	142,675
340,793	288,123	290,052	425,102	798,823	316,559
840,506	1,071,011	1,515,698	1,339,619	1,570,120	2,073,657
151,192	108,686	118,930	290,240	264,751	270,913
49,554	704,619	1,129,076	495,107	699,103	905,273
<u>6,427,166</u>	<u>6,756,710</u>	<u>8,178,125</u>	<u>8,656,841</u>	<u>9,074,157</u>	<u>9,319,333</u>
<u>1,280,266</u>	<u>2,675,000</u>	-	-	-	-
<u>\$ 7,707,432</u>	<u>\$ 9,431,710</u>	<u>\$ 8,178,125</u>	<u>\$ 8,656,841</u>	<u>\$ 9,074,157</u>	<u>\$ 9,319,333</u>

<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 282,285	\$ 301,790	\$ 347,728	\$ 353,450	\$ 465,798	\$ 733,522
2,933,313	3,262,318	3,479,962	3,531,101	3,833,197	4,058,757
391,317	553,352	598,295	510,129	8,893	5,180
147,750	151,934	150,897	511,008	551,717	584,390
307,626	370,477	408,636	475,404	534,290	576,737
3,735,970	342,721	824,417	2,327,136	2,132,504	2,172,396
851,263	980,651	878,738	983,690	937,439	1,040,942
886,985	3,632,620	933,824	-	-	-
<u>\$ 9,536,509</u>	<u>\$ 9,595,863</u>	<u>\$ 7,622,497</u>	<u>\$ 8,691,918</u>	<u>\$ 8,463,838</u>	<u>\$ 9,171,924</u>

CITY OF HEALDSBURG
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Code Area Tax Rate</u>	<u>Secured Taxes Levied</u>	<u>Secured Current Collections</u>	<u>Percent of Levy Collected</u>	<u>Total Taxes Collected</u>
92-93	1.0899%	871,053	871,053	100.0%	1,035,332
93-94	1.0594%	533,663 *	533,663	100.0%	727,349
94-95	1.0582%	535,241	535,241	100.0%	564,275
95-96	1.1105%	544,779	544,779	100.0%	573,069
96-97	1.1086%	558,520	558,520	100.0%	583,180
97-98	1.1421%	579,792	579,792	100.0%	651,949
98-99	1.1357%	607,717	607,717	100.0%	714,579
99-00	1.1446%	797,403	797,403	100.0%	997,576
00-01	1.1410%	860,290	860,290	100.0%	1,120,640
01-02	1.1420%	950,940	950,940	100.0%	1,293,268

Note: Proposition 13 limits cities to levying a tax rate for bonded indebtedness only after 1978.

* Total secured levy of \$948,982.37 less redevelopment levy of \$413,622.44

Source: County of Sonoma, Auditor

CITY OF HEALDSBURG
 ASSESSED VALUATION OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year	Net Secured Property	Net Unsecured Property	Net Public Utility	Total Exemptions	Net Taxable Value
92-93	477,144,831	37,089,391	1,691,892	13,696,200	490,574,648
93-94	503,928,809	37,467,326	1,655,285	13,921,600	543,051,420
94-95	541,953,376	38,359,095	1,345,723	9,680,587	581,658,194
95-96	558,520,102	37,953,190	1,380,877	11,042,980	597,854,169
96-97	569,511,034	38,728,964	1,380,877	13,889,167	609,620,875
97-98	572,653,669	35,438,083	-	14,800,591	608,091,752
98-99	603,410,485	40,247,869	-	15,021,297	643,658,354
99-00	651,239,458	49,434,716	-	15,925,564	700,674,174
00-01	720,440,878	56,070,265	-	14,401,380	776,511,143
01-02	840,902,505	55,848,269	-	14,726,600	896,750,774

Source: County of Sonoma, Auditor

CITY OF HEALDSBURG
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>City Debt Service</u>	<u>County Prop. 13 Tax Rate</u>	<u>School Dist. Debt Service</u>
92-93	0.0800	1.0	0.0034
93-94	0.0500	1.0	0.0034
94-95	0.0500	1.0	0.0022
95-96	0.0500	1.0	0.0546
96-97	0.0500	1.0	0.0526
97-98	0.0500	1.0	0.0862
98-99	0.0500	1.0	0.0797
99-00	0.0700	1.0	0.0686
00-01	0.0700	1.0	0.0650
01-02	0.0700	1.0	0.0650

Tax rate is per \$100 assessed valuation.

Source: County of Sonoma, Auditor

<u>Russian River Project</u>	<u>Coyote Valley Dam Land Improvement</u>	<u>Total</u>
0.0060 %	0.0011 %	1.0905 %
0.0060	0.0005	1.0599
0.0060	0.0004	1.0586
0.0060	0.0001	1.1106
0.0060	0.0000	1.1085
0.0060	0.0000	1.1421
0.0060	0.0000	1.1357
0.0060	0.0000	1.1446
0.0060	0.0000	1.1410
0.0070	0.0000	1.1420

CITY OF HEALDSBURG
 RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUATION AND PER CAPITA
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Outstanding Principal</u>	<u>Percent of Valuation</u>	<u>Per Capita Debt</u>
92-93	6,095,000	1.181 %	624.30
93-94	6,775,000	1.248 %	690.06
94-95	6,670,000	1.147 %	681.45
95-96	6,570,000	1.099 %	685.37
96-97	6,460,000	1.060 %	671.17
97-98	* 6,615,000	1.080 %	667.91
98-99	6,470,000	1.005 %	645.90
99-00	6,310,000	0.901 %	604.99
00-01	6,135,000	0.790 %	572.19
01-02	5,945,000	0.663 %	526.39

* Refunded and reissued

Source: City of Healdsburg, Finance Department

CITY OF HEALDSBURG
 SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collected (1)</u>
92-93	157,842	156,724
93-94	141,289	138,465
94-95	75,107	7,626
95-96	108,424	108,424
96-97	271,614	208,953
97-98	362,651	275,113
98-99	362,749	339,135
99-00	364,539	341,266
00-01	345,395	321,395
01-02	325,856	390,249

(1) Includes prepayments and foreclosures.

Source: County of Sonoma, Special Assessments

CITY OF HEALDSBURG
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2002

Assessed Valuation	<u>\$ 896,750,774</u>
Debt limit 15% Assessed Value	\$ 134,512,616
Amount of Debt applicable to Debt Limit	<u>(5,945,000)</u>
Legal Debt Margin	<u>\$ 128,567,616</u>

Source: County of Sonoma County - Auditors

CITY OF HEALDSBURG
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2002

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Healdsburg</u>	<u>City of Healdsburg Share of Debt</u>
City of Healdsburg 1991 Series A&B City of Healdsburg GO Bond	\$ 5,945,000	100.0%	\$ <u>5,945,000</u>
Total Direct Debt			\$ <u><u>5,945,000</u></u>
City of Healdsburg Public Improvement Corporation	1,040,000	100.0%	\$ 1,040,000
City of Healdsburg REFA	203,000	100.0%	<u>203,000</u> *
Total Overlapping Debt			\$ <u><u>1,243,000</u></u>
 Total Direct and Overlapping Debt			 \$ <u><u>7,188,000</u></u>

* City's share of certificates of participation excluding CRA assumed portion.

Source: City of Healdsburg, Finance Department

CITY OF HEALDSBURG
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service to General Expenditures</u>
1992-93	5,000	420,803	425,803	5,248,748	8.1 %
1993-94	5,000	342,073	347,073	10,759,388	3.2 %
1994-95	105,000	388,585	493,585	6,999,187	7.1 %
1995-96	100,000	382,758	482,758	6,965,457	6.9 %
1996-97	110,000	375,273	485,273	9,536,509	5.1 %
1997-98	110,000	367,409	477,409	9,595,863	5.0 %
1998-99	145,000	308,439	453,439	7,619,774	6.0 %
1999-00	160,000	312,042	472,042	8,692,362	5.4 %
2000-01	175,000	347,850	522,850	8,463,838	6.2 %
2001-02	190,000	297,284	487,284	9,171,924	5.3 %

Source: City of Healdsburg, Finance Department

CITY OF HEALDSBURG
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Population</u>	<u>Population Percent Change</u>	<u>Sonoma County Population</u>	<u>City Population Percent of County</u>
1993	9,763	1.0 %	416,278	2.3 %
1994	9,818	0.6 %	422,090	2.3 %
1995	9,788	-0.3 %	431,034	2.3 %
1996	9,586	-2.1 %	421,429	2.3 %
1997	9,625	0.4 %	426,934	2.3 %
1998	9,904	2.9 %	437,112	2.3 %
1999	10,017	1.1 %	443,669	2.3 %
2000	10,430	4.1 %	450,100	2.3 %
2001	10,722	2.8 %	458,614	2.3 %
2002	11,294	5.3 %	471,041	2.4 %

Source: Sonoma County Planning Department
State of California
Department of Finance

CITY OF HEALDSBURG
SCHEDULE OF REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Gross Revenue (1)</u>	<u>Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>
1992-93	\$ 8,561,038	\$ 6,528,041	\$ 732,486
1993-94	8,637,837	6,951,458	1,686,379
1994-95	8,437,499	6,896,626	1,540,873
1995-96	8,994,691	7,040,064	1,954,627
1996-97 *	10,840,631	8,206,544	2,634,087
1997-98	11,555,853	8,463,920	3,091,933
1998-99	12,082,470	8,064,099	4,018,371
1999-00	12,728,691	9,148,735	3,579,956
2000-01	15,499,925	12,207,107	3,292,818
2001-02	15,919,780	14,246,511	1,673,269

Source: The City's Annual Financial Statements

- (1) Gross revenues include operating income and interest income from the Water and Electric Enterprise utilities.
- (2) Expenses include total operating expenses less depreciation for the Water and Electric Enterprise utilities.

* Starting in 1996-97 the Sewer Enterprise is included with Water and Electric Enterprises.

DEBT SERVICE REQUIREMENTS			Percent Coverage (in hundreds)
Principal	Interest	Total	
\$ 65,000	\$ 102,048	\$ 167,048	4.38 %
70,000	156,622	226,622	7.44 %
120,000	234,683	354,683	4.34 %
130,000	348,596	478,596	4.08 %
140,000	449,446	589,446	4.47 %
200,000	520,493	720,493	4.29 %
225,000	508,041	733,041	5.48 %
185,000	488,032	673,032	5.32 %
190,000	647,403	837,403	3.93 %
295,000	674,936	969,936	1.73 %

CITY OF HEALDSBURG
 CONSTRUCTION, BANK DEPOSITS, AND PROPERTY VALUE
 LAST TEN FISCAL YEARS

Fiscal Year	Commercial Construction		Residential Construction	
	Number of Units	Value	Number of Units	Value
1992-93	31	434,136	112	2,503,372
1993-94	24	2,094,220	112	4,513,929
1994-95	37	628,105	123	5,414,019
1995-96	60	1,203,883	191	1,750,546
1996-97	70	2,662,227	219	7,057,756
1997-98	89	3,190,278	174	1,866,699
1998-99	78	2,849,299	370	25,186,371
1999-00	114	6,191,231	315	28,870,290
2000-01	71	4,988,305	224	16,342,221
2001-02	3	6,377,177	16	3,902,676

Source: City of Healdsburg - Building Department
 Federal Deposit Insurance Corporation

Note: Bank deposits are FDIC deposits only.

<u>Bank Deposits</u> (in thousands)	<u>Total</u> <u>Property Value</u> (in thousands)
\$ 189,531	\$ 515,926
177,338	543,051
176,162	581,658
175,421	597,854
218,200	609,621
226,742	608,092
396,441	643,658
226,292	700,674
238,507	776,511
269,177	896,751

CITY OF HEALDSBURG
 HEALDSBURG COMMUNITY REDEVELOPMENT AGENCY
 SOTOYOME REDEVELOPMENT PROJECT AREA
 LARGEST SECURED PROPERTY TAX PAYERS
 FISCAL YEAR 2001-2002

<u>Tax Payer</u>	<u>Type of Business</u>
Brush James E. and Nancy B. Trust	Housing
Capital Lumber Co.	Wood Products MFG.
Dry Creek Inn LTD Partnership	Hotel
Hartman Hans and Margrit Trust	Light Manufacturing
Healdsburg Investors LTD	Shopping Center
Mascherini, Carole A. Trust	Hardware Store
Max, John K.	Commercial / industrial
Simi Winery Inc.	Winery
Syar Industries Inc.	Rock and Gravel MFG.
Terradev Hotel Manager LLC	Hotel

Source: County of Sonoma Assessor's Office

CITY OF HEALDSBURG
 SCHEDULE OF INSURANCE AND SURETY BONDS
 2001-2002 Summary of Policies

<u>Company</u>	<u>Limits/Coverage</u>	<u>Cost</u>
<u>LIABILITY</u>		
California Joint Powers Risk Management Authority*	\$4,500,000 xs \$500,000. Bodily Injury. Property Damage, Errors and Omissions, Personal Injury. (07/01/01 - 06/30/02)	\$ 581,293 **
USAIG #360AC-28694	\$5,000,000 - No S.I.R., Non-Owned Aircraft (03/01/02 - 03/01/03)	\$ 27,000
<u>WORKERS' COMPENSATION</u>		
United States Fidelity and Guaranty Co. Employers' Liability #DRE3601100	\$2,000,000 xs \$300,000 S.I.R. (09/13/00 - 07/01/03)	
United States Fidelity & Guaranty #DRE3601100	Statutory xs \$300,000 S.I.R. (09/13/00 - 07/01/2003)	\$ 93,500 ***
<u>PROPERTY</u>		
CHUBB #6607494	\$295,000,000 xs \$5,000,000 all risk (excluding earthquake and flood). (07/01/01 - 07/01/02)	\$ 76,778
USF & G DRE1540399	\$5,000,000 xs \$25,000 S.I.R. (07/01/01 - 07/01/03)	
Hartford Steam Boiler Ins. Co. FBP4909988	\$20,000,000 xs \$1,000 S.I.R., Boiler/Machinery - Mechanical breakdown to boilers and other pressure vessels - Fixed rate per City**** (07/01/01 - 07/01/02)	\$ 29,186
Fireman's Fund #S95DXX80784676	Automobile Physical Damage Coverage, damage to vehicles off premises \$1,490,000 xs \$10,000 S.I.R. (07/01/01 - 07/01/02)	\$ 63,567
<u>BONDS</u>		
Fidelity & Deposit Companies	\$1,975,000 xs \$25,000 S.I.R., Honesty Blanket Bond and Forgery Coverage (10/01/99 - 10/01/2002)	\$ 25,547
	\$990,000 - \$10,000 - REMIF., Treasurer/C.E.O. Bond (10/01/99 - 10/01/2002)	\$ 1,393

* Risk Sharing Self-Funded Pool

*** Subject to Payroll Audit

** Contribution

**** S.I.R. and Limits Different for Healdsburg and Ukiah
 Electrical Substations

Note: Earthquake/Flood Coverage is Purchased Separate of the REMIF Pool.

Source: Redwood Empire Municipal Insurance Fund

CITY OF HEALDSBURG
MISCELLANEOUS STATISTICAL INFORMATION
JUNE 30, 2002

Date Incorporated	- February 20 1867
Type of City	- General Law
Form of Government	- Council/City Manager
Police Services	- 1 Station - 16 Sworn Officers - 12 Reserves/Volunteer
Fire Services	- 1 Station - 9 Personnel - 36 Reserves/Volunteer
Cultural/Recreational	- 1 Museum - 1 Library - 1 Senior Center - 7 Parks - 1 Golf Course - 1 Swimming Pool
City Personnel	- 102 Full-Time - 17 Part Time - 48 Reserve/Volunteer - 2 Seasonal Workers - 10 Temporary

NOTE: Positions listed are authorized/budgeted positions and are not necessarily filled.

Source: City of Healdsburg, Personnel Department

CITY OF HEALDSBURG
SCHEDULE OF TEN MAJOR BUSINESSES
JUNE 30, 2001

Name	Type of Business
Beth Enterprises	Gas Station
Carlsen & Associates	Manufacturing
Garrett Hardware & Plumbing	Hardware
Healdsburg Lumber Company	Lumber Products
McConnell Chevrolet/Olds/Geo	Car Dealer
Opperman & Son Used Trucks	Car Dealer
Safeway Stores	Grocery Store
W.C. Sanderson Ford	Car Dealer
Silveira Pontiac/Buick/GMC	Car Dealer
Syar Industries	Building Materials

Listed in alphabetical order, ranked by State Sales Tax, Gross Retail Sales.

Source: State Board of Equalization

CITY OF HEALDSBURG
 PRINCIPAL PROPERTY TAXPAYERS
 JUNE 30, 2002

Property Owner	Land Use	Assessed Valuation	Percent of Total Assessed Valuation
1) Brush James E. & Nancy B Trust	Housing	\$ 4,212,751	0.47
2) Capital Lumber Company	Wood Products Manufacturing	5,222,305	0.58
3) Dry Creek Inn Limited Partnership	Hotel	4,463,264	0.50
4) Healdsburg Investors Ltd.	Shopping Center	8,254,549	0.92
5) Mascherini, Carole A TR	Hardware	3,066,723	0.34
6) Max, John K	Housing	3,812,509	0.43
7) Seghesio Wineries	Winery	4,506,289	0.50
8) Simi Winery, Inc.	Winery	17,452,412	1.95
9) Syar Industries Inc.	Building Materials	3,771,659	0.42
10) Terradev Hotel Manager LLC	Hotel	<u>13,157,677</u>	<u>1.47</u>
		<u>\$ 67,920,138</u>	<u>7.57%</u>

Source: County of Sonoma Assessor's Office

CITY OF HEALDSBURG
 SCHEDULE OF SCHOOLS AVERAGE DAILY ATTENDANCE
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Elementary K - 6</u>	<u>Junior High 7 - 8</u>	<u>Senior High 9 - 12</u>
1992-93	1,386	513	1,427
1993-94	1,376	521	1,349
1994-95	1,341	490	1,381
1995-96	1,313	474	1,257
1996-97	1,315	469	1,156
1997-98	1,262	484	1,097
1998-99	1,169	445	908
1999-00	1,210	430	975
2000-00	1,269	452	967
2001-02	1,262	457	968

Source: Healdsburg Unified School District

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
WATER FUND

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Operating Revenues:				
Utility service charges	\$ 2,909,292	\$ 2,671,027	\$ 2,455,946	\$ 2,224,131
Other	117,311	550,220	11,590	23,796
Total Operating Revenues	<u>3,026,603</u>	<u>3,221,247</u>	<u>2,467,536</u>	<u>2,247,927</u>
Operating Expenses:				
Operations	1,354,427	1,660,270	1,083,534	1,102,837
General and administrative	433,550	509,320	438,603	476,717
Depreciation	297,844	292,935	302,469	266,307
Miscellaneous	-	-	-	-
Total Operating Expenses	<u>2,085,821</u>	<u>2,462,525</u>	<u>1,824,606</u>	<u>1,845,861</u>
Income (Loss) from Operations	<u>940,782</u>	<u>758,722</u>	<u>642,930</u>	<u>402,066</u>
Non-operating Revenues (Expenses):				
Intergovernmental grant	-	-	-	2,183
Investment income	202,237	547,840	225,955	203,983
Interest expense	(472,959)	(451,480)	(420,335)	(437,190)
Loss in disposal of assets	-	(128,719)	(23,622)	(9,865)
Other expenses	-	-	-	-
Total Non-operating Revenues (Expenses)	<u>(270,722)</u>	<u>(32,359)</u>	<u>(218,002)</u>	<u>(240,889)</u>
Income (Loss) Before Operating Transfers and Capital Contributions	670,060	726,363	424,928	161,177
Operating Transfers In (Out)	<u>282,014</u>	<u>375,850</u>	<u>(98,200)</u>	<u>-</u>
Net Income Before Capital Contributions	952,074	1,102,213	326,728	161,177
Capital Contributions	<u>233,840</u>	<u>202,854</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ 1,185,914</u>	<u>\$ 1,305,067</u>	<u>\$ 326,728</u>	<u>\$ 161,177</u>

Source: City of Healdsburg, Finance Department

	1998	1997	1996	1995	1994	1993
\$	1,860,618	\$ 1,743,286	\$ 1,555,991	\$ 1,359,348	\$ 1,429,109	\$ 1,334,149
	45,768	293	1,623	524	3,084	137,424
	<u>1,906,386</u>	<u>1,743,579</u>	<u>1,557,614</u>	<u>1,359,872</u>	<u>1,432,193</u>	<u>1,471,573</u>
	814,111	834,368	695,562	708,933	693,377	681,330
	493,428	403,615	347,497	300,950	313,231	282,907
	223,450	205,798	175,892	166,095	160,946	161,319
	-	-	-	-	-	-
	<u>1,530,989</u>	<u>1,443,781</u>	<u>1,218,951</u>	<u>1,175,978</u>	<u>1,167,554</u>	<u>1,125,556</u>
	<u>375,397</u>	<u>299,798</u>	<u>338,663</u>	<u>183,894</u>	<u>264,639</u>	<u>346,017</u>
	15,155	371	29,049	78,981	-	-
	353,151	348,861	291,015	218,504	94,946	71,194
	(471,541)	(396,073)	(324,277)	(207,803)	(130,308)	(74,362)
	(100,292)	(150)	(2,000)	-	-	(12)
	-	(480)	-	(169,163)	(96,454)	-
	<u>(203,527)</u>	<u>(47,471)</u>	<u>(6,213)</u>	<u>(79,481)</u>	<u>(131,816)</u>	<u>(3,180)</u>
	171,870	252,327	332,450	104,413	132,823	342,837
	-	-	-	-	-	-
	<u>171,870</u>	<u>252,327</u>	<u>332,450</u>	<u>104,413</u>	<u>132,823</u>	<u>342,837</u>
	-	-	-	-	-	-
\$	<u><u>171,870</u></u>	<u><u>252,327</u></u>	<u><u>332,450</u></u>	<u><u>104,413</u></u>	<u><u>132,823</u></u>	<u><u>342,837</u></u>

SCHEDULE OF CASH FLOWS
WATER FUND
FOR THE YEARS ENDED JUNE 30 1993-2002

	2002	2001	2000
Cash flows from operating activities:			
Operating income (loss)	\$ 940,782	\$ 758,722	\$ 642,930
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	297,844	292,935	302,469
Other revenue (expense)	-	-	-
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(44,799)	(110,651)	(51,580)
(Increase) decrease in due from other governments	-	-	61,653
(Increase) decrease in inventory	11,098	(21,087)	(5,964)
(Increase) decrease in prepaid costs	349	(23)	(10)
Increase (decrease) in accounts payable	113,979	194,320	(21,771)
Increase (decrease) in other accrued liabilities	-	-	-
Increase (decrease) in deposits	3,900	3,859	(2,700)
Total adjustments	<u>382,371</u>	<u>359,353</u>	<u>282,097</u>
Net cash provided (used) by operating activities	<u>1,323,153</u>	<u>1,118,075</u>	<u>925,027</u>
Cash flows from non-capital financing activities:			
Intergovernmental grant	-	-	-
(Increase) decrease in due from other funds	-	-	190,000
Increase (decrease) in due to other funds	-	-	-
Operating transfers in (out)	282,014	375,850	(98,200)
Net cash provided (used) by non-capital financing activities	<u>282,014</u>	<u>375,850</u>	<u>91,800</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets			
Developer financed	-	-	-
Capital replacement	(3,456,560)	(1,003,448)	(994,589)
Capacity expansion	-	-	-
Contributed capital			
Development/connection/annexation fees	233,840	202,854	808,451
Contributed - other funds	-	-	-
Residual equity transfer	-	-	-
Developer contributions	-	-	-
Certificates of participation proceeds	-	10,136,304	-
Retirement of debt	(244,287)	(7,135,000)	(155,144)
Certificate issuance cost	-	-	-
Interest expense	(467,993)	(812,483)	(405,496)
Net cash provided (used) by capital and related financing activities	<u>(3,935,000)</u>	<u>1,388,227</u>	<u>(746,778)</u>
Cash flows from investing activities:			
Investment income	280,893	505,175	206,284
(Increase) decrease in investments	(357,562)	(1,480,698)	(500,000)
(Increase) decrease in loans	-	39,410	(54,027)
Net cash provided (used) by investing activities	<u>(76,669)</u>	<u>(936,113)</u>	<u>(347,743)</u>
Net increase in cash and cash equivalents	(2,406,502)	1,946,039	(77,694)
Cash and cash equivalents at beginning of year	2,946,999	1,000,960	1,078,654
Cash and cash equivalents at end of year	<u>\$ 540,497</u>	<u>\$ 2,946,999</u>	<u>\$ 1,000,960</u>
Noncash capital and related financing activities			
Acquisition of capital assets	-	(128,719)	(23,622)
Contributed capital by developer	-	-	-
Net noncash capital and related financing activities	<u>\$ -</u>	<u>\$ (128,719)</u>	<u>\$ (23,622)</u>

Source: City of Healdsburg, Finance Department

1999	1998	1997	1996	1995	1994	1993
\$ 402,066	\$ 375,397	\$ 313,527	\$ 338,663	\$ 183,894	\$ 264,639	\$ 346,017
266,307	223,450	205,798	175,892	166,095	160,946	161,319
-	-	(480)	-	(169,163)	(96,454)	-
(123,531)	4,893	(47,849)	(58,449)	(2,642)	(3,766)	34,643
27,009	(73,824)	13,327	69,871	(98,036)	-	-
(485)	6,878	(7,136)	9,365	3,959	(4,624)	3,870
(13)	(7)	(296)	-	-	-	-
(152,361)	144,952	16,085	73,448	(11,482)	43,736	(10,554)
-	-	-	-	-	-	-
3,115	882	1,362	(234)	485	220	(2,818)
20,041	307,224	180,811	269,893	(110,784)	100,058	186,460
422,107	682,621	494,338	608,556	73,110	364,697	532,477
2,183	-	371	29,049	78,981	-	-
350,000	15,155	-	-	-	-	-
-	(540,000)	-	-	-	-	-
-	-	-	-	-	-	-
352,183	(524,845)	371	29,049	78,981	-	-
(1,177,121)	-	-	-	(9,430)	-	-
-	(1,095,076)	(710,448)	(203,264)	(161,661)	(177,085)	(94,376)
-	(2,558,019)	(809,647)	(497,677)	(601,388)	(341,042)	(32,947)
630,774	-	525,703	319,028	9,430	53,112	41,670
-	468,544	-	-	379,389	-	-
-	-	-	-	-	-	(68,482)
-	-	-	-	450	-	-
-	(137,145)	2,256,982	(86,497)	1,871,100	2,672,237	-
(162,144)	-	(1,272)	-	(90,005)	(38,786)	(69,512)
-	-	(128,231)	-	(97,852)	(81,938)	3,835
(422,330)	(456,722)	(396,073)	(359,428)	(207,803)	(130,308)	(74,362)
(1,130,821)	(3,778,418)	737,014	(827,838)	1,092,230	1,956,190	(294,174)
227,923	352,539	335,308	266,241	214,347	95,804	65,039
(505)	(145,777)	(390,632)	(730,283)	24,458	(194,633)	(982,740)
-	-	-	-	-	-	-
227,418	206,762	(55,324)	(464,042)	238,805	(98,829)	(917,701)
(129,113)	(3,413,880)	1,176,399	(654,275)	1,483,126	2,222,058	(679,398)
1,207,767	4,621,647	3,445,248	4,099,523	2,616,397	394,339	1,073,737
\$ 1,078,654	\$ 1,207,767	\$ 4,621,647	\$ 3,445,248	\$ 4,099,523	\$ 2,616,397	\$ 394,339
-	(100,291)	-	-	-	-	(267,600)
-	-	-	-	-	-	267,600
\$ -	\$ (100,291)	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF HEALDSBURG
SCHEDULE OF WATER SOLD AND REVENUE PER HUNDRED CUBIC FEET

<u>Water Sold/Hundred Cubic Feet</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
July	91,451	110,956	118,685	108,472
August	116,159	123,944	113,624	114,116
September	109,436	120,511	120,337	131,329
October	99,667	91,758	96,208	96,509
November	64,644	66,644	66,631	86,171
December	44,561	48,514	46,518	61,056
January	43,653	45,314	42,918	44,547
February	35,304	41,170	39,739	42,181
March	37,036	42,028	41,429	40,255
April	45,322	56,115	45,163	47,948
May	58,034	64,899	51,226	72,286
June	71,785	87,231	79,329	86,467
Total	<u><u>817,052</u></u>	<u><u>899,084</u></u>	<u><u>861,807</u></u>	<u><u>931,337</u></u>
<u>Total Billings</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
July	\$ 143,544	\$ 160,111	\$ 169,240	\$ 154,609
August	164,007	179,462	163,483	162,825
September	163,129	172,440	170,528	182,462
October	139,828	139,196	142,559	157,302
November	106,493	109,147	108,038	143,281
December	83,150	86,207	83,686	110,599
January	80,651	82,616	79,645	89,569
February	72,810	78,285	75,546	85,528
March	74,213	78,831	78,031	83,723
April	82,952	94,024	81,736	94,013
May	97,495	105,626	88,924	123,635
June	113,275	130,922	120,108	142,433
Total	<u><u>\$ 1,321,547</u></u>	<u><u>\$ 1,416,867</u></u>	<u><u>\$ 1,361,524</u></u>	<u><u>\$ 1,529,979</u></u>
<u>Revenue/Hundred Cubic Feet</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
July	\$ 1.570	\$ 1.443	\$ 1.426	\$ 1.425
August	1.412	1.448	1.439	1.426
September	1.491	1.431	1.417	1.389
October	1.403	1.517	1.482	1.629
November	1.647	1.638	1.621	1.663
December	1.866	1.777	1.799	1.811
January	1.848	1.823	1.856	2.010
February	2.062	1.902	1.901	2.027
March	2.004	1.876	1.883	2.079
April	1.830	1.676	1.810	1.960
May	1.680	1.628	1.736	1.710
June	1.578	1.501	1.514	1.647
Average	<u><u>\$ 1.617</u></u>	<u><u>\$ 1.576</u></u>	<u><u>\$ 1.580</u></u>	<u><u>\$ 1.643</u></u>

Source: City of Healdsburg - Utility Department

<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
122,066	119,625	94,098	124,006	120,565	122,998
131,962	139,487	135,762	125,072	119,845	120,704
121,255	112,813	119,448	103,036	217,593	128,824
101,461	92,941	103,846	103,860	8,651	96,824
80,801	75,646	76,280	77,746	71,730	70,075
49,770	45,455	48,932	50,628	151,493	48,562
47,217	44,931	52,084	55,095	47,985	49,833
41,516	39,433	38,840	44,171	42,371	43,534
47,892	38,803	39,852	34,009	42,520	46,318
63,923	40,930	46,017	61,625	56,940	54,006
83,648	50,155	64,504	75,098	82,539	84,024
<u>104,167</u>	<u>63,595</u>	<u>104,760</u>	<u>96,390</u>	<u>127,578</u>	<u>117,528</u>
<u>995,678</u>	<u>863,814</u>	<u>924,423</u>	<u>950,736</u>	<u>1,089,810</u>	<u>983,230</u>

<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 188,123	\$ 208,061	\$ 203,715	\$ 277,183	\$ 290,991	\$ 316,829
203,078	236,396	277,541	284,246	292,455	314,358
188,169	201,602	249,641	232,324	540,325	328,654
165,211	196,647	228,998	247,081	18,874	271,307
136,543	165,812	181,375	201,201	201,770	213,148
95,532	114,830	131,430	145,122	154,596	168,193
97,292	115,288	138,061	145,569	155,795	174,432
88,334	108,191	113,418	131,064	140,012	161,461
98,801	106,582	118,801	128,168	143,159	167,578
124,611	113,351	128,293	169,873	169,252	189,216
153,486	128,089	163,752	194,035	224,054	258,382
<u>183,860</u>	<u>148,085</u>	<u>238,927</u>	<u>239,254</u>	<u>317,661</u>	<u>336,732</u>
<u>\$ 1,723,040</u>	<u>\$ 1,842,934</u>	<u>\$ 2,173,952</u>	<u>\$ 2,395,120</u>	<u>\$ 2,648,944</u>	<u>\$ 2,900,290</u>

<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
\$ 1.541	\$ 1.739	\$ 2.165	\$ 2.235	\$ 2.414	\$ 2.575
1.539	1.695	2.044	2.273	2.440	2.604
1.552	1.787	2.090	2.255	2.483	2.551
1.629	2.116	2.205	2.379	2.182	2.802
1.690	2.192	2.378	2.588	2.813	3.041
1.920	2.526	2.686	2.866	1.020	3.463
2.061	2.566	2.651	2.642	3.247	3.500
2.128	2.744	2.920	2.967	3.304	3.708
2.063	2.747	2.981	3.769	3.367	3.617
1.949	2.769	2.788	2.757	2.972	3.503
1.835	2.554	2.539	2.584	2.715	3.075
<u>1.765</u>	<u>2.329</u>	<u>2.281</u>	<u>2.482</u>	<u>2.490</u>	<u>2.865</u>
<u>\$ 1.731</u>	<u>\$ 2.133</u>	<u>\$ 2.352</u>	<u>\$ 2.519</u>	<u>\$ 2.431</u>	<u>\$ 2.950</u>

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
SEWER FUND

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Operating Revenues:				
Utility service charges	\$ 2,826,766	\$ 2,461,635	\$ 2,142,903	\$ 1,882,704
Other	446,407	790,121	642	42,902
Total Operating Revenues	<u>3,273,173</u>	<u>3,251,756</u>	<u>2,143,545</u>	<u>1,925,606</u>
Operating Expenses:				
Operations	699,797	682,268	801,228	848,612
General and administrative	853,289	746,544	443,019	500,628
Depreciation	461,567	434,226	475,136	418,628
Total Operating Expenses	<u>2,014,653</u>	<u>1,863,038</u>	<u>1,719,383</u>	<u>1,767,868</u>
Income (Loss) from Operations	<u>1,258,520</u>	<u>1,388,718</u>	<u>424,162</u>	<u>157,738</u>
Non-operating Revenues (Expenses):				
Intergovernmental grant	-	-	-	93
Investment income	191,295	501,221	178,311	75,980
Interest expense	(185,189)	(178,442)	(50,490)	(52,082)
Loss in disposal of assets	-	(190,477)	(39,624)	(8,616)
Other expenses	-	-	-	-
Total Non-operating Revenues (Expenses)	<u>6,106</u>	<u>132,302</u>	<u>88,197</u>	<u>15,375</u>
Income (Loss) Before Operating and Transfers and Capital Contributions	1,264,626	1,521,020	512,359	173,113
Operating Transfers In (Out)	<u>(337,942)</u>	<u>(325,400)</u>	<u>434,800</u>	<u>-</u>
Net Income Before Capital Contributions	926,684	1,195,620	947,159	173,113
Capital Contributions	<u>410,448</u>	<u>440,261</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ 1,337,132</u>	<u>\$ 1,635,881</u>	<u>\$ 947,159</u>	<u>\$ 173,113</u>

Source: City of Healdsburg, Finance Department

1998	1997	1996	1995	1994	1993
\$ 1,585,660	\$ 1,373,948	\$ 1,141,300	\$ 1,039,003	\$ 1,053,009	\$ 939,989
91,628	14,092	-	-	-	56
<u>1,677,288</u>	<u>1,388,040</u>	<u>1,141,300</u>	<u>1,039,003</u>	<u>1,053,009</u>	<u>940,045</u>
647,522	535,866	633,629	530,317	519,153	525,037
443,145	405,181	375,655	344,987	309,144	311,493
366,880	340,035	308,598	293,756	288,246	273,984
<u>1,457,547</u>	<u>1,281,082</u>	<u>1,317,882</u>	<u>1,169,060</u>	<u>1,116,543</u>	<u>1,110,514</u>
<u>219,741</u>	<u>106,958</u>	<u>(176,582)</u>	<u>(130,057)</u>	<u>(63,534)</u>	<u>(170,469)</u>
1,405	16	31,774	23,303	-	-
179,167	38,765	40,921	59,214	23,804	57,543
(218,657)	(31,532)	-	-	(44)	(1,819)
(1,573)	(152,018)	(3,282)	(10,163)	(295)	(931)
-	7,159	-	(39,658)	-	-
<u>(39,658)</u>	<u>(137,610)</u>	<u>69,413</u>	<u>32,696</u>	<u>23,465</u>	<u>54,793</u>
180,083	(36,521)	(107,169)	(97,361)	(40,069)	(115,676)
-	-	-	-	-	-
180,083	(36,521)	(107,169)	(97,361)	(40,069)	(115,676)
-	-	-	-	-	-
<u>\$ 180,083</u>	<u>\$ (36,521)</u>	<u>\$ (107,169)</u>	<u>\$ (97,361)</u>	<u>\$ (40,069)</u>	<u>\$ (115,676)</u>

SCHEDULE OF CASH FLOWS
SEWER FUND
FOR THE YEARS ENDED JUNE 30 1993-2002

	2002	2001	2000
Cash flows from operating activities:			
Operating income (loss)	\$ 1,258,520	\$ 1,388,718	\$ 424,162
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	461,567	434,226	475,136
Other revenue (expenses)			-
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	523	(33,873)	(41,075)
(Increase) decrease in due from other governments	-	-	12,866
(Increase) decrease in inventory	254	40	23
(Increase) decrease in prepaid costs	349	(23)	(10)
Increase (decrease) in accounts payable	2,067	(103,690)	(91,780)
Increase (decrease) in deposits	-	-	782
Total adjustments	<u>464,760</u>	<u>296,680</u>	<u>355,942</u>
Net cash provided (used) by operating activities	<u>1,723,280</u>	<u>1,685,398</u>	<u>780,104</u>
Cash flows from non-capital financing activities:			
Intergovernmental grant	-	-	-
(Increase) decrease in due from other funds	-	-	(190,000)
Operating transfers in (out)	(337,942)	(325,400)	434,800
Net cash provided (used) by non-capital financing activities	<u>(337,942)</u>	<u>(325,400)</u>	<u>244,800</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets			
Developer financed	-	-	-
Capital replacement	(1,647,554)	(2,348,656)	(417,787)
Capacity expansion	-	-	-
Contributed capital			
Construction reimbursement	410,448	440,261	1,478,099
Dev./connection/annexation fees	-	-	-
Contributed - other funds	-	-	-
Certificates of participation proceeds	-	2,572,497	(14,684)
Certificate issuance cost	-	-	-
Interest paid	(180,010)	(263,346)	(48,215)
Residual equity transfer	-	-	-
Retirement of debt	(54,090)	-	-
Interest expense	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(1,471,206)</u>	<u>400,756</u>	<u>997,413</u>
Cash flows from investing activities:			
Investment income	267,700	451,788	145,594
(Increase) decrease in investments	(222,875)	(1,245,880)	(2,986,273)
(Increase) decrease in loans	-	7,066	(25,176)
Net cash provided (used) by investing activities	<u>44,825</u>	<u>(787,026)</u>	<u>(2,865,855)</u>
Net increase in cash and cash equivalents	(41,043)	973,728	(843,538)
Cash and cash equivalents at beginning of year	1,214,913	241,185	1,084,723
Cash and cash equivalents at end of year	<u>\$ 1,173,870</u>	<u>\$ 1,214,913</u>	<u>\$ 241,185</u>
Noncash capital and related financing activities			
Acquisition of capital assets	-	(190,477)	(39,624)
Contributed capital - other funds	-	-	-
Contributed capital by developer	-	-	-
Net noncash capital and related financing activities	<u>\$ -</u>	<u>\$ (190,477)</u>	<u>\$ (39,624)</u>

Source: City of Healdsburg, Finance Department

1999	1998	1997	1996	1995	1994	1992
\$ 157,738	\$ 219,741	\$ 115,407	\$ (176,582)	\$ (130,057)	\$ (63,534)	\$ (170,469)
418,628	366,880	340,035	308,598	293,756	288,246	273,984
-	-	(7,159)	-	(39,658)	-	-
(42,437)	(45,837)	(3,860)	(32,412)	(9,639)	(3,248)	36,490
10,895	(12,445)	18,052	10,544	(39,912)	-	-
52	(95)	1,808	(1,694)	368	54	557
(13)	(7)	(296)	-	-	-	-
253,582	(115,265)	88,851	4,862	(7,301)	(68,558)	83,814
-	(182)	-	-	-	-	-
640,707	193,049	437,431	289,898	197,614	216,494	394,845
798,445	412,790	552,838	113,316	67,557	152,960	224,376
93	1,405	16	31,774	23,303	-	-
-	-	-	-	-	-	-
(350,000)	540,000	-	-	-	-	-
(349,907)	541,405	16	31,774	23,303	-	-
(436,504)	-	-	-	(35,120)	-	-
-	(239,048)	(1,539,799)	(914,135)	(109,725)	(312,331)	(780,200)
-	(2,137,278)	(1,480,888)	(169,580)	(326,088)	(155,365)	(96,936)
879,194	1,276,075	2,184,670	-	35,120	-	17,488
-	-	-	380,855	413,522	83,982	77,561
-	-	-	-	140,717	170,173	-
(14,683)	(14,683)	940,658	-	-	-	-
-	-	(67,097)	-	-	-	-
(49,808)	(216,382)	(31,532)	-	-	-	-
-	-	-	-	-	-	367,708
-	-	-	-	(109)	(1,349)	(24,718)
-	-	-	-	-	(44)	(1,819)
378,199	(1,331,316)	6,012	(702,860)	118,317	(214,934)	(440,916)
68,256	178,994	40,298	42,410	55,459	32,495	55,662
(602,993)	3,681	(1,041)	299,219	147,950	(449,809)	23,896
-	-	-	-	-	-	-
(534,737)	182,675	39,257	341,629	203,409	(417,314)	79,558
292,000	(194,446)	598,123	(216,141)	412,586	(479,288)	(136,982)
792,723	987,169	389,046	738,027	325,441	804,729	941,711
\$ 1,084,723	\$ 792,723	\$ 987,169	\$ 521,886	\$ 738,027	\$ 325,441	\$ 804,729
(8,616)	(1,573)	-	(2,473,636)	(140,717)	-	(2,603,051)
-	-	-	2,473,636	140,717	-	1,049,248
-	-	-	-	-	-	1,553,803
\$ (8,616)	\$ (1,573)	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF HEALDSBURG
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ELECTRIC FUND

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Operating Revenues:				
Utility service charges	\$ 8,239,704	\$ 7,357,293	\$ 7,034,610	\$ 7,016,103
Other	148,242	85,163	6,577	8,331
Total Operating Revenues	<u>8,387,946</u>	<u>7,442,456</u>	<u>7,041,187</u>	<u>7,024,434</u>
Operating Expenses:				
Electric procurement	8,597,303	5,684,650	4,631,989	3,827,387
Operations	1,122,220	1,204,423	859,526	777,565
General and administrative	1,185,925	901,891	890,836	836,624
Depreciation	311,980	274,093	262,526	276,846
Total Operating Expenses	<u>11,217,428</u>	<u>8,065,057</u>	<u>6,644,877</u>	<u>5,718,422</u>
Income (Loss) from Operations	<u>(2,829,482)</u>	<u>(622,601)</u>	<u>396,310</u>	<u>1,306,012</u>
Non-operating Revenues (Expenses):				
Intergovernmental grant	69,500	-	-	-
Investment income	259,678	535,405	672,157	604,540
Interest expense	(12,688)	(13,138)	(13,813)	(16,347)
Loss in disposal of assets	-	(174,726)	(76,820)	(41,747)
Other expenses	-	-	-	-
Total Non-operating Revenues (Expenses)	<u>316,490</u>	<u>347,541</u>	<u>581,524</u>	<u>546,446</u>
Income (Loss) Before Operating and Transfers and Capital Contributions	(2,512,992)	(275,060)	977,834	1,852,458
Operating Transfers In (Out)	<u>(2,942)</u>	<u>(875,400)</u>	<u>(273,350)</u>	<u>-</u>
Net Income Before Capital Contributions	(2,515,934)	(1,150,460)	704,484	1,852,458
Capital Contributions	<u>552,848</u>	<u>771,208</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	\$ <u><u>(1,963,086)</u></u>	\$ <u><u>(379,252)</u></u>	\$ <u><u>704,484</u></u>	\$ <u><u>1,852,458</u></u>

Source: City of Healdsburg, Finance Department

1998	1997	1996	1995	1994	1993
\$ 6,916,923	\$ 6,768,072	\$ 6,693,616	\$ 6,444,853	\$ 6,714,651	\$ 6,719,722
3,436	1,519	4,796	15,826	1,142	2,293
<u>6,920,359</u>	<u>6,769,591</u>	<u>6,698,412</u>	<u>6,460,679</u>	<u>6,715,793</u>	<u>6,722,015</u>
4,583,568	4,631,057	4,618,668	4,629,267	4,669,318	4,449,309
655,861	728,524	678,568	647,378	622,247	594,119
826,285	709,120	699,769	610,098	653,285	520,376
273,224	262,436	265,513	260,591	275,031	538,826
<u>6,338,938</u>	<u>6,331,137</u>	<u>6,262,518</u>	<u>6,147,334</u>	<u>6,219,881</u>	<u>6,102,630</u>
581,421	438,454	435,894	313,345	495,912	619,385
-	-	35,690	26,666	-	-
519,502	551,795	447,650	398,444	394,905	296,256
(19,166)	(21,841)	(24,319)	(26,880)	(28,778)	(31,355)
(4,662)	(34,968)	-	(148)	(37)	(25,102)
-	(84)	-	(64,667)	-	-
<u>495,674</u>	<u>494,902</u>	<u>459,021</u>	<u>333,415</u>	<u>366,090</u>	<u>239,799</u>
1,077,095	933,356	894,915	646,760	862,002	859,184
-	-	-	-	-	-
1,077,095	933,356	894,915	646,760	862,002	859,184
-	-	-	-	-	-
<u>\$ 1,077,095</u>	<u>\$ 933,356</u>	<u>\$ 894,915</u>	<u>\$ 646,760</u>	<u>\$ 862,002</u>	<u>\$ 859,184</u>

SCHEDULE OF CASH FLOWS
ELECTRIC FUND
FOR THE YEARS ENDED JUNE 30 1993-2002

	2002	2001	2000
Cash flows from operating activities:			
Operating income (loss)	\$ (2,829,482)	\$ (622,602)	\$ 396,310
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	311,980	274,093	262,526
Other revenue (expenses)	-	-	-
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(160,500)	(181,460)	(145,072)
(Increase) decrease in due from other governments	-	-	11,215
(Increase) decrease in inventory	32,177	60,245	(392,202)
(Increase) decrease in prepaid costs	(55,155)	403,247	(425,652)
Increase (decrease) in accounts payable	(187,026)	101,177	14,464
Increase (decrease) in deposits	(572,476)	(432,978)	3,026
Total adjustments	(631,000)	224,324	(671,695)
Net cash provided (used) by operating activities	<u>(3,460,482)</u>	<u>(398,278)</u>	<u>(275,385)</u>
Cash flows from non-capital financing activities:			
Intergovernmental grant	69,500	-	-
(Increase) decrease in due from other funds	87,034	(1,726,953)	(478,399)
Operating transfers in (out)	(2,942)	(875,400)	(273,350)
Net cash provided (used) by non-capital financing activities	<u>153,592</u>	<u>(2,602,353)</u>	<u>(751,749)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets			
Developer financed	(834,684)	(792,389)	(371,383)
Capital replacement	-	-	-
Capacity expansion	-	-	-
Contributed capital			
Construction reimbursement	552,848	771,208	632,651
Dev./connection/annexation fees	-	-	-
Contributed - other funds	-	-	-
Residual equity transfer	-	-	-
Certificates of participation proceeds	-	-	-
Retirement of debt	(9,750)	(9,750)	(9,750)
Certificate issuance cost	-	-	-
Advances to other funds	-	-	-
Interest paid	(11,861)	(12,310)	(12,986)
Net cash provided (used) by capital and related financing activities	<u>(303,447)</u>	<u>(43,241)</u>	<u>238,532</u>
Cash flows from investing activities:			
Investment income	359,161	589,907	619,909
(Increase) decrease in investments	245,225	3,572,392	(5,224,626)
(Increase) decrease in loan receivables	-	4,247	(24,928)
Net cash provided (used) by investing activities	<u>604,386</u>	<u>4,166,546</u>	<u>(4,629,645)</u>
Net increase in cash and cash equivalents	(3,005,951)	1,122,674	(5,418,247)
Cash and cash equivalents at beginning of year	3,206,038	2,059,564	7,477,811
Cash and cash equivalents at end of year	<u>\$ 200,087</u>	<u>\$ 3,182,238</u>	<u>\$ 2,059,564</u>
Noncash capital and related financing activities			
Acquisition of capital assets	-	(174,726)	(76,820)
Net noncash capital and related financing activities	<u>\$ -</u>	<u>\$ (174,726)</u>	<u>\$ (76,820)</u>

1999	1998	1997	1996	1995	1994	1992
\$ 1,306,012	\$ 581,421	\$ 457,465	\$ 435,894	\$ 313,345	\$ 495,912	\$ 619,385
276,846	273,224	262,436	265,513	260,591	275,031	538,826
-	-	(84)	-	(64,667)	-	-
(95,880)	7,504	35,087	(148,922)	(56,412)	114,490	89,076
8,111	(6,355)	22,832	3,609	(39,412)	13,000	1,000
10,300	(56,342)	(69,472)	40,097	(24,504)	(7,079)	106,747
348,391	(348,411)	(298)	-	-	-	2,691
(132,193)	160,201	(2,302)	35,344	4,549	(6,335)	29,041
(1,097)	(6,440)	(5,964)	(5,839)	635	5,320	(46,554)
414,478	23,381	242,235	189,802	80,780	394,427	720,827
1,720,490	604,802	699,700	625,696	394,125	890,339	1,340,212
-	-	-	35,690	26,666	-	-
5,989	359,701	(299,003)	60,660	311,364	(388,873)	(79,845)
-	-	-	-	-	-	-
5,989	359,701	(299,003)	96,350	338,030	(388,873)	(79,845)
(1,014,041)	(361,656)	(200,353)	(61,289)	(72,828)	(50,259)	(125,201)
-	(206,271)	(195,464)	(56,752)	(296,262)	(258,215)	529
-	(235,529)	(272,970)	(375,819)	(78,008)	(109,111)	(174,403)
977,900	687,039	491,647	43,422	122,276	42,353	66,763
-	-	-	195,590	105,481	100,924	94,374
-	-	-	-	-	-	(217,933)
-	-	-	-	-	(54,254)	(324,718)
(42,748)	(42,750)	(40,000)	(36,750)	-	-	-
-	-	827	(31,069)	(28,750)	(28,750)	(40,150)
-	-	-	-	827	-	828
-	-	-	-	(26,880)	-	-
(15,520)	(18,338)	(21,591)	-	-	(27,951)	(31,355)
(94,409)	(177,505)	(237,904)	(322,667)	(274,144)	(385,263)	(751,266)
590,543	505,422	545,931	428,916	394,333	381,931	274,775
(1,102,150)	-	1,028,197	118,193	(515,475)	(783,216)	(1,851,261)
-	1,698,679	1,151	2,676	3,425	97,432	(6,917)
(511,607)	2,204,101	1,575,279	549,785	(117,717)	(303,853)	(1,583,403)
1,120,463	2,991,099	1,738,072	949,164	340,294	(187,650)	(1,074,302)
6,357,348	3,366,249	1,628,177	679,013	338,719	(1,039,000)	35,302
\$ 7,477,811	\$ 6,357,348	\$ 3,366,249	\$ 1,628,177	\$ 679,013	\$ (1,226,650)	\$ (1,039,000)
(41,747)	(4,662)	-	-	-	-	-
\$ (41,747)	\$ (4,662)	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF HEALDSBURG
 SCHEDULE OF ELECTRIC UTILITY CUSTOMERS, SALES AND REVENUE
 LAST TEN FISCAL YEARS

	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
<u>Number of Customers</u>				
Residential	3,737	3,759	3,771	3,833
Industrial and Heavy Commercial	75	72	69	75
Commercial	776	764	768	767
Municipal	54	58	62	57
Outside Lighting	<u>42</u>	<u>40</u>	<u>44</u>	<u>40</u>
Total	<u><u>4,684</u></u>	<u><u>4,693</u></u>	<u><u>4,714</u></u>	<u><u>4,772</u></u>
<u>Energy Sales (MWH)</u>				
Residential	20,982	21,339	21,698	22,111
Industrial and Heavy Commercial	3,957	3,034	2,231	2,830
Commercial	34,530	33,479	31,913	32,291
Municipal	637	3,989	4,044	5,152
Outside Lighting	<u>585</u>	<u>506</u>	<u>586</u>	<u>587</u>
Total	<u><u>60,691</u></u>	<u><u>62,347</u></u>	<u><u>60,472</u></u>	<u><u>62,971</u></u>
<u>Operating Billings (in millions)</u>				
Residential	\$2.450	\$2.509	\$2.473	\$2.484
Industrial and Heavy Commercial	0.276	0.336	0.271	0.318
Commercial	3.747	3.593	3.379	3.406
Municipal	0.229	0.329	0.311	0.385
Outside Lighting	<u>0.036</u>	<u>0.037</u>	<u>0.037</u>	<u>0.037</u>
Total	<u><u>\$6.738</u></u>	<u><u>\$6.804</u></u>	<u><u>\$6.471</u></u>	<u><u>\$6.630</u></u>

Source: City of Healdsburg - Utility Department

<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
3,892	3,933	3,872	4,192	4,351	4,381
70	83	87	80	78	100
760	781	819	834	817	855
54	65	64	66	74	72
<u>40</u>	<u>41</u>	<u>42</u>	<u>60</u>	<u>43</u>	<u>20</u>
<u><u>4,816</u></u>	<u><u>4,903</u></u>	<u><u>4,884</u></u>	<u><u>5,232</u></u>	<u><u>5,363</u></u>	<u><u>5,428</u></u>
22,389	22,822	23,552	23,446	25,028	24,596
2,351	2,676	3,485	3,197	3,695	3,142
33,222	34,764	34,323	33,417	35,099	34,326
4,852	4,754	4,959	4,975	4,540	4,794
<u>585</u>	<u>584</u>	<u>585</u>	<u>585</u>	<u>583</u>	<u>585</u>
<u><u>63,399</u></u>	<u><u>65,600</u></u>	<u><u>66,904</u></u>	<u><u>65,620</u></u>	<u><u>68,945</u></u>	<u><u>67,443</u></u>
\$2.660	\$2.749	\$2.891	\$2.883	\$3.073	\$3.154
0.217	0.296	0.377	0.342	0.393	0.378
3.466	3.667	3.679	3.632	3.801	4.013
0.370	0.375	0.407	0.401	0.375	0.434
<u>0.037</u>	<u>0.039</u>	<u>0.042</u>	<u>0.041</u>	<u>0.040</u>	<u>0.042</u>
<u><u>\$6.750</u></u>	<u><u>\$7.126</u></u>	<u><u>\$7.396</u></u>	<u><u>\$7.299</u></u>	<u><u>\$7.682</u></u>	<u><u>\$8.021</u></u>

CITY OF HEALDSBURG
SCHEDULE OF ELECTRICITY SOLD AND REVENUE PER MEGAWATT HOURS

MWH Sold	1992-93	1993-94	1994-95	1995-96
July	4,897	5,323	5,023	5,136
August	6,045	5,672	4,975	5,552
September	5,862	5,763	5,668	5,819
October	5,106	5,382	5,108	5,137
November	5,129	5,132	5,108	5,509
December	4,732	5,073	5,222	5,214
January	5,412	5,819	5,479	5,294
February	4,862	4,820	4,846	5,292
March	4,443	5,071	4,702	4,911
April	4,747	4,597	5,035	4,809
May	4,435	4,714	4,348	5,175
June	5,021	4,986	4,958	5,122
Total	<u>60,691</u>	<u>62,352</u>	<u>60,472</u>	<u>62,970</u>

Total Billings	1992-93	1993-94	1994-95	1995-96
July	\$ 567,551	\$ 644,304	\$ 590,827	\$ 563,683
August	701,771	686,071	573,984	649,474
September	625,304	690,447	642,293	683,515
October	600,685	638,202	597,238	605,405
November	603,012	615,465	594,360	630,650
December	489,962	521,568	510,614	500,712
January	576,097	581,173	535,067	522,973
February	518,921	467,775	473,886	493,159
March	476,674	490,828	457,477	464,377
April	522,240	440,875	481,677	449,782
May	463,909	446,715	429,937	481,428
June	592,087	580,575	584,555	585,331
Total	<u>\$ 6,738,213</u>	<u>\$ 6,803,998</u>	<u>\$ 6,471,915</u>	<u>\$ 6,630,489</u>

Revenue/KWH	1992-93	1993-94	1994-95	1995-96
July	\$ 0.11590	\$ 0.12104	\$ 0.11762	\$ 0.10975
August	0.11609	0.12096	0.11537	0.11698
September	0.10667	0.11981	0.11332	0.11746
October	0.11764	0.11858	0.11692	0.11785
November	0.11757	0.11993	0.11636	0.11448
December	0.10354	0.10281	0.09778	0.09603
January	0.10645	0.09988	0.09766	0.09879
February	0.10673	0.09705	0.09779	0.09319
March	0.10729	0.09679	0.09729	0.09456
April	0.11001	0.09590	0.09567	0.09353
May	0.10460	0.09476	0.09888	0.09303
June	0.11792	0.11644	0.11790	0.11428
Average	<u>\$ 0.11102</u>	<u>\$ 0.10912</u>	<u>\$ 0.10702</u>	<u>\$ 0.10530</u>

Source: City of Healdsburg - Utility Department

1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
5,633	5,711	5,562	5,648	5,939	5,956
5,545	5,867	6,421	5,649	6,085	5,359
5,671	5,937	6,358	4,870	6,319	5,957
5,485	5,642	5,444	5,595	5,903	5,661
5,255	5,541	5,604	5,585	5,759	5,305
5,054	5,331	5,522	5,175	5,756	5,545
5,501	5,635	5,903	6,243	5,942	6,340
5,068	5,318	5,305	5,192	5,710	5,476
4,938	5,127	5,096	5,219	5,131	5,260
4,908	4,880	5,438	5,480	5,166	5,159
4,945	5,193	4,948	5,328	5,186	5,438
5,403	5,417	5,303	5,636	6,053	5,985
<u>63,406</u>	<u>65,599</u>	<u>66,904</u>	<u>65,620</u>	<u>68,949</u>	<u>67,441</u>

1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
\$ 625,541	\$ 656,462	\$ 671,528	\$ 692,743	\$ 722,003	\$ 780,420
638,438	699,997	780,065	688,545	735,508	697,647
644,785	699,392	749,469	585,033	773,672	786,546
617,658	665,868	670,085	685,507	724,567	732,969
621,274	650,609	668,750	670,965	694,730	689,792
517,247	514,425	549,073	529,404	584,830	593,797
567,330	572,904	608,149	642,128	599,428	690,829
519,189	522,153	514,981	520,977	578,460	593,782
414,694	509,542	510,713	527,653	518,509	566,423
468,136	474,375	542,747	537,206	508,492	544,544
480,457	510,582	486,301	518,346	504,507	563,299
645,139	648,465	644,267	699,600	736,195	781,609
<u>\$ 6,759,888</u>	<u>\$ 7,124,774</u>	<u>\$ 7,396,128</u>	<u>\$ 7,298,107</u>	<u>\$ 7,680,901</u>	<u>\$ 8,021,657</u>

1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
\$ 0.11105	\$ 0.11495	\$ 0.12074	\$ 0.12270	\$ 0.12156	\$ 0.13103
0.11513	0.11931	0.12147	0.12190	0.12087	0.13018
0.11370	0.11780	0.11788	0.12010	0.12243	0.13203
0.11261	0.11802	0.12309	0.12250	0.12274	0.12947
0.11830	0.11742	0.11933	0.12020	0.12063	0.13002
0.10234	0.09650	0.09943	0.10230	0.10160	0.10708
0.10313	0.10167	0.10302	0.10290	0.10087	0.10896
0.10244	0.09819	0.09707	0.10030	0.10130	0.10843
0.08398	0.09938	0.10022	0.10110	0.10105	0.10768
0.09538	0.09721	0.09981	0.09800	0.09843	0.10555
0.09716	0.09832	0.09828	0.09730	0.09728	0.10358
0.11940	0.11971	0.12149	0.12410	0.12162	0.13059
<u>\$ 0.10661</u>	<u>\$ 0.10861</u>	<u>\$ 0.11055</u>	<u>\$ 0.11122</u>	<u>\$ 0.11140</u>	<u>\$ 0.11894</u>

CITY OF HEALDSBURG
SCHEDULE OF ELECTRICITY PURCHASED
LAST TEN FISCAL YEARS

<u>KW</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
Jul	11,630	13,895	12,470	14,459	15,120
Aug	13,531	13,761	12,984	14,615	15,130
Sep	11,733	12,885	12,608	13,717	12,430
Oct	8,389	8,671	10,936	12,302	14,220
Nov	9,936	10,700	11,406	11,169	10,970
Dec	10,453	11,597	11,781	11,685	12,440
Jan	10,770	10,883	11,145	11,983	12,050
Feb	11,191	11,902	11,096	11,504	11,100
Mar	8,878	11,246	11,464	10,757	11,120
Apr	10,929	10,805	10,534	12,822	11,120
May	11,112	11,143	10,967	12,462	14,330
Jun	<u>13,334</u>	<u>12,664</u>	<u>13,310</u>	<u>14,335</u>	<u>14,200</u>
Peak Month	August	July	June	August	August

A Kilowatt is 1000 watts, and a watt is a unit of electrical power.

<u>MWH</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
Jul	5,939	5,873	5,356	5,911	6,124
Aug	5,958	6,063	5,862	6,129	6,233
Sep	5,607	5,693	5,474	5,081	5,618
Oct	5,553	5,078	5,411	5,467	5,847
Nov	5,062	5,185	5,344	5,869	5,353
Dec	5,598	5,907	5,748	6,233	5,764
Jan	5,497	5,607	5,489	5,708	5,725
Feb	5,180	5,050	4,790	5,207	4,975
Mar	5,751	5,327	5,338	5,410	5,478
Apr	4,966	5,052	4,886	5,280	5,296
May	5,716	5,179	5,202	5,462	5,896
Jun	<u>5,892</u>	<u>5,394</u>	<u>4,915</u>	<u>5,689</u>	<u>5,810</u>
Total	<u><u>66,719</u></u>	<u><u>65,408</u></u>	<u><u>63,815</u></u>	<u><u>67,446</u></u>	<u><u>68,119</u></u>

A megawatt hour is 1000 Kilowatt hours, and a kilowatt hour is a unit used to measure electrical usage.

Source: City of Healdsburg - Utility Department

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
15,927	16,258	17,714	16,315	17,445
15,941	17,417	15,742	16,545	16,262
15,332	14,856	14,970	16,820	13,207
12,606	11,768	13,657	12,778	15,572
13,089	11,688	11,953	12,639	11,926
12,490	12,307	12,739	12,700	11,630
12,082	12,156	12,741	12,610	12,172
11,966	11,901	11,836	12,214	11,729
11,466	11,958	11,683	11,343	11,039
11,823	11,590	11,699	11,890	11,926
11,464	14,900	16,766	17,156	15,228
<u>14,172</u>	<u>14,700</u>	<u>16,971</u>	<u>15,800</u>	<u>17,741</u>
August	August	July	May	June

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>
5,865	6,442	5,631	6,344	6,100
6,113	6,679	7,174	6,814	6,822
5,724	6,072	7,344	6,501	6,198
5,286	5,990	5,486	6,249	6,215
4,171	5,619	4,327	6,003	5,737
5,892	6,169	6,278	6,322	6,297
5,971	6,111	5,983	6,333	6,391
5,412	5,441	5,394	5,576	5,468
5,805	5,905	5,727	5,771	5,856
5,509	5,450	5,535	5,471	5,765
5,483	6,121	6,102	6,243	6,132
<u>5,971</u>	<u>6,032</u>	<u>6,073</u>	<u>6,139</u>	<u>6,505</u>
<u><u>67,202</u></u>	<u><u>72,031</u></u>	<u><u>71,054</u></u>	<u><u>73,766</u></u>	<u><u>73,486</u></u>

CITY OF HEALDSBURG
 SCHEDULE OF PROPORTIONAL SHARE
 NCPA DEBT SERVICE

Bond Year	Hydroelectric 1998 Rfdg Series A	Geothermal 1998 Rfdg Series A	Transmission 1989 Ref. Series A	Comb. Turbine 1989 Ref. Series A	Total Debt Service	Bond Year
1	544,556	2,036,351	62,987	154,516	2,798,410	1
2	545,005	2,095,209	60,462	149,437	2,850,113	2
3	545,403	2,052,726	60,362	149,226	2,807,717	3
4	545,989	2,014,254	60,196	149,319	2,769,758	4
5	546,375	1,128,728	60,569	149,256	1,884,928	5
6	552,670	1,076,679	60,301	149,313	1,838,963	6
7	552,649	113,218	60,516	149,303	875,686	7
8	552,533	1,033,322	60,331	149,325	1,795,511	8
9	658,783	1,082,973	60,270	149,215	1,951,241	9
10	658,800		5,022	12,434	676,256	10
11	658,777				658,777	11
12	658,825				658,825	12
13	658,817				658,817	13
14	658,808				658,808	14
15	658,809				658,809	15
16	658,847				658,847	16
17	658,810				658,810	17
18	658,798				658,798	18
19	658,837				658,837	19
20	658,782				658,782	20
21	658,826				658,826	21
22	658,779				658,779	22
23	381,797				381,797	23
24	381,756				381,756	24
25	381,739				381,739	25
26	381,714				381,714	26
27	381,731				381,731	27
28	381,792				381,792	28
29	381,755				381,755	29
30	381,746				381,746	30
TOTAL	<u>\$ 16,662,508</u>	<u>\$ 12,633,460</u>	<u>\$ 551,016</u>	<u>\$ 1,361,344</u>	<u>\$ 31,208,328</u>	

FIGURES REPRESENT GROSS ANNUAL DEBT SERVICE.

Source: NCPA Financial Advisory Report

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CITY OF HEALDSBURG
 HEALDSBURG COMMUNITY REDEVELOPMENT AGENCY
 SOTOYOME REDEVELOPMENT PROJECT AREA
 TAXABLE VALUE AND TAX INCREMENTS
 FOR FISCAL YEARS ENDED JUNE 30, 1993 THROUGH 2002

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Total Assessed Valuation (Gross)	\$ 358,329	\$ 378,702	\$ 391,898	\$ 399,303	\$ 405,026	\$ 413,121
Net Secured	321,590	338,107	352,601	361,192	366,872	378,356
Net Public Utility	1,691	1,655	1,845	1,345	1,381	-
Net Unsecured	28,015	31,761	30,254	29,539	29,519	27,538
Exemptions	(7,032)	(7,177)	(7,194)	(7,225)	(7,254)	(7,227)
Total Assessed Valuation (Net)	351,297	371,524	384,701	392,077	397,772	405,894
Gross Tax Increment	2,603,958	2,762,758	2,885,571	2,970,700	3,001,463	3,148,209

Source : Finance Department

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$	436,239	\$ 473,223	\$ 514,651	\$ 566,710
	396,553	420,831	454,487	504,194
	-	-	-	-
	32,431	45,144	52,959	55,391
	(7,255)	(7,248)	(7,205)	(7,125)
	428,984	465,975	507,446	559,585
	3,495,808	3,849,868	4,322,409	4,725,371

CITY OF HEALDSBURG
 HEALDSBURG COMMUNITY REDEVELOPMENT AGENCY
 SOTOYOME REDEVELOPMENT PROJECT AREA
 TAX INCREMENT / TAX REVENUES
 FOR FISCAL YEARS ENDED JUNE 30, 1993 THROUGH 2002

<u>Fiscal Year</u>	<u>Gross Increment</u>	<u>Pass Thru to County</u>	<u>Pass Thru ERAF</u>	<u>Low/ Moderate Set - Aside</u>	<u>Net Increment to Agency</u>
1993	\$ 2,603,958	\$ 495,969	\$ 332,931	\$ 526,997	\$ 1,248,061
1994	2,762,758	549,695	96,955	553,266	1,562,842
1995	2,885,571	584,490	96,978	577,114	1,626,989
1996	2,970,700	615,603	-	594,140	1,760,957
1997	3,001,463	626,285	-	600,293	1,774,886
1998	3,148,209	661,687	-	629,642	1,856,881
1999	3,495,808	736,221	-	699,162	2,060,425
2000	3,849,868	837,550	-	769,918	2,242,400
2001	4,322,409	958,585	-	864,538	2,499,286
2002	4,725,371	1,045,140	-	945,074	2,735,157

Source: Finance Department