

347  
ANNUAL REPORT OF  
FINANCIAL TRANSACTIONS

Concerning

*Cities of California*

*Fiscal Year 1967-68*



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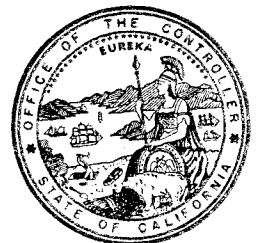
Railroad "buffs" make a holiday of the ride through northern California giant redwoods on the California Western's steam "Super Skunk" between the cities of Fort Bragg and Willits. *(Photo courtesy of the Redwood Empire Association)*

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**HOUSTON I. FLOURNOY**  
State Controller

## NOTE

The information listed herein has been extracted from reports prepared by city fiscal officers; such reports, in most instances, are not subject to audit by the State Controller.

A comprehensive analysis of revenues and expenditures as to comparability of cities is of questionable validity without due consideration to the existence of variations in accounting methods and practices as well as qualitative and quantitative differences in services rendered. In an analysis of that type, it is advisable that referral be made to the cities involved for determination if such factors might have a bearing on the material under consideration.

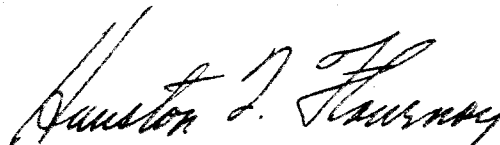
In cooperation with the League of California Cities, the California Society of Certified Public Accountants and many city fiscal officers, this issue as well as the ones for the nine preceding fiscal years represents a major revision in the annual reporting of city financial transactions. Due to the revision this report is not comparable in many aspects to reports pertaining to periods prior to Fiscal Year 1958-59.

The classifications and titles follow the basic pattern of the "Chart of Accounts for California Cities" prepared by the California Committee on Municipal Accounting. Where applicable the definitions of accounts are as defined by the National Committee on Governmental Accounting.

## FOREWORD

Reconstruction, reappraisals, expanding boundaries and the creation of new cities have tended to maintain a relatively constant ratio between the assessed valuation within cities to that of the state as a whole.

Nearly 30 years ago, some 65% of the assessed valuation of the state was concentrated within 284 cities; currently, although the number of cities in the period under review is now 401, this percentage has only changed to approximately 70%.



HOUSTON I. FLOURNOY  
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## INTRODUCTION

At the close of the fiscal year ended June 30, 1968 California cities numbered 401. The cities, exclusive of city-owned enterprises and bond funds, received revenue of \$1,877,978,751 and expended \$1,792,368,628 for cost of government.

During the same period, city-owned enterprises consisting of such services as water, electricity, gas, sewers, airports, bus systems, harbors, cemeteries, hospitals, parking districts and housing received income of \$687,491,286 and incurred expenses of \$535,565,604; in addition, these enterprises also expended \$132,608,060 for capital outlays.

Also for the same period the aggregate expenditures from bond funds of cities and city-owned enterprises amounted to \$248,408,964.

General city revenue of \$1,877,978,751 represented an increase of \$207,276,318 or 12 percent over that of the previous year.

### GENERAL CITY—REVENUE

	1966-67	1967-68	Increase
Taxes			
General Property Taxes -----	\$573,753,156	\$609,608,121	\$35,854,965
Franchise Taxes -----	16,762,681	16,768,258	5,577
Sales and Use Taxes -----	292,023,893	322,819,753	30,795,860
Other Non-Property Taxes -----	32,701,750	38,538,576	5,836,826
Licenses and Permits -----	85,626,346	91,060,018	5,433,672
Fines and Penalties -----	54,203,980	55,000,929	796,949
Use of Money and Property -----	71,682,923	73,165,641	1,482,718
From Other Agencies -----	298,694,585	388,088,143	89,393,558
Current Service Charges -----	155,723,578	177,497,292	21,773,714
Other Revenue			
Sale of Property -----	8,819,728	10,850,618	2,030,890
From City-Owned Enterprises -----	63,993,912	67,607,253	3,613,341
From Non-Governmental Sources -----	391,084	1,237,483	846,399
Other -----	16,324,817	25,736,666	9,411,849
<b>Total -----</b>	<b>\$1,670,702,433</b>	<b>\$1,877,978,751</b>	<b>\$207,276,318</b>

### GENERAL CITY REVENUE—AS A PERCENT OF THE TOTAL

	1966-67	1967-68
Taxes		
General Property Taxes -----	34.34	32.46
Franchise Taxes -----	1.00	.89
Sales and Use Taxes -----	17.48	17.19
Other Non-Property Taxes -----	1.96	2.05
Licenses and Permits -----	5.13	4.85
Fines and Penalties -----	3.24	2.93
Use of Money and Property -----	4.29	3.96
From Other Agencies -----	17.88	20.66
Current Service Charges -----	9.32	9.45
Other Revenue		
Sale of Property -----	.53	.58
From City-Owned Enterprises -----	3.83	3.60
From Non-Governmental Sources -----	.02	.07
Other -----	.98	1.37
<b>Total -----</b>	<b>100.00</b>	<b>100.00</b>

General city revenue from locally imposed taxes amounted to \$987,734,708 or nearly 53 percent of the total. The second largest source of funds was from federal, state and county governments which aggregated \$388,088,143 or approximately 21 percent of the total.

The majority of grants received from other governmental agencies are restricted as to purposes for which they may be expended. The motor vehicle in lieu tax may be used only for law enforcement, regulation and control of highway traffic and any other state purpose. Gasoline tax grants may be expended only for the construction and maintenance of streets, roads, and highways and the acquisition of rights-of-way. For the most part, federal and county grants are reserved exclusively for specific purposes. As the city of San Francisco also performs the function of a county government the revenue structure for that city includes approximately 60 million dollars from state and federal sources for county purposes.

### REVENUE FROM OTHER GOVERNMENTAL AGENCIES

	1966-67	1967-68
Trailer Coach Licenses .....	\$1,366,637	\$1,491,496
Alcoholic Beverage Fees .....	8,969,870	9,840,500
Vehicle in lieu Taxes .....	93,465,497	97,518,416
Gasoline Taxes .....	165,234,563	136,569,658
Cigarette Taxes .....	--	39,832,172
Other State Grants .....	30,315,357	30,089,550
County Grants .....	21,259,659	24,532,718
Federal Grants .....	36,979,077	47,549,006
Other in lieu Taxes .....	1,106,895	664,627
Total .....	\$298,694,585	\$288,088,143

Another segment of city revenue which is restrictive in use pertains to money received from fines and forfeitures as a result of violations of the State Vehicle Code. Specifically, such money may be used only for "traffic signs, signals and other traffic control devices, the maintenance thereof, equipment and supplies for traffic law enforcement and traffic accident prevention, and for the maintenance, improvement or construction of public streets, bridges and culverts within such city, but such fund shall not be used to pay the compensation of traffic or other police officers."

### FINES AND PENALTIES

	1966-67	1967-68
Vehicle Code Fines .....	\$41,866,336	\$42,519,960
Other Court Fines .....	11,010,885	12,270,970
Other Penalties .....	1,327,759	209,999
Total .....	\$54,205,980	\$55,000,929

Many city-owned enterprises have been financed for acquisition and improvement purposes through the issuance of bonds, a number of such bonds being purely revenue, i.e. the debt service to the bondholder is dependent (insofar as the bond agreements are concerned) solely on the sufficiency of revenue generated by the enterprise.

Another large segment of bonds for enterprise purposes are also self-liquidating from enterprise revenue; however, such bonds which are also secured by an unlimited property tax authorization are considered as general obligation bonds of the city. In the case of the latter, the debt service amounts provided by the enterprise for such bonds are considered as a revenue contribution from the enterprise and a subsequent general city expenditure for debt service. Of the total revenue received by the city as contributions from enterprises it is estimated that approximately one-half is considered as being within this category.

During the year under review, chartered cities which had levied a tax on cigarettes phased that tax out in favor of a new cigarette tax levied and collected by the state and shared with all cities; the amount reported under "Other Non-Property Taxes" represents collections for the period prior to the cancellation of such tax. Many cities levy a tax on the occupancy of a room in any lodging. This tax more commonly known as a hotel-motel bed tax does not apply if the period of occupancy is for more than 30 days. In the last six months of the year being reported, revenue was derived from a tax on the sales of real property; the rate being \$0.55 per \$500 of sale value. If the situs of the sale is in unincorporated area or within a city which has not enacted such a tax, all of the proceeds accrues to the county. Where the situs of the sale is within a city which has also enacted the tax, the proceeds are shared equally by the city and the county.

### OTHER NON-PROPERTY TAXES

	1966-67	1967-68
Room Occupancy Tax .....	\$11,231,778	\$14,294,549
Cigarette Tax .....	13,673,667	16,706,933
Property Transfer Tax .....	--	1,559,949
Other .....	2,731,216	11,589,115
Total .....	\$27,636,661	\$28,538,576



PROPERTY TRANSFER TAXES

Alameda	\$6,194	Davis	1,864	Lawndale	2,089
Albany	1,467	Delano	516	Lemoore	466
Alhambra	5,508	Del Mar	933	Lincoln	35
Alturas	120	Del Rey Oaks	95	Live Oak	64
Alviso	145	Desert Hot Springs	1,269	Livermore	5,264
Anaheim	21,719	Dinuba	275	Livingston	103
Anderson	370	Dixon	482	Lodi	2,673
Angels	8	Dos Palos	145	Long Beach	35,857
Antioch	3,388	Downey	7,487	Los Altos	6,492
Arcadia	44,237	Duarte	1,656	Los Altos Hills	1,777
Arroyo Grande	631	El Cajon	7,674	Los Angeles	325,998
Artesia	989	El Centro	1,432	Los Banos	711
Arvin	111	El Cerrito	1,890	Los Gatos	5,184
Atherton	2,837	El Monte	5,288	Loyalton	1
Atwater	561	El Paso De Robles	702	Lynwood	2,540
Auburn	421	El Segundo	2,486	Madera	924
Avalon	187	Emeryville	917	Manhattan Beach	7,958
Azusa	3,293	Escalon	120	Martinez	2,793
Bakersfield	5,534	Escondido	6,713	Marysville	740
Baldwin Park	5,355	Eureka	1,393	Maywood	696
Banning	863	Exeter	283	McFarland	102
Barstow	1,367	Fairfax	939	Mendota	39
Beaumont	392	Fairfield	3,402	Meno Park	5,999
Bell	1,583	Farmersville	79	Merced	1,971
Bellflower	2,907	Fillmore	250	Millbrae	4,973
Bell Gardens	1,165	Firebaugh	39	Mill Valley	1,693
Belmont	5,116	Fontana	1,658	Milpitas	6,909
Belvedere	882	Fort Bragg	423	Modesto	5,720
Beverly Hills	17,455	Fortuna	161	Monrovia	2,510
Biggs	20	Fountain Valley	8,477	Montclair	2,474
Bishop	274	Fowler	56	Montebello	4,218
Blythe	251	Fremont	11,965	Monterey	3,816
Bradbury	226	Fresno	13,901	Monterey Park	3,737
Brawley	1,131	Fullerton	13,273	Monte Sereno	640
Brea	3,404	Galt	48	Morgan Hill	859
Brentwood	121	Gardena	3,571	Morro Bay	459
Brisbane	579	Garden Grove	12,896	Mountain View	8,313
Buena Park	9,159	Gilroy	1,088	Napa	2,196
Burlingame	5,923	Glendale	16,375	National City	2,563
Cabazon	107	Glendora	4,528	Needles	232
California City	2,067	Gonzales	155	Nevada City	143
Calipatria	56	Grass Valley	305	Newark	4,020
Calistoga	86	Greenfield	48	Newman	133
Camarillo	3,656	Gridley	140	Newport Beach	10,013
Campbell	4,490	Grover City	234	Norco	1,828
Capitola	927	Guadalupe	100	Norwalk	6,897
Carlsbad	1,619	Half Moon Bay	781	Novato	5,971
Carmel	1,682	Hanford	895	Oakdale	727
Carpinteria	1,386	Hawaiian Gardens	405	Oakland	37,938
Carson	2,391	Hayward	9,193	Oceanside	5,845
Cerritos	7,841	Healdsburg	344	Ojai	612
Chico	1,511	Hemet	1,846	Ontario	7,231
Chino	2,844	Hercules	63	Orange	10,682
Chowchilla	118	Hermosa Beach	2,487	Orange Grove	66
Chula Vista	8,084	Hillsborough	4,280	Orland	166
Claremont	3,351	Hollister	412	Oxnard	4,682
Cloverdale	100	Huntington Beach	28,104	Pacifica	6,655
Clovis	1,093	Huntington Park	1,983	Pacific Grove	1,596
Coachella	478	Imperial Beach	8,106	Palmdale	2,046
Coalinga	215	Indian Wells	1,601	Palm Springs	7,721
Colfax	19	Indio	2,025	Palo Alto	9,955
Colusa	199	Inglewood	7,732	Palos Verdes Estates	3,726
Commerce	4,645	Ione	53	Paramount	2,802
Compton	7,135	Isleton	2	Parlier	20
Concord	11,535	Jackson	105	Pasadena	16,353
Corcoran	217	Kerman	53	Patterson	237
Corona	5,057	King City	308	Petaluma	3,409
Coronado	3,518	Kingsburg	280	Pico Rivera	4,004
Corte Madera	1,368	Laguna Beach	5,510	Pinole	1,999
Costa Mesa	9,942	La Habra	3,847	Pismo Beach	390
Cotati	126	Lakewood	6,066	Pittsburg	1,804
Covina	4,986	La Mesa	4,961	Placentia	4,379
Cudahy	558	La Mirada	3,223	Placerville	382
Culver City	5,864	La Palma	3,335	Pleasant Hill	3,376
Cupertino	9,764	La Puente	2,997	Pleasanton	5,599
Cypress	7,451	Larkspur	1,588	Plymouth	17
Daly City	7,168	La Verne	2,345	Point Arena	17